



VINNARE 2019
PUBLISHINGPRISET

P

ÅRSREDOVISNING
2019

ÅRSREDOVISNING

2019

KF Fastigheter

VÄLKOMMEN TILL

VÅR GÅRD

VI GÅR
FRAMÅT
TILLSAMMANS



Our world

This is what KF's world looks like in illustrator Mattias Lundin's interpretation. Our Farm as a central destination with a proud history. A green and sustainable Coop with the Änglamark brand as an obvious signal - and the acquisition of Netto as this year's big event. KF Fastigheter that continues to enhance

its land holdings. MedMera Bank, which is undergoing a transformation and is focusing on its savings and loans business. And not least Vi Media, which is in the middle in a digitisation journey, where readers of the magazine Vi can now listen on all content.

Welcome to our world!



Tommy Ohlström, Chairman

A long-term offensive

IT'S TIME TO SUM UP AN EVENTFUL 2019 YEAR Marked by aggressive initiatives and investments, which have an impact on our results.

Reporting a negative result is never something you want, especially when I know what we can achieve. But in the rapid transition that the grocery industry is now undergoing, it is also important to look beyond the current challenges and have a longer-term strategy that will make us stronger in the long term. I think we have that now, and the investments we have made during the year are 2019 part of that strategy.

The big event of the year was the purchase of Netto. Our strategy was to increase our turnover by SEK 5 billion in four to five years. Thanks to the Netto deal, this increase in sales will already be 2020.

Why is this important, one might ask. With greater volumes comes a better ability to negotiate prices. Lower prices mean more sales in the shops. We need to lower prices

By
pull in the
same
direction,
we will
reach
decisions
faster.

sammans. Cooperation is the foundation on which the whole cooperation rests. Through pulling in the same direction, we reach decisions faster, do better business and create greater benefits for our members.

FINALLY A FEW WORDS about the world we operate in, which can feel more unpredictable than it has for a long time. The mild analysis of economic developments points to an economic slowdown. It is not entirely unlikely that it is more of a decline. There is a risk of rising unemployment and continuing widening class divisions. We have an important

Other companies

...
CBS, Coop Butiker & Stormarknader, delivers a fantastic result in existing stores. Alongside that work, they are tasked with setting up 15-20 new stores a year - and converting five Net stores a week to Coop.

MEDMERA BANK has taken on a new role and become a more a pure bank that is important for retail lending.

KF PROPERTIES have valuable assets and will not sell the land as early in the future, but will remain in certain projects and thus create a long-term increase in value.

role to play here. I would like to see us use our purchasing power to - for example - create a fantastic range of organic baby food at good prices, so that everyone can afford to buy. Good food should

not be a class issue. That's where we in the cooperative can lead the way. □
TOMMY OHLSTRÖM, Chairman of the Board, KF

OUR WARD is doing a fantastic job, but faces major challenges in to maintain its position in the market.

VI MEDIA has been on a rapid digitisation journey. Now engaging existing subscribers and attracting new ones to digital.

”



När Netto blev Coop.

22

6 IMAGE

They received the Angel Award for the world's best snack.

55

9 EMPLOYEES

What do a lawyer, a journalist and a chef have in common?

24 THE PRESIDENT HAS THE FLOOR

Her career began as a store manager for a rugged Consumption in the suburbs. 2019 Marie Nygren took over as CEO of KF. Who is she and where does she want to take KF?

36 BYGGLOV

KF Fastigheter plays one of the main roles in one of Gothenburg's largest urban building projects ever - at Backaplan - is taking shape.

52 DURABLE WHOLE

Charlotta Szczepanowski, Coop's sustainability manager, reminds us that sustainability work is not symbolic pixies, but a whole. She has initiated over 90 different sustainability activities and projects.

55 DEVELOPMENT TALKS

What challenges unite the different activities of the CF? We brought together seven CEOs - from a wide range of sectors - to talk about profitability, leadership and what initiatives will bear fruit.

44 Local success

SUCCESS can be measured in different ways, but often customer satisfaction and financial success are closely linked. Join two award-winning

Coop stores that seem to do everything right.

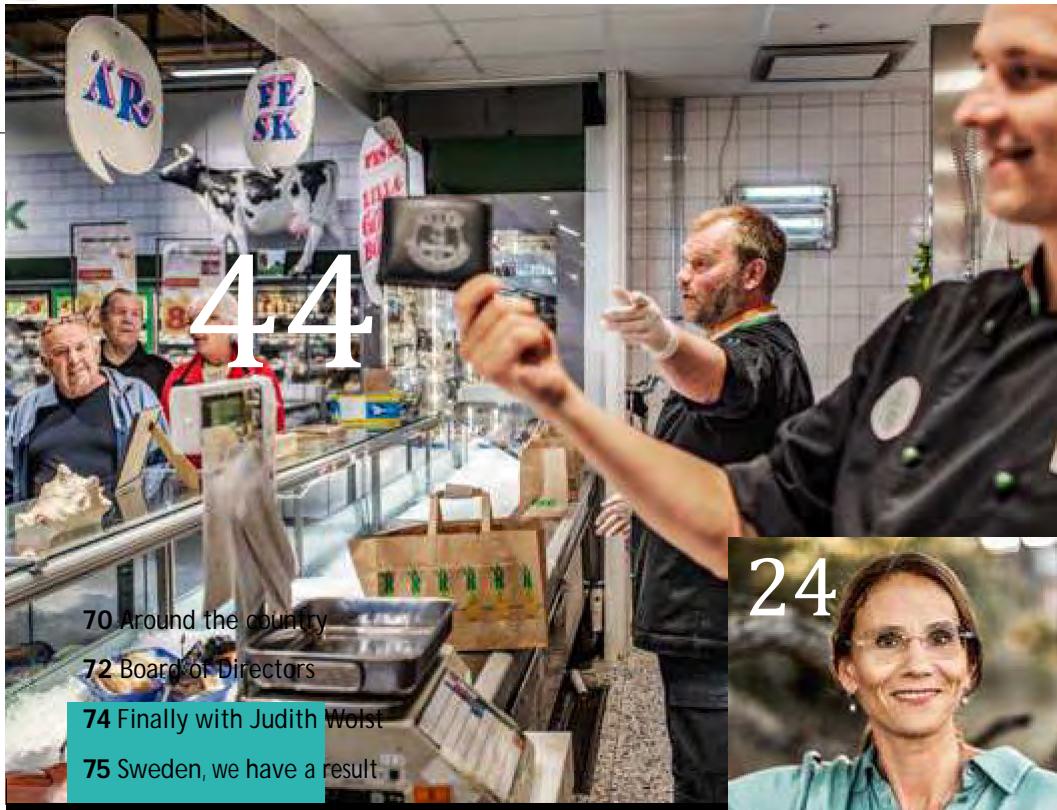
3



0

30 The circus shop of the future

PHYSICAL commerce is changing rapidly. How will technology and people meet in tomorrow's shops? Researcher Malin Sundström sees the store as an amusement park, a place for entertainment.



24







When the sea came to life

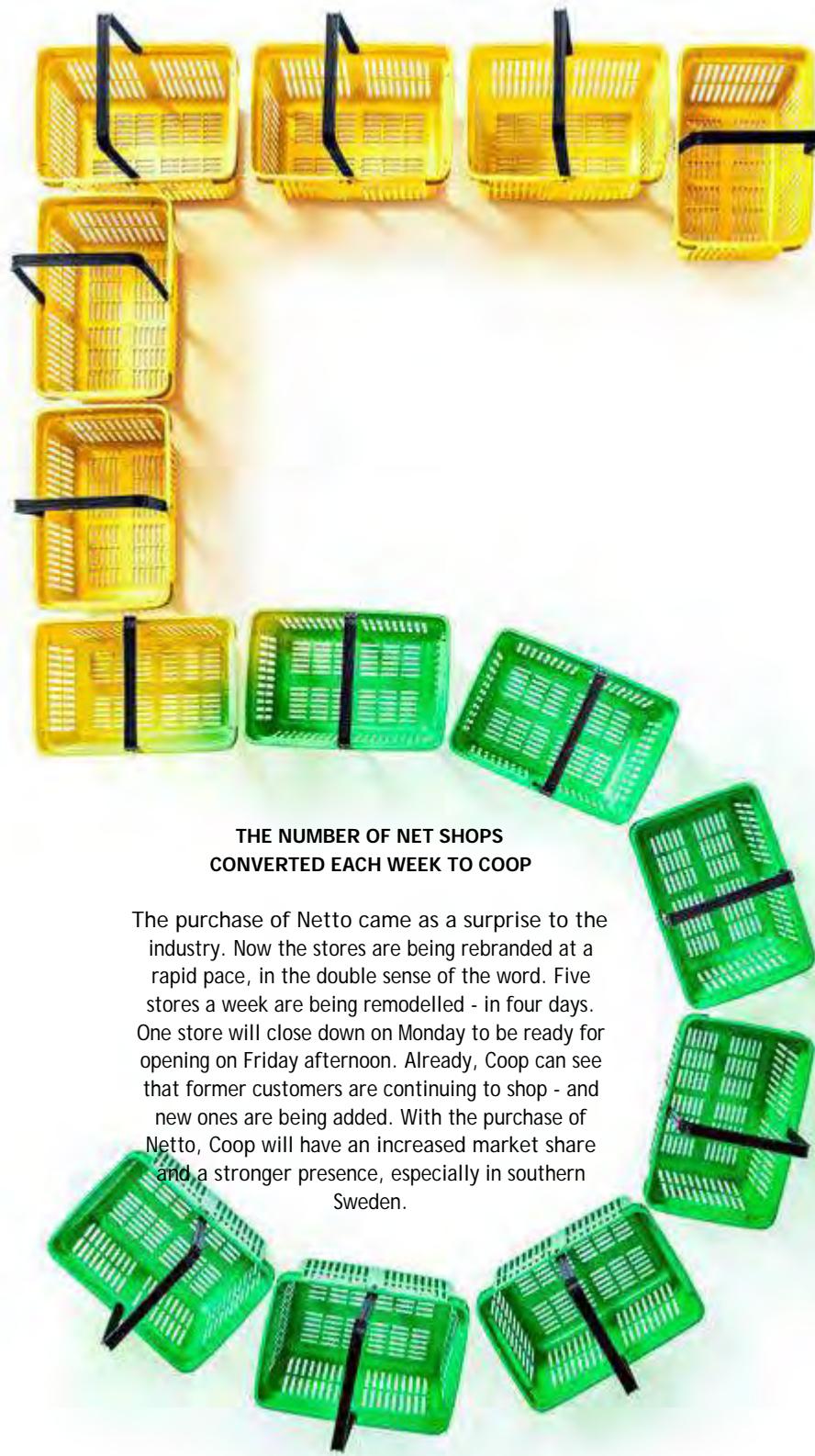
FROM HAVSTENSSUND in Bohus oysters were once shipped to the Grand Hôtel and the Opera House in Stockholm. But then eutrophication led to reduced fishing and fewer oysters. That's when Mathias Svensson, a lifelong fisherman, and his partner Ulrika Lorensson decided to do something about it. Would it be possible to grow oysters completely naturally?

- I saw where it was going. For me, the environment and sustainability have always been important, maybe it will be so in a small community that relies on what the sea provides," Mathias tells Coop's member magazine *Mer Smak*.

It has taken patience and creativity to develop a new technology in which the entire cultivation process then takes place naturally in the sea, without adding food, energy or antibiotics. In the end, Mathias and Ulrika succeeded and now In 2019, they were awarded the Änglamark Prize, which is given each year to a company, organisation or individual that reflects sustainable food enjoyment and stands for valuable contributions to the Swedish environment and ecology.

- Oysters are actually the best snack in the world, says Ulrika.

PHOTO NICKE JOHANSSON



Sustainable & profitable



JIM the lawyer has a key role to play when Netto becomes Coop. MARIA makes sure the group complies with laws and regulations. JOSEFIN is responsible for the digital initiative that will take the centenary newspaper *Vi* into the future. KARIN reduces food waste and hosts a party at Vår Gård. THERÉSE spreads food joy in Coop's stores - and CECILIA secured KF's history for posterity when she project-managed the move of KF's archives. One thing they have in common: contributing, together with their colleagues, to a sustainable and profitable company.

*texter HENRIK EKBLOM YSTÉN
photo CASPER HEDBERG*





employee of the year

Ka rin

Cook, Vår Gård

Su nd

gr

en

MY COLLEAGUE Karin Lindberg and I stood in the kitchen one evening and talked about how we wanted to push sustainable cooking, and we would have evenings where we would serve dishes made from leftover ingredients. Our boss gave us a free hand if we did the rolling ourselves. We contacted the Coop in Täby, which offered to pick up goods they would otherwise have thrown away. After two rounds, we were able to make eleven dishes for 60 people. Of course it's sad that so much is thrown away, but as it is, it feels good to do something with it.

The reaction from guests to what we called 'No Waste, Just Taste' was positive. One of them was a publisher and asked me to do a cookbook on food waste. And so it was published in the spring 2020.

I started working as a chef quite late, training at the age of 24, and by then the discussion about organic food had started. I became interested in what more could be done for the environment and started, for example, to count how much the oven in the kitchen where I worked was consuming. This was not always popular but you had to be a bit clever; I also weighed

in how much money the restaurant should save on two small ovens instead of keeping the big one running all the time. Then it was easier to get the message across. Since then, my interest in sustainability has only grown and it got an extra boost when I worked for several years with Paul Svensson at Fotografiska in Stockholm.

Two and a half years ago, I started working at Vår Gård in Saltsjöbaden. In the industry, it is becoming more common for chefs to flee big cities and busy restaurants to work in course and conference hotels, where there is time for creativity. It was also the reason—one for me, because a few years ago I hit the wall. Now I work 85 percent and enjoy it, especially since I'm doing the cookbook at the same time. Because sustainability is not just about food, it's about us



who fixes it." □

employee of the year

Content manager vi.se

Job se fin oi ev ik

"In conjunction with the 2019 Book Fair, we launched the new vi.se. Everything we post on the site is now available for reading and listening, accessible to all members. Basically, it's another way to access the journalism we've been doing for over 100 years. The reason we have been around for so long is of course that we have been constantly evolving, otherwise you can't stay relevant. Now we're showing that it's possible to tell good stories in more than one way.

Not everything online has to be done at a fast pace. On vi.se, there is a calm despite being a digital place. We don't post too many texts at a time and the site is free of advertising and push notifications. Visitors should be able to get away from the noise for a while.

For those of us who work with this, the change has been inspiring, not least because we get to read all the articles ourselves. The editorial team now has its own studio and we have received professional in-house training from established actors.

Jonas Karlsson, Katarina Ewerlöf and Reine Brynolfsson. It has been instructive. I've always been secretly in love with radio and it's fun to use my voice, not just my pen. Reading text aloud also gives me as an editor new eyes on the written word; some texts are better than I experienced them when I read them silently to myself, others surprise me by being more complicated than I thought.

For me, it has also been a good way to take on new developments. I guess I'm a bit of a typewriter romantic, I like to have time to think before I publish. But now digitisation has gone so far that the worst of the click hysteria has passed. I think our site is a sign of that. Just take the possibility of giving Vi texts from the past, by Karin Boye and Astrid Lindgren, a new look by reading them in our own studio and then putting a cut-

themselves headline in social media. It could be so cool! It's made me, not exactly an *early adopter*, realise that quality journalism can be refined with the help of new technology. I've just *flown the plane* in it □ I guess



NAME: Josefin Olevik.

AGE: 42.

PLACE OF RESIDENCE:
Bagarmossen,
Stockholm.

FAMILY: A son of one year 7. **BACKGROUND:** Trained journalist, worked for many years as a freelance journalist focusing on culture, outdoors and travel. Has published two books: *Campingland* (2009) and *Den be-friade familjen* (2016). Since 2016 contributor to the





SMAKA PÅ
COOP



NAME: Therése Aldén.
AGE: 44.
RESIDENCE: Länna, south of Stockholm.
FAMILY: Husband and two children, and 11 years 9.
BACKGROUND: Worked for 15 years as a project manager in various industries before studying event management. That took place, resulting in an internship at Coop. Employed at Coop since 2017.
LEISURE: Hanging out with family and friends, preferably in the context of outdoor activities such as cross-country skating or

Project Manager, Taste of Coop

Ther

és

e

A

dé

"IN A CUSTOMER SURVEY 2017 asked for many tips on what could be served on the dinner table. That was the start of the Taste of Coop cooking event. By cooking in the shops, we wanted to create food joy and spread knowledge. The aim was to stimulate increased sales and even more satisfied customers. We wanted to cook from scratch, adapted to the seasons and with clear cooking steps to simplify everyday life for the people who shop in the stores. Taste of Coop would smell, inspire and take place.

It has been doing so for over two years now, and the concept has only grown. Today, all of the Big Coop are affiliated, as well as some 20 Coop stores. This means that Taste of Coop takes place in more than 20 stores nationwide, twice a week, 47 weeks a year. And each week with a new recipe developed by the Coop Test Kitchen under the supervision of chef Sara Begner.

Everything is tested and filmed so that the shop workers feel safe while preparing the food. These selected people, who we call food inspectors, also undergo training to ensure in-store implementation. The results have been successful. Customers stay longer in the store and buy more, while the event creates commitment and pride among staff.

One success factor is that it is the people who work in the shop who prepare the food. They know the customers best, and it is a benefit that the customers get to see the staff in new roles. The food inspectors should not be master chefs, but people with whom they can identify.

In fact, that's how it works for me, too. I test the recipes at home every week. And I have the toughest think-test panel: two kids who don't always love eating new things. Sometimes they surprise me by saying 'That's good!' That's as good a rating as I or

Taste the Coop get." □

Head of Establishment and Projects, Head of Legal, Coop Stores & Supermarkets

"WHEN I WAS ASKED to complementing his role as a lawyer by also being the head of establishment at CBS in the spring, CEO Christian Wijkström clarified the 2019 statement: 'Now you can't just be a tired lawyer anymore.'

I understand what he meant. As a corporate lawyer, you often end up in a supportive role, providing advice at a given time, but you are never the one driving the deal. I had also felt for a long time that I wanted to get closer to the operational work. I really get to do that now.

The challenges are many and exciting. We are in an era of changing purchasing behaviour. *One stop shop*, where you take your car to the supermarket once a week to fill

la la the shopping cart, is on its way out. Therefore, updating our retail network and making it more modern is a key issue.

In addition, of course, much of the work right now is about moving from yellow to green shops. The actual purchase of Netto I was involved in

in during my time as general counsel, and I'm delighted that I now have the opportunity to take over the baton in the actual process of turning Netto into Coop. In the autumn, work started and from the turn of the year onwards, we went full steam ahead with the ambition to convert five stores a week. One store takes four days to convert, closing on Monday and opening on Friday afternoon.

These are fast moves and in the light of that I have to agree with Christian, this is no time to be a tired lawyer. At least not only. Because basically I still feel like a rather square person, as a lawyer should be. I don't see myself as a creative brainchild, but I try to contribute in other ways. Like being solution-oriented ... and

thick the board, for that it's just a when I

NAME: Jim Törnroth.

AGE: 36.

FAMILY:

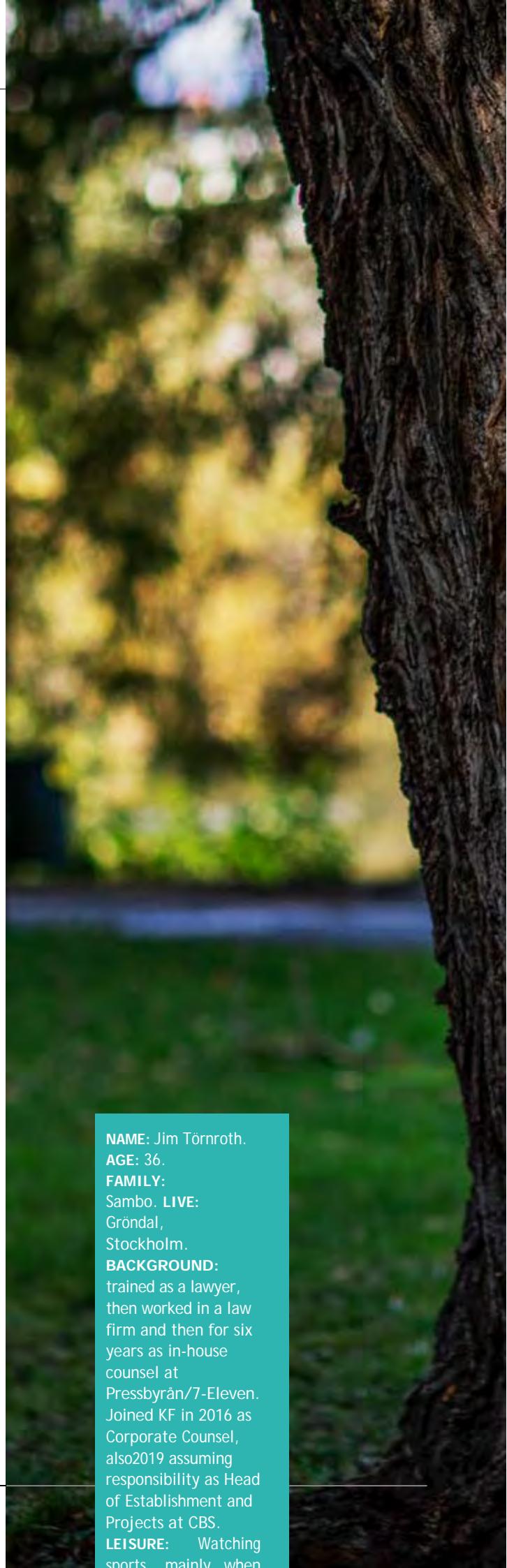
Sambo. **LIVE:**
Gröndal,
Stockholm.

BACKGROUND:

trained as a lawyer, then worked in a law firm and then for six years as in-house counsel at Pressbyrån/7-Eleven. Joined KF in 2016 as Corporate Counsel, also 2019 assuming responsibility as Head of Establishment and Projects at CBS.

LEISURE: Watching sports, mainly when

Ji
m
Tö
rn
ro







M

*Head of Compliance,
MedMera Bank*

ari

COMPLIANCE IS ABOUT compliance and a control function, independent and organisationally separate from the activity to be monitored. As the person responsible, I report to the bank's CEO and Board of Directors.

a

Br

at

tst

rö

Compliance is responsible for the laws, regulations and other rules that apply to the railway's licensable activities. These include the type of activities the bank can carry out, customer protection rules such as the duty to disclose information and bank secrecy, as well as ensuring that the bank has good internal governance and control, for example by ensuring that the business has appropriate internal governance documents to complement the existing regulatory framework. As a key functional officer, I also focus on the risk of the Bank being used for money laundering or terrorist financing.

Does that sound like a dirty job? It is not. Of course, one advantage is that I like to apply laws and regulations in a practical way. When I was a student, friends who were doing other studies would point out what an advantage we lawyers had in bringing the law book to exams. "You just look it up and read what it says," they said. But the fact is that legal texts are not exhaustive and must be interpreted in order to be put into practice. This is done by analysing preparatory works to the law, legal commentaries, EU directives and government regulations, and by taking into account current practice.

With many years of legal experience in the financial sector, I can provide advice that is appropriate for this particular business. Working in compliance doesn't have to mean donning the police hat and only reviewing after the fact to criticise what may have gone wrong. Instead, I try to be proactive and make recommendations along the way, to prevent failures from occurring. Being alongside, or even ahead of, the business has a good effect. I can honestly say that I learn something new every day at work.

Not everyone has that. □

NAME: Maria Brattström.
AGE: 57.
LIVES: Jakobsberg
FAMILY: Two daughters.
BACKGROUND:
Graduated in law 1984-1988. Subsequently worked at a law firm as a lawyer. 1996-2014 at SEB, first as a banking lawyer, then as Compliance Officer. 2014-2016 Head of Compliance Landshypotek Bank, then consultant in Governance, Risk and Compliance. Since January 2019 Head of Compliance at MedMera Bank.
LEISURE: Antiques and flea markets.

employee of the year

Project manager for the relocation of the archives and library of the KF

Cecilia Giannini

"I am DEFINITELY NOT one to choose things easily. At home, my husband has introduced the rule that if something goes in, something else goes out.

Fortunately, I find it easier to be more rational in my work, because the move of the KF archives and library from Slussen to the Centre for Business History, for which I have been project manager, has presented some challenges.

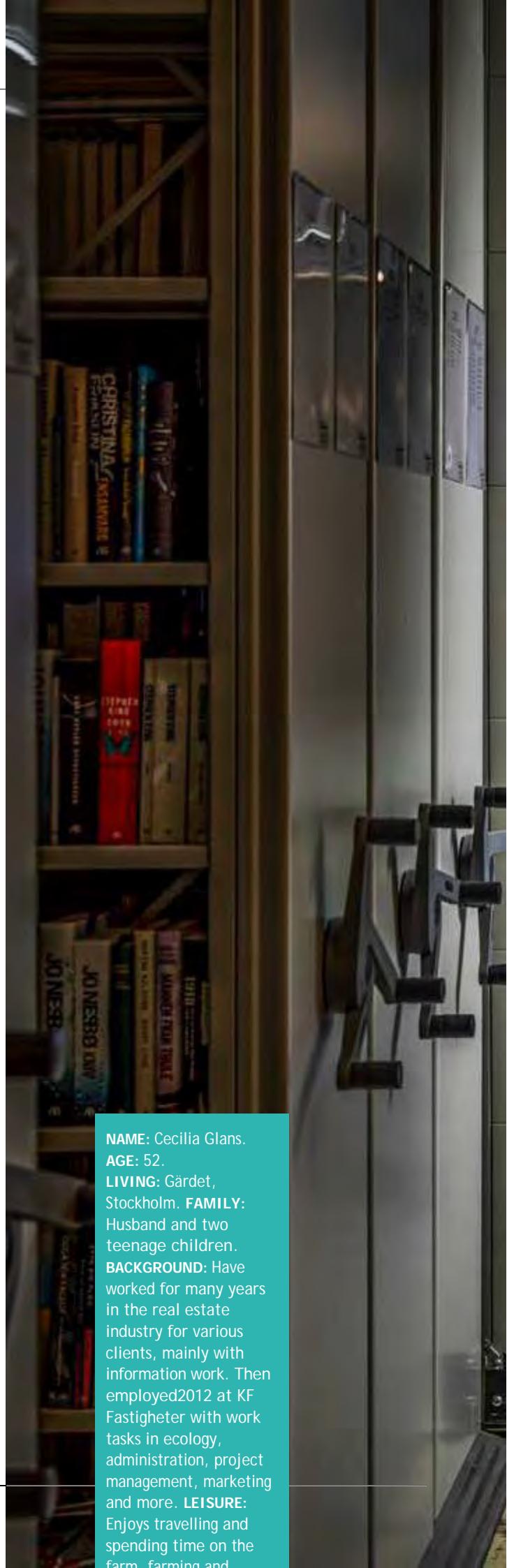
At Slussen we had huge spaces and as always when you have a lot of space it's easy to accumulate. Everything just couldn't fit in the move.

For me, it has been an exciting experience and a trip back in time. The gadgets we have brought back so many memories, at least for those who have filled I30. have been amused by old OBS bags, Bords Eve cartons, margarine, Goman products, Vinetta socks... And I will readily admit that I have been caught up in old photographs of grocery stores where the signage was absolutely fantastic, only to find that suddenly an hour has passed without me thinking about it.

For three weeks in October, the move took place. The trucks drove back and forth in shuttle traffic between Slussen and Bromma. By then I had dedicated myself to this project

for almost nine months. Much of what was in the archive had to be selected along the way. What is really KF history has of course been saved, but we also had a lot of things that *we happened to have in our stash*. However, it is important to point out that we have not thrown away more than necessary, but what has not gone with us to new premises we have been able to sell at auction, and some stuff has been moved to our head office in Solna.

What feels good about the move is that we have now secured all this history for posterity. At the Centre for Business History there is a whole organisation that can care for and pass on the legacy, and just as before, it will be accessible to researchers and others who are curious about the history of KF. It feels



NAME: Cecilia Glans.

AGE: 52.

LIVING: Gärde, Stockholm. **FAMILY:** Husband and two teenage children.

BACKGROUND: Have worked for many years in the real estate industry for various clients, mainly with information work. Then employed 2012 at KF Fastigheter with work tasks in ecology, administration, project management, marketing and more.

LEISURE: Enjoys travelling and spending time on the farm, farming and

good." □



Fast-paced transition

Since the acquisition of Netto was completed, it has been full speed ahead.

During the week, 2020 five stores are being converted to Coop. "The whole deal has shown a spirit of progress," says Christian Wijkström, CEO of Coop Stores & Supermarkets.

åndag morning, Vattenverksvägen in Malmö. The net store is closed but the activity inside is greater than ever. Out of the entrance, refrigeration systems and furniture

loaded into a container in the car park. A blue crane is also in place; old signs are taken down and new ones are put up on the facade.

Over a window section, a sign soon appears: "Netto has become Coop. Same low prices, much more food."

It's early September and the 2019 Malmö store is the first in what will be a nationwide transformation. Within the next year, 162 other stores will make the same journey and go from yellow to green.

The pace is, and will remain, high as it has been ever since the idea of over Netto took root.



FIRST CONTACTS with dance ka Salling Group, the owners of Netto, was taken on December 20 All 2018. took place under the greatest possible secrecy.

- When we saw the opportunity, we approached Salling Group on our own, says Christian Wijkström, CEO of Coop

Shops & Supermarkets. This meant that we had exclusivity in this from the very beginning, and no external stakeholder ever came in along the way.

Just four months later, the agreements were signed, declaring that Coop Butiker & Stormarknader had acquired Sweden's all Netto stores. And it attracted a lot of attention in the industry.

- We have met many investors along the way who have thought that we have done

A six-month long flying start

The deal goes through, which means that Coop takes over all of Netto's operations, including 2000 Net employees.

17 OKT The deal is approved by the Competition Authority.

2 NOV Coop formally takes over Netto's stores 163.



6 NOV The first three pilot stores, in Malmö, Falkenberg and Söllentuna, are transformed and open as Coop stores after four days of remodeling.

17 OKT Plan for laid 2020, with a view to complete 65 stores in the first quarter, around 50 in the second quarter and the rest after the summer.

1 NOV Additional shops undergo transformation in Tibro, Götene,

The fact that CBS even began to think... to take over Netto based on the ownership guidelines CBS is subject to. To strengthen its position as number two in Sweden, it needed to grow, and after probing both its own store network and the industry as a whole, it found a shortcut.

– With this deal we increase our market share by four percent units in southern Sweden and two percent if we look at the whole country. In monetary terms, we are spending SEK 5 billion in pre-sales on top of the business," says Christian Wijkström.

With the store in place, the only thing left to do was to turn Netto into Coop. In the autumn, it soft-launched with 16 stores, in the first quarter of 2020 another 65, and in the next three months it will take on about 50, completing the rest after the summer. The pace of work is high; five stores a week will be transformed, with one store closing down on Monday to be ready for opening as early as Friday afternoon, four days later.

– Everything must be ready before the end of December, because then we can no longer use the logo of Netto, says Christian Wijkström.

– We've been working on our residential near-stores for a long time because that's where we know the future is. In this respect, Netto's stores fit in well, further strengthening our proximity to customers.

AT VATTENVERKSVÄGEN in Malmö should- customers lined up on the red carpet rolled out as early as two o'clock on Friday afternoon, and once the doors opened, a hundred or so expectant visitors streamed into the venue.

CEO Christian Wijkström admits that things have moved quickly - both in terms of the takeover of Netto and the CBS

something really good," says Christian Wijkström. We've also found that Axfood and Lidl have been a little irritated that they didn't see the opportunity themselves. And even ICA would probably have been interested in acquiring at least parts of Netto. So we are proud that we succeeded, and that we managed to keep everything under the radar all the way to the finish.





"We are
something
to count

with "

Her career began as a store manager for a rough suburban Konsum. But her love affair with retail began long before that, when she sold butter knives in her parents' shop, dressed in

departed daughters.

Most proud of: "The good relationship between my daughters and me."

Marie Nygren

Age: 54.

Does: New CEO of KF since June 2019.

Background:
bachelor's
degree in
economics from
Stockholm
University (1989),
store manager for
Konsum (1991-
1992), responsible
for the franchise
activities of Gröna
Konsum (1992-
1999), CEO of Stor
& Liten1999 (-
2000),

Head of Co-op's
Pre-Sales

Department
2000(-2003),

CEO
for Apotek's
subsidiary

Adara2004 (-
2007). Now
most recently
Deputy CEO of
Systembolaget
(2007-2019).

Lives in Mörtnäs
on Värmdö.

Family: Husband
and two recently

t's a really cold day at Vår Gård. The wind is up down by the water, so the smoke in photographer Magnus' smoke mask is blowing in the wrong direction. The photographer's assistant mumbles something inaudible, the rest of us shudder. There is only one who seems really happy and unconcerned: Marie Nygren.

- It's refreshing!" she shouts happily from her position at the top of a cliff, dangerously close to the water.

She exudes a positive energy that is noticeable as soon as she enters a room. Two of her most used words during the afternoon are "top" and "power"- over and above the more expected "cooperation" and "profitability".

When she quit as vice president of Systembolaget, her boss said in a farewell speech: 'I don't know how you do it Marie, you just start going one way and everyone follows.'

Superlatives hail from former employees: "A great boss!" and "Really makes things happen!" are two common comments.

- I think it's about setting a good example. You can't say one thing and act contrary to it. Of course, everyone can make mistakes, but then you also have to be able to... admit it to be credible. If you believe in people, point them in the right direction and are clear about your expectations, then miracles can happen,' says Marie Nygren.

- who has just been involved in a successful change process.

- I have done exactly this kind of development work at another company. A few years ago, we sat in a meeting at Systembolaget and decided that we should become the best in Sweden at service. And we got there. But it took determination, focus and perseverance.

WHEN SHE ARRIVED at Systembolaget this year, the organisation was 2008 battered by the major bribery scandal that had been uncovered a few years earlier. She has experienced first-hand the importance of ethics and morality in the company, she says.

- You cannot be sloppy, you have to live your values and be an ethical and moral example. **In addition to the importance of ethics and morality, what experiences do you take away from the change work at Systembolaget?**

- That you have to get everyone on board. You need a common vision and good values that everyone lives

after. And you have to make people think it's fun. I'm also taking with me the work on the good customer experience, which has already been started here - but it can't just apply to the shop, it has to permeate the whole organisation. This means that either I meet the customer, or I work to make everyday life easier for those who meet

our customers and members.
It's not uncommon for business leaders to talk about change and values - but how do you get that to trickle down throughout the organisation?

— Spreading energy and vision and highlighting good examples goes a long way. Pretty soon you get more torches burning, which is incredibly powerful. The point is to get everyone to understand the power of the soft values, in meeting people.

WHEN ENGAGED PEOPLE change jobs, they often keep one foot in the previous company. When they lead sentences with "We usually do..." or "That's what we did last year", those around them are not sure which organisation they are referring to.

— For me it's kF and Coop for the whole lot! I am very loyal to the company I work with and give everything. I also involve the whole family, so now they all have their own Coop cards. They usually tease me about it and point out that it sounds like I'm running my own small business when I'm talking about giant corporations like Systembolaget or kF.

IT WAS JUST in a family business that Marie Nygren grew up. Her parents ran a furniture store on Hornsgatan in Stockholm with wooden furniture made of blue veneer, a super-trendy material in the early 1970s. The name of the shop was the quirky Trä-Inn and the top seller was none other than Marie's grandmother, Anna-Greta.

— I love being in retail with customers, and I loved it even then. I used to dance folk dances and I used to beg to stand in the shop in folk costume — and I listened to my grandmother talking to the children. She was an incredible salesperson, even customers who "just wanted to look" left satisfied with a new piece of furniture.

When Marie Nygren was six or seven years old, she asked to start selling herself, and she did. Perhaps butter knives rather than pinewood sofas, but still.

— I even had to make my own receipts and wanted

“
You have
to get
everyone
on board.

*From her successful
journey with
Systembolaget, Marie
Nygren takes away,
among other things,
the importance of a
common vision.*

always be there on Saturdays.

After finishing his studies in economics at university, it wasn't long before he became a trainee at KF - or "trä- nis" as they were then called. Bringing in university-educated young people and training them in the co-operative's systems was unusual, and Marie's group was attracted by the opportunity to become a Domus store manager within five years.

– Wow, I thought. But even as I was on my way to my first day as a trainee, the headlines were saying that Domus department stores would be closed. Instead, we would become store managers.

The training team quickly realised that having knowledge of fresh produce is the key to success in the grocery business.

So they filleted fish at the then fish factory, cut it up in the tank and stood at the cheese counter.

– I don't eat cheese, so I asked for the product binder and studied up on all the smoky and nutty flavours - and then I started selling cheese.

Marie Nygren made all the rookie mistakes, but after a year she still became store manager for Konsum in Örnsberg outside Stockholm. Today, Örnsberg is an attractive suburban area, but back then it was a very tough area, with a store that was

the last in



The Stockholm area to be digitised.
– The shop was so dirty and filthy! Customers were in and barking every day because there was missing merchandise. I had to roll up my sleeves and do everything: sit at the cash register, scrub the store, improve the selection, restructure and improve customer service.

At the appraisal meetings with colleagues, his shop was always last. But little by little, the numbers improved.

– I thought the others were so good, but I fought on. Now, in retrospect, I

understand what a great job I did and that the development curve was fantastic, but it didn't feel that way then. I didn't get any top results, right away.

After a year and a half, she was offered the opportunity to start the Coop franchise business. She was selected partly because of her background in a family business.

Marie Nygren was hesitant: Is the franchise compatible with the cooperative? And would she just drop the store? After some thought, she decided to give it a try.

– It was the best leadership school you can go to. I got to recruit the sharpest store managers with long ➔



Marie Nygren is looking forward to the cooperative taking the lead as it has done in the past, for example with Änglamark.

“We need good profitability to survive.”

experience and help them start their own companies. My role was to make sure they continued to follow the Co-op concept - but also to help read the profit and loss accounts and find opportunities for them to grow even more.

This was followed by assignments as Managing Director of Stor & Liten and assignments at Coop's purchasing operations. But then Coop Norden was to be created. Marie Nygren lost interest. She didn't believe in the transition and couldn't stand it.

- Why put together three big ships that are struggling? I always give a hundred percent of myself, but in return I have to believe in what I'm doing. I have to be able to stand up for my company. I joined Green Con- sum because they stood for good values, for sustainability - and because it sounded fun. But at that moment, it didn't feel like fun anymore.

It does now, however, when she is back after

just over a year¹⁵. Not only fun, but great fun, she attests.

— I see a huge potential in kF. The best thing is that there are a lot of positive things happening around innovation. We're going to take this leadership path that we've been so good at, like before with the food pyramid and Änglamark.

It's easy for the conversation to focus on Coop, but Marie Nygren is happy to highlight other good examples within the CF.

— We have fine and well-run subsidiaries. Our Farm is an award-winning example of the good meeting and how sustainability, inspiration and good values permeate the whole business. And Vi Media is a shining example of rapid digital transformation.

But of course it's not all about soft values and innovation. kF needs to increase profitability, she points out. Both by looking at revenues and costs.

— We need sufficient profitability to survive in the long term.

In addition, Marie Nygren wants to be the first with lots of things. Above all, for the sake of the members.

Many people in Sweden grew up in families that were almost fiercely loyal to the kF. They filled up at Ok, bought food at Konsum, clothes at Domus and then sat and counted their receipts.

Tone. Today, membership looks different. Many people are members of 20-30 retail chains and don't know the difference between an H&M membership and an

— I don't think many people understand that they are the owners of Coop and that they have the opportunity to influence. We need to be better at adding value to membership. Our surveys show that many young people want to be involved and have a greater impact, and we should take advantage of this. There is incredible potential here. We need to show that people choose Coop for the environment. People should know that the goods are quality-controlled and produced under fair conditions. **Coop has been named Sweden's most sustainable food chain two years in a row. Isn't there a risk of being too complacent?**

— No, on the contrary, I feel that we have too little self-confidence in the Federation. We must show our customers and the outside world that we are something to be reckoned with!

You are the first woman CEO after years120 of male rule. What are your thoughts on this?

— I think it's good to have diversity and judgment. During my years at Coop, I was often the only girl in the management team, but I didn't think about it. I was just Marie. Over time, however, I've realised that it may be something to reflect on more. It's important to have good female role models. So I hope I am.

If you google KF's new CEO, you will find a lot of writing, but it is mainly the CV in article form at job swaps. Who are you when you're not at work?

— My daughters, who were with me a lot at work when they were younger, claim that I am the same everywhere. I don't have a rigid job role, I enjoy waking up every morning, meeting people and learning new things.

On a day off, she takes a turn in the greenhouse, goes for a walk in the woods, goes for a boat ride or plays golf.

And she likes to travel.

— We're a big group of people who travel together... your summer. There are usually 15-20 of us who rent a huge house in a new place in Europe every year. The best thing is that the holiday family is expanding, the young people still want to come - which I'm proud of - and boyfriends are joining in. Most recently we were in Greece. I usually take responsibility for leading walks and covering the surroundings early in the morning.

Just lying on the couch and contemplating is not your tune?

— Yes, I do too," says Marie Nygren, laughing. Every morning I do a few yoga exercises or meditate for a while. But I've really had practice at that, it's not really for me.

That energy and restlessness is her strength, according to others. Another strength is that she is passionate about good leadership. Something she herself feels she should have mastered only after 45. It's all about common sense and being able to adapt to situations: being musical in your leadership.

— Some are self-sufficient and just want a sounding board, while others need a lot of support to develop. Either way, most want clarity. I believe that everyone wants to and can - and that they go to work to do a good job. If they don't, it's often because they haven't

been allowed to develop and have withered a little. And then, with a warm hand and a good heart

help that person right. I believe in people!





Ma

rie

Ny

gr

en

on

• • •

... cooperation:

"There is a tremendous strength in cooperation. All trends points to the need to start doing more things together, especially when talking about sustainability. I am convinced that we can reach the value-driven young people. KF has the competence and the culture, we've just had some difficult years when we've had to focus on other things to get the results up."

... sustainability:

"Sustainability must be an integral part of the business, not a side issue. What we have to remember is that sustainability also means better economics. As a trainee, I learned early on that it's a *win win* if we sell more of the organic carrots.

I try to include sustainability in all my decisions, both in my personal and professional life. But I am far from being a Greta."

... leadership:

"Above all, it's about believing in people and KF annual report 2019

starting from how you want to be treated. Everyone can have more impact on their lives than they think. But some people have forgotten that they are responsible for their own development. Others can help and ask the right questions, but in the end you have to do the work yourself."

... where KF will be in five years' time: 'By then, KF will have regained market share, and all our employees will like to go to work.

bet. I think there is a queue to start working at KF and everyone who works here should know exactly where they fit into the group. We have more Coop members who also shop more and it's considered cool to be a member because it's a good environmental choice."

On the threshold of **FUTURE SHOP** **FASHION L** L

Changing consumer behaviour is rapidly transforming physical retailing. New technologies and vast amounts of data are helping many players remain relevant. The key lies in the grey area between man and machine?

TEXT CHRISTIAN VON ESSEN ILLUSTRATION TEAM HAWAII





t's fascinating to stand by and witness a dramatic transformation. But in the case of retail's Great Stuffing Up, I don't even know if it's been as fast as the alarms about shop death want to sound.

The Internet rolled out in the late 1990s and pretentious articles and essays were written about the "new economy" that somehow miraculously replaced the old. Soon we would all be sitting in our own living rooms with lightning-fast broadband and becoming millionaires.

At the same time, the first e-commerce sites were waxing, and the narrative of the internet boom was clear: if you can do it, you'll be rich as a troll. Anyone who remembers the first wave of e-commerce will remember that there were incredibly ambitious solutions that were way ahead of their time. Boo.com would revolutionise fashion shopping and Boxman let me quite easily get obscure Red House Painters records in the post at prices below record store prices.

Putting aside bubbles and disasters, one could have the following: that there would be a wave of "store death" 20 later on was not particularly surprising. Rather, what was surprising was that it took so long.

We are starting something new. It was the chancellor

when 2015 I was first asked to start an interview podcast about future issues from an optimistic perspective.

200 interviews later, my chancellor's paradigm shift has not slowed down. But technology development hasn't taken the main focus in the podcast that I thought it would. Indeed, the futurists' big dream revolves around what technology can do for mankind. Or the customer, if you will.

On the food front, services have developed steadily, but the share of e-commerce is still vanishingly small in Sweden, with only a few percent of food purchased overnight. It's like two different shops with the same range, and the consequence is that all players have to sell everything - overall.

When I meet programming and AI expert Amer Mohammed, it's only been a month since he took up his new position as Chief Digital Officer at Coop Sweden. He is a fresh-faced man who speaks freely and boldly about Coop's future as a world leader in its industry. During his early career at Stena Line, he introduced artificial intelligence to a conservative environment. Today, Stena is considered a leader in the field, saving thousands of tons of industry every day with the help of smart algorithms.

Amer Mohammed has also previously developed+



“

Maybe in the future
your shopping
basket will tell you
what you should
eat?

AI-like business solutions. Among other things, he has built a Swiss company in free newspaper distribution, where machine learning was the key to resource efficiency and optimisation of circulation and delivery.

Now he's going to do something similar with Coop, a company with enormous computing power. Coop has millions^{3,5} of members in total, and while much of the member data is confidential and encrypted, there are great opportunities for Amer Mohammed's team to develop new layers, chatbots and AI models for the smarter commerce solutions of the future.

So what's all this technology for? Amer Mohammed's exploration of consumer behaviour trends boils down to one word: convenience.

- In the future, we will not have toilet paper and detergent in the shops. There's no need to carry those kinds of products that you could subscribe to on your mobile.

H an puts my finger on a dream I've had for a long time - a future where detergents, baby wipes, nappies and washing-up tablets can obediently order themselves when they're running low. Draw money from the cow and leave the bag outside the door. Thank you, we'll be So if the smart algorithms are removing a large

Cooper, at your service

Coop's own chat bot is called Cooper. With a special AI solution, Cooper will in future be able to adapt their recipe suggestions according to each customer's preferences in terms of allergens, nutritional content and taste.

At Coop in Bromma, Cooper has also been tested in physical robot form to help customers find goods, produce recipes and handle simple member issues.

— It will be more like a supermarket, says Amer Mohammed. You can walk around and smell and taste and be inspired to try new things. Staff can take on a new kind of role and spaces can be used in completely different ways.

I can see the afternoon action where my daughter and I can stroll around and be fascinated by the food. If she gets the urge for something in particular, we can sit at a bar and have an early dinner before continuing shopping for the rest of the week's evenings.

In the end, it's all about what's best for the customer, says Amer Mohammed.

— Our customers don't care if we have smooth stock flows. They want a pleasant experience. At the same time, we can use data in new ways. Maybe in the future your shopping basket will tell you what you should and shouldn't eat?

From a programming background where transparency and *open source* are important watchwords, Amer Mohammed possibly goes a step further than most participants in supermarket chains' management group meetings.

- Basically, it doesn't matter if the milk comes from us or Willys. We just want to solve the customer's problem as smoothly as possible," he says.

Opposite Borås sits Malin Sundström, who has similar retailing in a variety of areas, and is primarily active

proportion of bulk goods from the shop floor and freeing stressed customers from the worst of the trudging in snowy rain with snotty children - what should we do in the shop?

the importance of participatory culture in a retail context. In an age where you can buy almost anything at almost any time, more is needed to engage customers, create loyalty and add value.

– I think we will see more temporary man- places and *pop ups* in the future. It will be almost like a travelling trade circus, whose job is to entertain and sell. In holiday resorts it could work very well.

Perhaps the connection can be made to the music industry, where streaming has made the live scene more vital than ever. We're still willing to pay big bucks to have a unique experience in person, with like-minded people.

Malin Sundström believes that the price parameter becomes subordinate when we can get other types of values in the model. "Experience shopping" is what some people call it, and she adds concepts such as "dramaturgy", "excitement", "unexpected endings" and "participation".

– Or "shelfies", activities that engage and appeal to the ego.

Malin Sundström also believes that the grocery trade will be transformed from its current form.

– One can imagine that the grocery store of the future has two entrances. In one, you pick up your ready-made bags of bulk goods; in the other, we have the "entertainment area", where you can smell, taste, feel, cook, dine and be entertained.

She points out that such a solution may not work everywhere in the country, but says that sometimes you have to dare to think in a completely new way rather than listening to what customers think they want.

– There is then a risk of building a "faster horse" instead of thinking in a completely new way.

In fact, at the end of last year, Coop rolled out tempered pick-up cabinets at several large Coop stores, allowing customers to order certain items online and redeem their goods using their mobile phone. The future is moving fast.

But what can a completely transformed shop look like? Full of the latest technology, one might assume? AR and VR, biometric scanning, hologram advertising? Well, Malin Sundström says that what feels "cool" is rarely the same as creating emotion and loyalty.

– The rational and logical data-driven favours a certain type of trade - but not necessarily the

physical. There we have to work with other elements and control measures. We need to challenge our KPIs (Key Performance Indicators) and bring in more emotional values to measure. I think we should talk about "smart data" instead of just "big data".

As an example, she mentions her research colleague Patrik Stoopendahl. He is an industrial PhD student at the University of Borås and employed at Odyssey, a data-driven insight agency in Stockholm. With a background in business anthropology, he can go through data flows and interpret results, understanding how variables are related to how people work.

– Patrik has an understanding of thematic connections, and I think the trade would benefit from more expertise of that kind. The more data we use in retail, the more important it is to be able to interpret it. The understanding is not necessarily quantitative.

Qualitative understanding also requires proximity to the customer. She takes Gekås as an example.

– They are the largest in Sweden and of course have advanced systems to manage all customer data. But the office is also in the middle of the store, so if they want to understand their data, they can just step out onto the shop floor and observe. If you are too disconnected from the store environment as a manager, it can easily become abstract to talk about what customers want. Some managers even have a hard time describing their customer. Then I tend to think: "It's no wonder when it's your wife who does all the action".

Allowing Silicon Valley guru Peter Diamandis is always exciting. He delivers insights about the future at a breakneck pace, always with a focus on the breathtaking possibilities of technology.

Technological optimism may irritate some camps, but the fact is that his career and writing are lined with dizzying visions as well as concrete success and thought-provoking predictions.

His latest book, *The Future is Faster than You Think*, includes a chapter on the marketplace of the future - particularly relevant in a US where shopping malls are already beginning to look ghostly empty in places. Sweden will face the same challenges and opportunities.

22

%

That's how much online grocery sales grew in the year to December compared to 2019 to the previous year. The total e-commerce grew by per 13 cent to SEK 187 billion, according to the E-barometer's annual report 2019.

more to come...

In Diamandis' world in 2026, of course, everything is connected and algorithm-driven. At the touch of a button, your b

travels in a self-driving car to a store that has your favorite jacket in your exact size. No



queue, no fumbling with credit cards - everything is paid for and ready. The empty clothes hanger immediately initiates an order - or production - of a new jacket, and the trend algorithms are updated for the brand's future focus.

Then you might wonder why you should go there at all when you could just as easily order the jacket? But Peter Diamandis argues that the only sustainable future for US shopping centres and malls (a "shopping centre" is a confined building while a "mall" can be more fluid in form) is to plunge into the experience economy at every turn.

Here, too, technology is ever-present, but rarely in the background. You can enjoy experiences focusing on health, beauty, food and relaxation - all based on your personal preferences. Suddenly the shopping trip is worth something.

Nu we are getting close to something. So it's not necessarily the technology that should stand for the entertainment and activities in the future retail context - even if VR and AR is expected to grow significantly - it should basically act as an enabler without interfering.

At Retail Experience Live in autumn 2019, some twenty industry experts took to the stage to compare notes, and they were unexpectedly unanimous: technology in itself means nothing if it doesn't add tangible value to the customer. No touch screens, sensors, VR glasses or holograms can replace a flawed product, service or service training.

Alex Baker is the founder of the consultancy Retail Tech X and runs the Marketing Association's RIO (Retail, Innovation & Omnichannel) network group. He

says that we are easily seduced by the latest, but that it takes purpose to add value.

- I have seen many technical implementations where a purpose does not always exist. Today, I am more curious about how we can develop new solutions together with *retailers*, rather than thinking that there is a "*one size fits all*".

Instead, Alex Baker advocates collaboration, prototyping and beta testing.

- If we assume that the physical store becomes change, it's an issue that's very high up in the organisation. Then the choice of technology and software becomes just a hygiene factor - that's not what you're talking about.

Alex Baker believes that there are two reasons to shop in a physical store: to "feel and touch" the products, but above all to have contact with the staff.

- In the retail sector, investing in staff is becoming increasingly important. Fancy solutions are not enough.

He says it is mainly in the shadows - out of sight of consumers - that the big technological leaps are being made right now. Sensors (and eventually facial recognition) can map and analyse customer flows, leading to better planning for staffing, inventory and opening hours.

It's called *shytech*: technology that is not visible. In other words, the huge amounts of high-quality data are creating smart retail and logistics flows that will eventually reduce the need for large-scale industrial production, and by extension, food waste.

So what is the future of the data-driven shopping experience? Technological developments and data flows need to be accompanied by more knowledge, higher professional status, clearer strategies and more humanity.

In this golden symbiosis, man and machine can create entirely new experiences - ones that are both coolly algorithmic and ruthlessly effective in the shadows, while being empathetically fragrant in the warm light of mid-day shopping.

In the middle, two people meet. □

34

KF annual report 2019



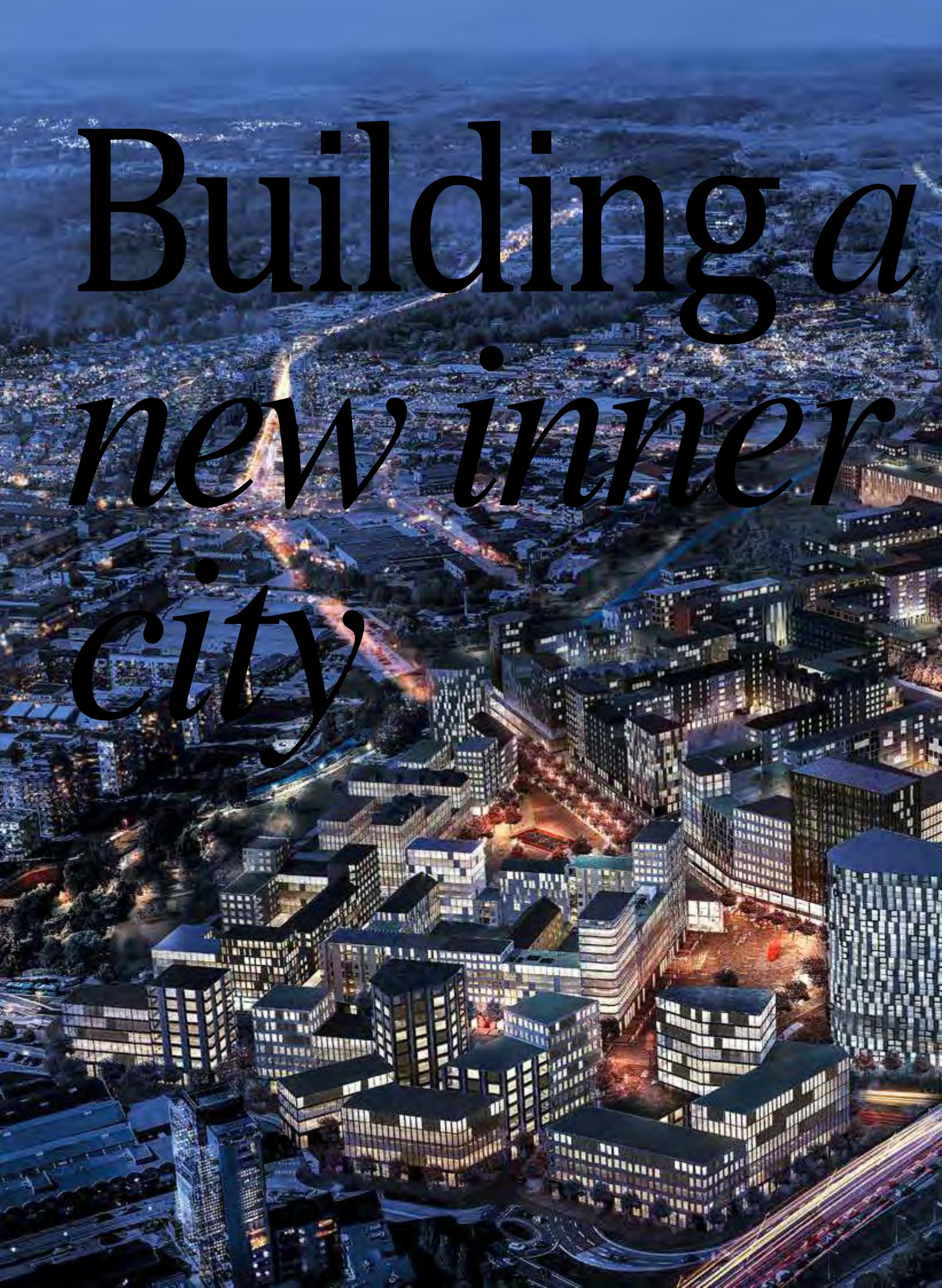


**NUMBER OF TONNES PER YEAR THAT
COOP REDUCES ITS PLASTIC
CONSUMPTION BY**

During the year, 2019Coop decided to phase out plastic fruit and vegetable bags. Instead more customers will be offered paper bags, a variant that can be reused as a food waste bag. Coop will thus be the first in the sector to phase out the thin plastic bags. The aim is to start the phase-out in spring 2020.



Building a
new inner
city





KF Fastigheter plays one of the main roles when Gothenburg turns its face to the water and gets a new, sustainable district a stone's throw from the Central Station.

text AXEL KRONHOLM illustrations WHITE ARKITEKTER

The transformation of Backaplan is one of Gothenburg's largest urban development projects ever.

It is wild and has picked up speed across the paved plains with free parking. It wines around

the knots of the grey, shack-like module that houses both Stora Coop and lunch buffets with sushi and home-style food; blowing on and picking up a spicy scent from the street kitchen serving kebab rolls, continuing up to the sky and unfurling the flags that mark the warehouse stores' territory.

It could be an ordinary shopping area, the kind you usually find along the motorway, but this is two stops from the central station of Sweden's second largest city. With that location, it's hard to overstate the potential of the area, where KF has owned much of the real estate - with KF's old warehouse centre and the Backa2 shopping centre, which was originally a safe deposit box factory. Actually, it is

strange that the change of the area has not happened before.

- They have been trying to get started with a detailed plan since the mid-1990s, but now we are there, ready to develop Gothenburg and build a new inner city on the other side of the Göta River," says Helena Liljedahl, CEO of KF Fastigheter.

Gothenburg is growing like crazy. The city is set to grow by one inhabitant 10000 per year by the end of this year. The water, the river, which used to be the lifeline of heavy industry, will now be brought closer to the inhabitants. There is talk of Göteborg turning its face to the water.

In the process, Backaplan will become Gothenburg's largest urban development project ever. A completely new inner city will be built here with shops, workplaces, services and housing for at least 15000 residents. In total, it will cover



Helena Liljedahl

an area of 90 hectares.



“

The land needs to be used more efficiently.

takes, corresponding to Gothenburg within the moat. The area is divided into several detailed plans and the first one has been completed for a long time, but the process was stalled in the property committee in April 2019. Joakim Gralén, project developer at Fastighets AB Balder, says it's unfortunate.

– By delaying Detailed Plan 1, the whole of Backaplan has been delayed, and that means huge amounts of lost rental income for those involved. It's embarrassing," he says.

If the master plan is adopted, the first groundbreaking could take place in 2020. Work is in full swing on the second master plan, and work on a third will begin in 2020.

Johan Lundin, office manager at White Architects in Gothenburg, has been involved from the start in drawing up a detailed plan for the area. He's excited - it's not every day you get to build a new inner city.

– The last time we had a building boom in the 60s and 70s, our suburbs were built. They were built sparsely and not very city-like. You have to go back years 100 to find references for building a new inner city," he says.

In the 1960s, there was talk of the ABC city, where the city was sorted according to different functions: workplaces, housing and city centres separately. It was easy to build and manage, but Johan Lundin feels that something was lost.

– There's something about the dense neighbourhood, with ground-floor facilities and walking distance to most things, that is still more on the human scale than a development scattered around the neighbourhood in a way that requires you to take a bus or car to get home or go out on activities.

F The Backaplan framework, as the plan looks, is an inner city where all these functions are mixed. Joakim Gralén of Balder says it will be a "dense, green and creative part of town".

– When you get off the tram at Hjalmar Brantingsplatsen, you'll see the great cultural centre right in front of you, along with a newly built shopping centre of the highest European standard. There will be a lot of people living in the area, which will provide opportunities for cafés, restaurants and other experiences. And although it is densely built up, there will also be plenty of green spaces and paths.

The inner city also presents some challenges and conflicts of interest. Johan Lundin of White Architects says this is something that

will have to be dealt with.

– If you want to have the bedroom above a

KF ON
BACKAPLAN
Together with
Balder and
Riksbyggen
KF Fastigheter bo-
team Norra Backa-
plan Bostads AB
with a development
project for about
2000 housing at
Backaplan.

CLIMATE
ADAPTATIO
N
Backaplan climate-adapted to withstand future climate change. The district will be able to cope with torrential rain, flooding and extreme 100-year rainfall. The risk of flooding is managed, for example, by raising the ground with falls towards the Kville stream. In the southern part of Backaplan, the ground will be raised by about one metre, protecting the area if the water rises into the sea and causes high levels in the

ANOTHER CONFLICT OF INTEREST in these

project is, of course, the one between the plans for the future and all the people who already live and work at Backaplan. Johan Lundin says that in working on the vision they have been careful not to talk about "the Backaplan of the future".

– It is already a meeting place and a centre for Hisingen. We have no intention of replacing it. It's about developing what already exists. The world is changing and, like all areas, Backplan must keep up.

At the same time, we don't want to kill everything that exists today and think that it will be possible to bring it all back to life once we've finished building. One lesson from Kvillebäcken is that you don't have to demolish everything at once, but build out in stages and keep buildings in use for as long as possible.

Johan Lundin is referring to the Kvillebäcken area right next to Backaplan, which gave rise to much criticism and debate when the area was to become "New Kville". Mosques, oriental lives, workshops, beauty salons, cafés and other activities were pushed out.

This has been learned, and the current plan is to double the retail space to 140,000 square metres. The aim is also for existing cultural and craft businesses to remain in the new building. However, not all activities will have a natural place in the future.

– There are a lot of car mechanics, parking spaces and parking areas at Backaplan, and the question is whether this is not too central a place to use for scrap cars. From a sustainability perspective, the land, which is centrally located in Gothenburg, needs to be used in a more attractive and efficient way, says Helena Liljedahl at KF Fastigheter.

In an old chocolate factory on Ringön, a few minutes walk from Backaplan, the

says Johan
Lundin.

busy restaurant? Can the housing meet today's noise requirements? All these conflicts of interest come back when you mix the functions of the city. But a city is by definition a conflict of interests, that's what makes it exciting and dynamic.

What values should guide conflicts of interest?

— The idea that we follow is that the human, pedestrian and cyclist perspective must prevail over other perspectives.

People's need to be able to move around in an attractive urban environment must take precedence over car drivers' demands for accessibility and driving speed,"



Fredrik Wernér getting ready for the weekend's conferences. The worn industrial floor has been left in place, but instead of machines there are now speakers, leather armchairs, desks and a bar. Just over three years ago, Fredrik signed the lease for the space and set up Kolgruvan, an office and event space that has attracted app developers, youtubers, influencers, journalists, artists and advertisers.

– We are now building smaller workplaces so that it is easy to work in small groups if you organise team-building, for example. We have noticed that there is a great shortage of event venues here in the city, and those that are available often look unattractive. So we can offer something a little more interesting,

U

The rooms are fully booked for several months to come. From the outside, however, the building looks like any other industrial premises on Ringön. With its relatively low rents, the area has attracted several similar businesses, such as

fashion company Atacac, but overall things are moving slowly, says Fredrik Wernér.

– It is still the case that the area dies in the evening, when everyone locks their doors and goes home.

Fredrik Wernér thinks Backaplan is in need of a major facelift.

– The shopping centre where Stora Coop is located feels quite sunny and outside there is a lot of space that could be used. Now it feels more like a barren field.

A Backaplan with more housing could also help to lift Ringön and provide a larger base for restaurants and other businesses, he believes.

– Will there be more housing around Frihamnen and



Johan Lundin



Fredrik Wernér

Backaplan will also have more people on the move in the evening, and there is greater potential for activities here on Ringön. The meetings between the different neighbourhoods are important. I would like to see this become a beach area that connects and is alive even after office hours.

Johan Lundin of White Architects also hopes that the transformation of Backaplan will have a positive impact on surrounding neighbourhoods such as Ringön, but he also recognises that Gothenburg needs to resolve the traffic situation.

– At present, we are in an infrastructure inferno with motorways, railways and arterial roads cutting off areas from each other. I think it will become clear that many of the transport solutions need to be rethought.

As you walk across Backaplan today, it's hard to imagine that thousands of homes, five parks, a cultural centre, schools and kindergartens, a large sports hall, and more will be built here. But that's the plan, if only the money is enough.

Johan Lundin of White Architects admits it's nerve-wracking to move forward when public finances are so dire.

– The problem with urban development is that the dividends come late, so there has to be staying power in the financial calculations. You can't build a city with one-quarter report economics, or one-term economics for that matter. But I think all the players are aware of this, and that it is bad business to haggle and save on urban construction. After all, it is when you invest in parks, squares and street environments that the long-term payoff is higher property values and that

From a commercial area to an urban area with shops, workplaces, offices and housing for at least 15,000 Gothenburg residents.

people want to rent and buy there. □



**NUMBER OF PLATES,
CUTLERY, GLASSES AND
COFFEE CUPS WASHED
AT OUR FARM IN
SEPTEMBER 122019.**

A day at the award-winning hotel and conference facility Vår Gård has it all. A day in September served morning coffee to guests 413, lunch to 363. A few months later, for Christmas dinner, meatballs 3800 were rolled. During a year guests 16000 sleep good here.



Participation

What started with hay harvesting on the farm has landed in the presidency of the Swedish Cooperation. ANNA-KARIN HATT

continues to be passionate about participation and collaboration.

Vad you think of when you hear the word participation?
– That it is a cement in our society. So much of our stability and structure is based on our ability to shrink the gaps - both real and imagined - and get people on board with a positive view of the future. There is still much to be done here and I believe that cooperative organisations will play an even greater role in these very issues.

Where and when were your values created?

– I grew up on a small rocky farm that my mother took over from my grandparents. For a single mother of three to run this farm with its dilapidated machinery was a bit of a bumblebee that couldn't fly. It was great that we made it work - together! All my values come from there: do the right thing, do the best you can given your circumstances and always look after the environment.

What did you get to do on the farm?

– I had to drive hay, pick up potatoes, teach calves to drink milk in a bucket. I was trusted with a lot of skills early on. That probably helped me to take on a lot of responsible jobs later on, because I learned that most things are possible if you make sure you surround yourself with the right people.

Your background is extremely varied - from hairdresser to minister to working on cooperative issues. What does all this have in common?

– Brokenness is part of my identity and strength. All in all, I guess you could say I'm a social entrepreneur. And a bit of a border crosser and interpreter between different groups in society. Between country and city, between business and politics. Collaboration

occurs not by itself. When I was Secretary of State, my main task, together with colleagues from the other parties, was to hold together

”

So much of our stability is based on narrowing the gaps.

CEO, Chairman and former party leader

Name: Anna-Karin Hatt.

Age: 47.

Family: Married, three children of her own.

Lives: in Älvsjö, south of Stockholm.

Does: Is CEO of LRF, newly appointed chairman of the board of Svensk Kooperation.

Background: former second deputy leader of the Centre Party, IT and regional minister (2010-2011) and later

IT and Energy Minister (2011-2014).

Likes: gardening, good food, good movies and the dark African night.

alliances. It was arduous work to focus every day on what was unifying rather than distinguishing. But such an effort can produce a powerful result. That's why I believe in cooperation as a form of enterprise. Because it unifies and empowers.

How do you see your mission within Swedish Cooperation?

— Good forces are needed to highlight the advantages of running businesses in a joint form, whether we are talking about small parent cooperatives or giants like Lantmännen. Most people don't think about the fact that some of our most renowned

companies in Sweden are run in this form. We have HSB, Folksam, Riksbyggen, Länsförsäkringar, KF, Fonus ... Almost 1000000 people working in the cooperative who follow you at every stage of your life.

Which issue are you most passionate about?

— I want to raise awareness among policy makers that we need to start spreading the knowledge about cooperatives as a form of enterprise in education. It

is not enough to talk only about the limited company and the sole proprietorship. I also want to spread the word about the values that cooperative enterprises represent.

What is gained by doing so?

— The main issue is to secure the supply of skills. I believe that co-operative companies will become increasingly attractive as employers, given the demands of today's young people, such as fair contracts and higher aspirations.

Companies that take responsibility. When recruitment company Randstad asked Swedes last year to rank the employers they believe give the most back to society, half of the companies in the top ten were

~~cooperatives~~ ~~cooperatives~~ ~~cooperatives~~ ~~cooperatives~~

Terri Herrera

A photograph of a woman with blonde hair, wearing a maroon velvet suit, leaning against a white wall. She is looking directly at the camera with a slight smile. The background is blurred, showing some architectural elements.

PHOTOMARGARETA BLOOM SANDEBÄCK

Local success stories

Stora Coop in Varberg employs six butchers who together have over

175 years of experience.

At Stora Coop in Visby, there is a love of music that can't escape customers. Here, Simon Edmark and Martin Kristensson join in song.



Locally brewed folk beer, locally produced

meat, vinyl records, sushi and a cosy café. We've visited two award-winning Co-op stores that are setting sales records - and where the staff are "you" with the customers.

text AXEL KRONHOLM

photo KARL MELANDER & NICKE JOHANSSON



Carl-Johan Stålhammar, CEO of Coop Gotland, was named Leader of the Year at Dagligvarugalan 2019 and was nominated for Manager of the Year at Chefgalan in February.

The move to vinyl records in the store has been appreciated by customers. Therese Ekman (below) worked at Eskelund's Home Bakery when it was about to close after 130 years. Now the liver bakery continues at the Coop where she bakes bread both for the shop and other customers.



Coop in Visby is going wild

At Shop of the Year, anything is possible - as long as it swings and stands out. Carl-Johan Stålhammar is the CEO who wants to make Coop cool.

Gotlanders are good at trading and have been for a long time. As early as the Viking Age, the Gutnian peasants maintained a trading empire stretching from London to Novgorod. Back then, the hottest commodities were squirrel furs and beeswax - today it's vinyl records, Gotland haggis and locally brewed folk beer that sell.

Among the first things that greet customers inside the Stora Coop in Visby are all the small shops in the store: the little bridge house on the prairie with the people-beers from microbreweries, or This is England, where football scarves are juxtaposed with a concerted version of the Scottish national dish, haggis with sheep intestines. Next to the fish section, or Little Gothenburg, is the vinyl shop.

- Our vision is to stand out, not fit in, says Carl-Johan Stålhammar, CEO of Coop Gotland, who was named Leader of the Year at the Dagligvarugalan 2019.

The tactic has obviously worked: in 2018, sales increased by SEK 43.3 million, or percent9,3. This was followed up in 2019 with a sales increase of SEK 17.5 million, or just over a percent3. This means it has broken sales records for three years in a row. At the aforementioned gala, Stora Coop in Visby was also named Store of the Year.

Carl-Johan Stålhammar has no previous background in the grocery trade, but comes most recently from the job as managing director of the conference center Wisby Strand and Kallbadhuset. However, it is safe to say that he has embraced his new brand: on his right buttock he has tattooed #coopärcoolt. Supermarket manager Markus Wahlgren has a similar badge, which they got to get people to donate money to the children's ward at the hospital.

Martin Kristensson, Creative Director, doesn't have a tattoo but still thinks Coop

should be cool. It was he who came up with the idea of selling vinyl records.

— You should do what is expected, it's your duty to break norms, he says when we meet him in the warehouse.
Since they don't have to live off vinyl sales, they can afford to be lean in taste.

The soda cans contain indie pop, psyche delic rock and black metal. Above the records you'll find

books on narrow topics like Norway's satanic underground music scene.

— We live on an island, in a town with few inhabitants. re, but I do not count cities in how many people live there. For me, the size of a place is determined by how many good record and book stores there are. We want to believe that with this range we will make Visby bigger," says Martin Kristensson.

The records sell well, despite the narrow range. In the last two years, Stora Coop in Visby has sold millions^{1,3} of kronor worth of vinyl.

The record store is a good example of the influence of people on the store. Carl-Johan Stålhammar says it's about pride.

— We want to build pride from within. If you're happy at work, customers will notice. For us, it goes without saying that staff should be involved in influencing and building the store together with us.

Martin shares his interest in music with Carl-Johan, whose office is full of rock memorabilia and pictures of Slash, Keith

Richards, Liam Gallagher and Dregen. For the past two years they have also been organising the Döskallen rock festival in Visby. The next step will be to formally establish Coop Records as a record label.

— If we can do a music festival and sell vinyl, we can produce our own music too. We've put together a cultural council and held a first meeting, so it's underway," says Carl-Johan Stålhammar.

The rebellious attitude has spread to other parts of the business as well. Two years ago, Coop Gotland put an end to all foreign meat.

— We made this decision when we had the severe drought. We saw how bad it was: farmers were in crisis and the slaughter lines were growing. It was not comfortable, but we have won the farmers'



Carl-Johan Stålhammar together with coal legumes Simon Edmark and Martin Kristensson.

members and increased by net new 344 members during 2018.

Total sales in all stores in 2019: SEK million 528 including VAT, an increase of 17

million (3 per cent) compared to has the previous year.

31



0

Simon Edmark didn't go as far as his boss Carl-Johan Stålhammar, who had #coopärcoolt tattooed on his right buttock.

Trust. Sure, it will be more expensive, but if we can explain to customers why we do this, they will understand. Many people thought it was strong that we stood up for our farmers.

The staff room overlooks the entire shop floor. Therese Ekman, Sara Hinäs and Bella Klosterman from the bakery are sitting up here having a coffee. Coop Gotland took over Eskelund's home bakery earlier this year, when it was about to close after years 130 of operation. The brand, the recipes and Therese Ekman went with them to Stora Coop in Visby, where they now bake bread both for the store and other customers.

— It's a smaller area and range, but it's still nice that the brand and recipes are still alive," says Therese Ekman, who is responsible for the bakery's development.

Bella Klosterman says the best thing about the job is the atmosphere among the staff.

— Everyone sticks together. Otherwise, it is easy for workplaces to become grouped together, with older people hanging out separately and younger people hanging out separately. Here we have a good mix," she says.

Do you have any plans to start your own project like the vinyl department?

— No, we're busy baking bread," says Bella, laughing.

Carl-Johan admits that there is a grasping bias in the various initiatives: it's beer, football, hard rock and vinyl records.

— We can definitely do better there. At the same time, it's not always easy to say what's male and what's female. But we have many ideas that lie and bubbles. Linda Larsson has suggested that we start a country festival in addition to the rock festival we already

orders. It would work well: the dove cote

in the spring and then we can break out in the

autumn!

Freshly baked bread at the award-winning Stora Coop in Visby.



Proof of the award.

In Varberg tradition and future meet

Stora Coop in Varberg has distinguished itself for its meat and its butchers, who are passing on the slaughter trade to new generations. At the same time, the store is being expanded to cope with growing online demand.

M

orgone in Varberg. The sushi bar sets out bamboo baskets, ready to steam dumplings for lunch. Construction workers drink black coffee in the café next door.

Maria Johansson, department manager, describes the pre-shop as a living room.

— Everyone knows everyone here, it's a bit like a big family. With coffee for SEK 12, many people stop in the café on their way in or out of the shop.

When they won the award "Outpost of the Year 2019", it was the "cosy café" and the "motivated and committed staff" that were mentioned in the justification.

— Many people come here for coffee and to socialise, and it's great to have that customer contact," says Maria Johansson.

Inside the shop, marketing manager Christer Kallies is excited about this weekend's event.

— We are a partner to Varberg's largest after work, there will be up to 800 people. Ann Wilson and Tony Irving will hold a dance competition, and our suppliers will provide food.

Activities like this are one of the legs of the business model here in Varberg. Members should get added value and an experience when they shop at Coop. It's about everything from the Children's race to the harvest festival and concerts.

— Last summer we sold tickets for Carola, now it's Sarah Dawn Finer next. We buy up 200-300 tickets and sell to members. When we released tickets for the Weeping Willows Christmas concert, there was a queue out through the shop," says Christer Kallies.

While many Coop unions are struggling with pay issues, Varberg is going like a shot. In 2019, net sales increased by 4 percent to a record SEK 1445 million and the store has been ranked number one in the Coop customer satisfaction survey every year since 2014.

— Customers know us by name, says CEO Göran

Borg, who has worked here since the store opened 2011.

H
e

says that they quickly found a winning concept, which is based on organising popular



Tilda Forsaeus helps a customer at Stora Coop in Varberg, which was nominated in the Meat & Charcuterie Department of the Year category at Dagligvarugalan 2019. Below, Jonas Tjärnmo talks to a group of grade school students about 2 different fruits, a cooperation that Coop has with Varberg schools.





Coop Varberg's CEO Göran Borg in the warehouse with the mascot Rävis, who is usually a popular feature of various children's activities in the store.

activities, having a dedicated staff and keeping the money tight.

- It's about classic stinginess. We've rearranged traded all contracts with suppliers and depressed prices. Because we have been so successful and won so many awards, many people want to work with us. That makes it easier to negotiate.

Göran Borg shows us around the shop and steers with firm steps towards the meat and charcuterie department. Here, the focus is on locally produced Swedish meat, from animals that have grazed on the meadows of the Halland region.

Stora Coop in Varberg has no fewer than six master cutters, with over years of combined 175experience.

– It's getting harder and harder to find people with that craftsmanship. You have to search high and low for such skills. But we value it, and now we're also making sure we can pass on the craft and train new people," says Göran Borg.

The focus on meat is linked to changing eating habits and an increasing demand for quality Swedish meat.

– We see people eating less meat in general, but when they do, they want good, Swedish meat. We saw this early on and we have been able to stay ahead of this development, which has made us strong. When you buy your meat for the weekend, this is where you come," says Göran Borg.

While Coop Varberg is investing in traditional craftsmanship, it is also at the forefront of online sales. Between 2017 and 2018, online sales increased by percent22. Now, the store will be expanded by about square350 meters to provide more space for online sales.

Online shoppers can either have their goods delivered to their home or pick them up from one of the green cabinets outside the store.

– This is an important flexibility. I believe very much in the synergy between online and in-store.

Personal dialogue with customers

Coop Karlshamn's environmental work has been at the forefront for a long time. Now the dialogue with members will become more personal.

ON FILM, IBLAND IS SAID "It's not personal, it's just business".

Coop Karlshamn thinks the other way around: the personal is the business. Ingemar Holm, chairman, says that contact with members is now being developed.

- The usual procedure is for members to respond to questionnaires. It becomes quite anonymous and difficult

Coop Varberg has

People rarely just shop online, they do both. Our job is to make sure there are different options to make it so

17

as smoothly as
possible for th

customer," says

0
Goranborg. □

members, and increased by 100 members in 2019.

Profit after net financial items amounted to 21,9 crowns 2019.

Total sales in all stores: 445 million excluding VAT, an increase of 4 percent compared to the previous year.

for you as a member to see what happens to your opinions or suggestions. We want to change that.

The driving force is the new CEO Peter Berggren, who comes most recently from Bergendahls where he worked on the development of the City Gross loyalty program. He wants to make direct contact with members and conduct an individual dialogue via email or text message.

– The idea is for Peter to be able to feed back individually and explain what we have done and how we have taken their views and input forward. It should feel like you are a member in the real world, says Ingemar Holm.

Sounds time-consuming?

50

– If you don't have time to spend with your customers, then you might wonder whether you should be running a business

like this at all. I think we are doing ourselves a disservice if we keep ourselves at more than arm's length from the members.

In addition, Coop Karlshamn sponsors everything from children's theatre groups to sports teams with a budget of around SEK 1 million.

In addition to its members' work, Coop Karlshamn is involved in several of its environmental initiatives. Solar panels generate 10-15 per cent of its own electricity consumption. Customers with electric cars or electric bicycles have charging possibilities.



names at Stora Coop. □

*Hello, Meta Persdotter, new President and CEO of
Coop Mitt*

What experiences do you take away from Stadium and Ikea?

Du have previously worked at Rusta, Stadium, Ikea and ÖoB. What experiences do you take with you from there?

- Chain operation is my strength, and it's about simplicity and a clear price position, for-

stand. You have to be responsive to changing customer demand and work with volumes to create good profitability. Coop has also worked hard to reduce prices on Stora Coop and coop.se, which has been noticed, and it feels good to be part of that change.

What opportunities and challenges do you see?

- What will increase in the coming years is e-commerce, where competition is fierce. We need to keep an eye on new entrants and meet our customers' needs. We also need to focus on efficient and sustainable logistics: there is a lot of flow of goods between shops and end-consumers and it is important to follow this up. More hubs where people can pick up their goods would be great, and for home delivery we can explore partnerships with other companies to minimise the carbon footprint of transport as much as possible.

How will the customers of the future shop at Coop?

- Our goal is to meet the customer in all channels. It should be easy to pick up, shop online or get a good welcome in the physical store. But what is changing is not only how people shop, but also how they eat. The vegetarian and vegan diet is becoming more

common and it is important for us to respond with knowledge and inspiration. Overall, we will promote and inform about affordable and sustainable food enjoyment.

What does the next year look like for you?



Likes mountains and archipelago

Name: Meta Persdotter.

Age: 55.

Interests: food and drink, the mountains and the archipelago.

Living in Bromma.

Previous career: Commercial Director of Runsvengruppen

We must invest in efficient and sustainable logistics.

- We have full sales focus during 2020

PH
OT
O
JU
LI
A
N
A
WI
KL
UN
D

*wants Coop Mitt to be
more aggressive and
recruit new
members.*

”

M
e
t
a

P
e
r
s
d
o
t
t
e
r

NUMBER OF MILLION MEMBERS OF COOP

Or to be more precise: 3576215. The Coop is owned by its members and it is thanks to their personal commitment and purchases that they lay the foundations for the business. Any surplus created is returned to the members or reinvested in the business, creating a circular cycle.

One year. Two calls. Seven CEOs.

When we ask the CEOs of KF companies to sum up and 2019 look ahead, a few words come up: digitalisation, pace of development, member benefits, faith in the future. Soon KF will reap the rewards of the heavy investments now being made.

text TERRI HERRERA photo THRON ULLBERG





Marie Nygren, CEO KF,
Magnus Johansson,
CEO Coop Sweden,
Christian Wijkström,
CEO Coop Stores
& Supermarkets.



"We should celebrate more"

The net deal and challenges of online trading. These were some of the topics of discussion when the CEOs of KF, Coop and Coop Butiker & Stormarknader met to sum up the year 2019.

It is no understatement to describe

the past year as eventful. Marie Nygren has been appointed as KF's new CEO, and at the same time as she took office, the news broke that Coop wanted to acquire Netto.

— It was a bit like stepping into a hurricane," says Marie Nygren.

Magnus Johansson notes that the hours have not really added up.

— Coop has fixed a lot of the basics that we would have solved years ago: process, systems and IT. Then we've had the business here and now with unusually tough competition. We're also trying to reconcile online with physical store offerings. At the same time, Coop has made an investment in digitalisation. And just when it had stretched the organisation in all directions, we pre-acquired Netto. We are - quite frankly - doing a bit too much at once. But what's the alternative?

What synergies can the Net deal bring?

Magnus Johansson: - It provides synergies on the purchasing side, logistics, organisational efficiency and development.

for everything it saves time. We save a lot of years in setting up more stores. In one fell swoop, it improved

market share and our presence in a number of locations, mainly in southern Sweden.

A perennial issue for everyone in the grocery business is online activity. Where are you there?

Magnus Johansson: "We have had a year where we have invested in a platform that will be much better than before. We are in a better position than we were a year ago, but the market is tougher than ever and that is one of our biggest challenges going forward. This is not unique to Coop, but to all our competitors. It is

a business that is costly to run and costly to be in.

Is it possible to make home delivery profitable?

Christian Wijkström: "I think you have to think about what to do differently from the others. It's not easy, because in the grocery business we tend to be a bit conservative and copy each other. Can you find a way to use physical and digital retail together to take a local market?

Magnus Johansson: "The point is that if you don't capture your loyal customer that you have in the physical store online, you will not only lose channel share but also physical share in the long run. Because then the customers are released to another brand, other products and other offers that they soon get used to. That's why we're all there, spending money and energy on something that from a short-term perspective doesn't look profitable.

Christian Wijkström: "At least no one can say that online trading is a fly, as was once said about the internet. This is something new. Everything new is hard. And it's driven by digitalisation even more so.

Marie Nygren: "The challenge is to get the organisation to work with this in an integrated way. Sometimes customers want home delivery, sometimes they want to pick up a pre-set box in a shop and sometimes they want to shop in a shop. Everyone needs to think about multiple channels at the same time - and in new ways. The ability to think flexibly and with a focus on customer needs and preferences is more important than the channel. **What are the key words for 2020?**

Magnus Johansson: - To grow - and thereby

How was the year for Coop

I am very pleased that we have agreed on and got started with what we call "the good customer meeting" and that it permeates all parts of Coop. If you were to summarise the points price, offer and supply as the main issues going forward, we have worked hard on prices and supply last year. The next step is to package it all even more clearly into sufficiently strong customer offers. Coop's management has taken big decisions and important steps towards digitalising the cooperative. We are embracing innovation as a clear part of digitalisation and will work with an open innovation platform that is fundamentally a different way of interacting with companies and entrepreneurs than how other parts of the business community do. During the year, we have also taken decisions to build an infrastructure that equips us for the future. On top of this, Netto came in as an enabler. It brought pride, confidence and a footprint in the market. I don't think anyone thought we had the muscle and power to pull this off. The Netto deal is a confidence booster and definitely the start of something really good.



Magnus Johansson, CEO Coop Sweden

increase sales and market share, which Coop will do. And then get good offers together with customer meetings that make us take the important-move forward. In addition, we are investing heavily in digitisation, not least to increase the visibility the benefits of being a member of Coop.

Christian Wijkström: "In 2020 there is an opportunity to build trust. Trusts are set in price and for our part, in the second half of the year we will have set lower

Ica and Axfood have been able to look at. Maybe not when we've been fighting, but

price on all basic goods in all our stores. This is the biggest issue for CBS. Another issue that will be very important is how we can simplify for the customer.

Marie Nygren: "And I say the good meeting, which goes hand in hand with what Christian says. If we can also link it to a greater member commitment, we will have gained an incredible amount. I want everyone to understand that when they go into our stores, the profit goes to myself as a member and to all the other members, whereas if you shop at Ica, you are instead contributing to the merchant getting an even bigger car or boat. A bit hairy.

How to make the good meeting a reality?

Marie Nygren: "The whole organisation has to think about our customers' needs. It is important to have a finger on the pulse. Some are happy with a hello and others want a lot of help. Either way, you're always met at the counter, where you have the chance to start a dialogue and say a few words. I know from my own experience that going to work is more fun if you talk to customers in small talk.

The KF family is large and diverse. How do you unite them all?

Magnus Johansson: "After all, it's smaller than when Marie was last here. Then we had some kind of industrial conglomerate including Norstedts and Stor & Liten.

Marie Nygren: "That is why the focus will 2020 be on the purpose of the KF and the

put the whole KF family together. Today we work a lot in pipes, both between, but also within, business

activities. We will find ways to use each other more to create member benefits, a more efficient operation, and a more and a common understanding of goals and visions. Only then can we achieve great things and create more profitability.

Christian Wijkström: "One of my colleagues recently came up with the meta-forum "When the family is fighting, the neighbours are watching". In our case

when we've had trouble coordinating. Our biggest challenge is to create understanding and

How was the year for KF

” It is of course difficult for me to summarise the whole year as I took office halfway through and have entered an exciting new job. For me, it's great to be back in the cooperative, combined with the fact that we want to create good conditions for our members to make sustainable choices.

That's why it's been great to meet all the associations out in the country - they have impressive skills and commitment. Many have ~~been successful~~ been working about taking care of the members and getting involved socially in community issues in their local area. It pays off and you get very loyal customers.

the execution." Our competitors analyse the situation for too long, but the execution is uncompromising.

Marie Nygren: "We definitely have a challenge in working together and making each other successful - for real.

Magnus Johansson: "Actually, we all share the customer, who is ultimately our owner. If we can earn money and together make the customer happy with the Coop brand - then we can be proud together.

Marie Nygren: "Overall, we should be more proud of all the things we actually do.

Christian Wijkström: "An eye-opener for me was that

Marie Nygren, CEO KF



even though the "yellows" from Netto have obviously had a better job in recent years, they celebrate the smallest things. We all need to do that a lot more. Think about where we were in 2014 and where we are now. Lots of good things have happened and the hard work has paid off.

One last question: it's easy to get caught up in challenges. Where do you see the opportunities?

Christian Wijkström: -more 30000 children were born than the year before. 1991 and 1992 also had high birth rates. Their values are our opportunity. They got an iPhone when they were around 17. They have the same values as us in the room, who belong to a generation that loves to own. The '90s are more about sharing. And Coop has the coolest sharing economy of all, it's just a matter of phrasing it right. We are much more Uber than that company has ever been. Uber has an owner at the end of the chain, while we are owned by our 3.5 million members. That's cool for real!

~~never been more modern~~ Marie Nygren: "Yes, we've

How was the year for Coop Stores & Supermarkets

” For me, there are three words that sum up the year: price, team and acquisition. We've made the biggest price journey ever, we've got great response and taken market share from, among others, Ica here in Stockholm, so it's great fun.

At CBS we are a team that works fantastically well, I couldn't have done this year without them, and thanks to that we've had good customer growth. The greatest joy is that we are so united as an organisation. We know who we are and where we are going. That's been the best part of this year, along with the Netto deal.

Our aim was 2019 to challenge Maxi to be better on price, offer and choice. We've certainly done that on price. We can still get better on offer and range, but we're heading in the right direction. ~~we said~~ something. Now it's happening.

Christian Wijkström, CEO Coop Stores & Supermarkets



HAPPY JULY





for
dialogue
today.

"It's been a year of change"

What do a media company, a bank, a convention centre and a real estate company have in common? More than you might think. Three of them are in a process of change that could be a matter of winning or losing.

The belief in success is unwavering.

Dt's a spirited but humble crowd of CEOs gathering at Coop's head office in Solna on a grey Monday. Helena Liljedahl, Unn Edberg, Manfred Krieger and Kadi Upmark have all had a challenging year at different ways. They quickly and prestigiously conclude that their great common denominator is that they are the "little siblings" of the CF.

— We represent all activities that are not defined as core activities of the CF. We compete in a different arena when it comes to attention and investment," says Manfred Krieger.

Is it nice or annoying?

— Frustrating, says Helena Liljedahl and Kadi Upmark almost in each other's mouths and gets a humming support from the others.

Helena Liljedahl: "It can be fun to be a financial business, but it's frustrating when you don't have control over your own finances. We are dependent on how the core business is doing. Together early on, the frustration can be positive and give a bit of a damn attitude. You want to show that you can deliver. Manfred Krieger: "You have to ask yourself from time to time

There is
more courage
and
opportunity

why the CF should do something outside the core business? I think we exist to build value for the owners in a different environment than the grocery business. called. The motives and arguments for this do not always come from the owners, but much lies with us. The strategy must come from within each company.

Helena Liljedahl: - The King has a choice-language "For Sweden - in time" and I usually tell my employees that KF Fastigheter's mission is "For KF - in time". We have been around since the 1930s and have changed our mission time and time again. In the beginning, we were involved in building and owning production properties, such as mills. Then, when some associations were doing badly, we bought their properties and returned capital. Later, when KF needed capital, we sold off some properties - and now we've moved on to ennobling land holdings. This involves developing land that has a higher economic value, mainly by producing new zoning plans that give the right to build.

Kadi Upmark: - Our Farm has always worked for KF's and created a meeting place that is one of Sweden's most innovative on many fronts. Today, we must take advantage of this and secure our future and development. Now we need support from the CF, rather

than the other way around. At the same time, I would like to emphasise that there are many positive things happening at KF right now. We are being heard in a completely different way. There is more courage and opportunity for dialogue. I am grateful for that.

Unn Edberg: - Yes, I feel a lot of support from the CF. We have received an investment to implement our digital transformation and we have also discussed the role of Vi Media in the KF family. It continues to be formulated as a financial holding, but there is also an addition in our ownership directive about securing

publicity. It is important for KF to be part of the social debate.

I really believe in closer cooperation, where both have a lot to gain.

The four of you have very different businesses. What do you have in common - other than sharing ownership?

Kadi Upmark:
"Many of us are in shaky industries where no one can say for sure what the situation will be
in five or ten years. It goes so

”

If you
don't earn
money, you
have no
freedom of
movement and
probably no reason
to exist.

and the only thing we can do is to trust our experience, have courage and believe in our big initiatives, like adapting our business and making it accessible to more business areas. We will become a living meeting place, open to both individuals and businesses. It may sound cliché, but to reach hearts you have to speak to your own.

Manfred Krieger: "On the other hand, we often tend to say that 'there's a lot going on now'. Each generation claims that they are living in a time of change. In my industry, banking and finance, one can definitely say that there is an extraordinary amount happening, driven by the financial crisis of 2008, but above all by a massive digitalisation. In an environment of great change, it is of course particularly challenging if there is an investment deficit, i.e. if investments that should have been made have not always been made.

Everyone nods in agreement.

Unn Edberg: - The common denominator is well itself

This was the year for Vi Media

It has been a year of real development, marked by a major digital transformation. I took over as CEO just over a year ago, in the autumn of 2018, and in the beginning it was a lot about setting plans and strategies. This year we have started to execute them. We've launched three websites, an app, changed premises and redesigned the Vi magazine.

We are in a shaky industry where print newspapers can lose circulation of up to ten percent per year. In the past, we have lived by the "many streams small" business concept, with many ancillary businesses such as print publishing, events and travel. We're not going to stop doing that, but now I'm trying to gather the strengths around Tidningen Vi and build a digital offering. If it works? No Swedish magazine has so far succeeded in what we want to do, but we have to try. I think our journalism is good enough that we can do it. We have a strong brand, a great story and a good digital platform.

Unn Edberg, CEO Vi

How was the year for Med Mera Bank

The bank is in the midst of a major transformation. The past year has been one of transition, which in at least will also apply to We are 2020. streamlining by transferring activities to external parties, but also by moving parts to Coop. All activities that do not need to be in banking should be outside, it will be cheaper and more efficient. At the same time, we are focusing on getting our savings and loan business to grow, which means investing heavily in IT and other infrastructure.

A transformation of this scale costs a lot of money and it is important to get the revenue generation going as soon as possible. The operational risk increases when you decide to do so much at once, but on the other hand we are very confident in our strategy and that all the calculations hold. We expect the conversion to generate at least millions 150 of SEK per year for the KF Group and the consumer associations. Med Mera Bank will be as good as the best in the market. It will work.

Manfred Krieger, CEO Med Mera Bank

leadership. Whatever the sector, we find ourselves in similar situations where we have to redesign, save and set said at the same time. And to succeed, you also have to pick and choose things that may be profitable today, but still don't build the brand and the business going forward.

What are the plans to achieve profitability?

Kadi Upmark: "Our Farm has reached that limit now in 2019. We will not be able to deliver the numbers that were expected of us. We have seen this coming and in the fall even developed a business plan that extends to 2027. This is to really demonstrate that if we do not invest, mainly in food and beverage related spaces such as bakery, restaurant and bar and add features that promote health and fitness, we will not be able to... have a profitable business in the long term. It goes fast

Media

perform if you don't dare. Of course, it will take a few years to build a new market and complement our core business. Here I really feel the support of the Board.

Unn Edberg: "Our goal is to be profitable again To2023. get there, we invest and cut costs. We Media have moved to smaller premises and restructured our organisation. The aim is, of course, to maintain profitability on an ongoing basis, while

KF annual report 2019

at the same time the investments will, of course, have a negative impact on the result. We are sticking to our investment plan, which I am proud of. The challenging is to maintain quality and keep up this incredible pace of employee development, while making tough decisions.

Manfred Krieger: "We have clear ownership guidelines:

”



61

We have a financial return requirement. If you don't make money, you have no freedom of movement and presumably no reason to exist, whereas the opposite creates organisations of pride, high efficiency and a good use of resources. MedMera Bank has a clear plan on how to achieve the profitability requirements. We are streamlining operations, growing our savings and loans business, building new IT platforms and have begun a values-based approach for staff.

Helena Liljedahl: "KF Fastigheter is profitable every year. But we have reached *break even* in terms of the operating profit that we previously had from our investment portfolio. In order to show a profit, we have to sell off. Since we work in large development projects, it is about finding a good balance: how long should we work in the projects? Where can we achieve maximum value? KF Fastigheter has previously sold off many when we have obtained building rights, but now we have also chosen to stay and build real estate. It can provide much more long-term value in the future.

I haven't wanted to come in with a finished vision. We have done that work together.

How was the year for Our Farm

Our Farm has had a challenging year where we have had it confirmed that the business needs to undergo a shift from a traditional conference centre to become a more vibrant and open meeting place. The meetings industry is extremely sensitive to the economic cycle and already this autumn we have seen a slight decline in bookings. We need to open up to the private market, which is not as sensitive to economic trends as companies.

We know that Vår Gård needs to make this transformation and we know how to go about it, but we obviously need support and understanding from the whole organisation and of course from our owners. Now, full speed ahead, purposefully and persistently, and we will take pride to a new level!

Kadi Upmark, CEO Vår Gård

What are your strengths as leaders?

Helena Liljedahl: "If you work in the real estate industry, you are by definition persistent. If you work in industry, you're per definition.

- like me - have been around for a while, you know that most plans eventually come to fruition, as long as you keep moving forward. So it's important in leadership to be clear...

get where you want to go and have a clear plan for how the team will move forward. Because KF Fastigheter is such a

Our challenges are to get the detailed plans and it is a long democratic process. The goal for was2019 to get the planning programmes for Kungens Kurva and Backaplan approved and we are pretty much there.

Helena Liljedahl, CEO KF Fastigheter

How was the year for KF Fastigheter

KF Fastigheter works as a development company for large projects, such as new urban districts. We have, among other things, two large projects in Stockholm, one in Gothenburg and is just starting a new one in Vinsta outside Stockholm. People will want to live, work and live there for years to come. This requires us to take our eyes off the details and see how we can make an area attractive in the long term. That way we get value from our projects both today and in the future. As for the day-to-day work, we are following a plan that we have been putting in place for several years and it is just pushing forward stubbornly with the detailed plans.

lean company, it has also been important to create good teams, not only of permanent staff but also of external consultants.

Kadi Upmark: "I am clear about the goals and the owner's expectations and build trust. Our farm is not a *one-man show*, so the most important thing - in addition to having an eye for the outside world and innovation - is to get all the employees on board and to make people grow and feel good."

Manfred Krieger: "I'm strategic and commercially innovative and push quite hard - which also has its drawbacks. Sometimes I have a tendency to be too far ahead, which can lead to some impatience. However, as a CEO it is important to regularly challenge the owners on strategic choices without taking into account the well-being of one's own position. I think I do that."

Unn Edberg: "I know the media market, I've been covering

62

it for many years and I've previously been chairman of the Swedish Magazines Association. When I took office

As CEO of Vi Media, I therefore had a clear picture of what has worked - and what hasn't - in other parts of the industry. However, I did not want to come in with a ready-made vision. We have done that work together. The funny thing is that the team has done this. When the assignment to digitise came, everyone was eager to do something new, despite the fact that many of them had only been doing paper newspapers for so many years. It's probably the

highlight. □



”



”

Driving a green whole

Sustainability is a green thread running through Coop's operations

- from the shirts of the shop staff to the decisions of the management.

Charlotta Szczepanowski is pri-
Sweden's best sustainability
manager and number 41 on the
list "Most powerful in the
sustainability world", according
to the magazine Aktuell Håll-

Since the autumn, 2018she has been
sustainability manager at Coop.

Anglmark is ranked as Sweden's most
sustainable food and beverage brand,
while Coop is named the most sustainable
food chain for the second year in a row.
You are proud, but not satisfied?

- I am incredibly proud of what has been
achieved, but I am never satisfied. Never.
There is still a huge amount of work to be
done if humanity is to continue to have a
good life on this planet. Coop is a life

a

r

h

et

medium-sized and has the ability to change
a lot. Sustainability issues must not become
symbolic baubles, they must be included in
all important decisions we take. But the issue
of sustainability is extremely complex and
there are many parameters that must be
constantly weighed up.
What is your goal for 2020?

||

Charlotta Szczepanowski, Sustainability Manager at Coop.

knowledge of good practice. We create
sustainable development together.
Tell us about the new sustainability tool



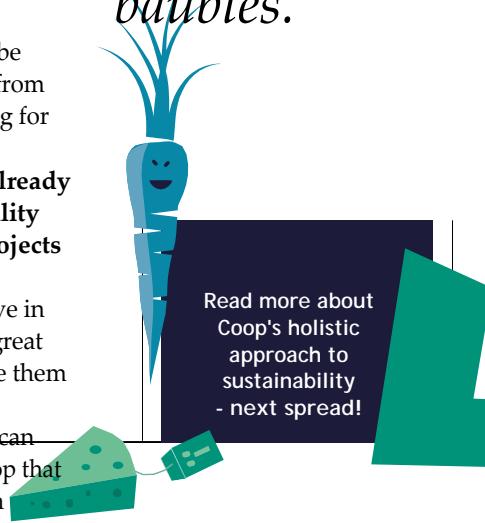
PHOTOGRAPH
KOHVAKKA

– We want to see sustainability as a whole. For example, we cannot choose to reduce plastic use and at the same time strive to sell more beef. In the sustainability plan we have developed, we highlight the importance of management responsibility, but also emphasise the role of the stores and the importance of a purchasing process where sustainability is taken into account in decisions. Sustainability issues should be integrated into everything Coop does, from internal policies to the choice of clothing for store staff.

From small to large, that is. You've already initiated over 90 different sustainability activities and projects. Is starting projects your strength?

– I have an extreme drive and believe in starting things up. There are so many great projects within Coop and I want to give them fuel and opportunities to create sustainability. For example, the stores can benefit and learn from each other. A shop that cooks breakfast on food waste can be an inspiration for another shop. Through sustainability guides we will spread

Sustainability issues must not become symbolic baubles.



Read more about
Coop's holistic
approach to
sustainability
- next spread!

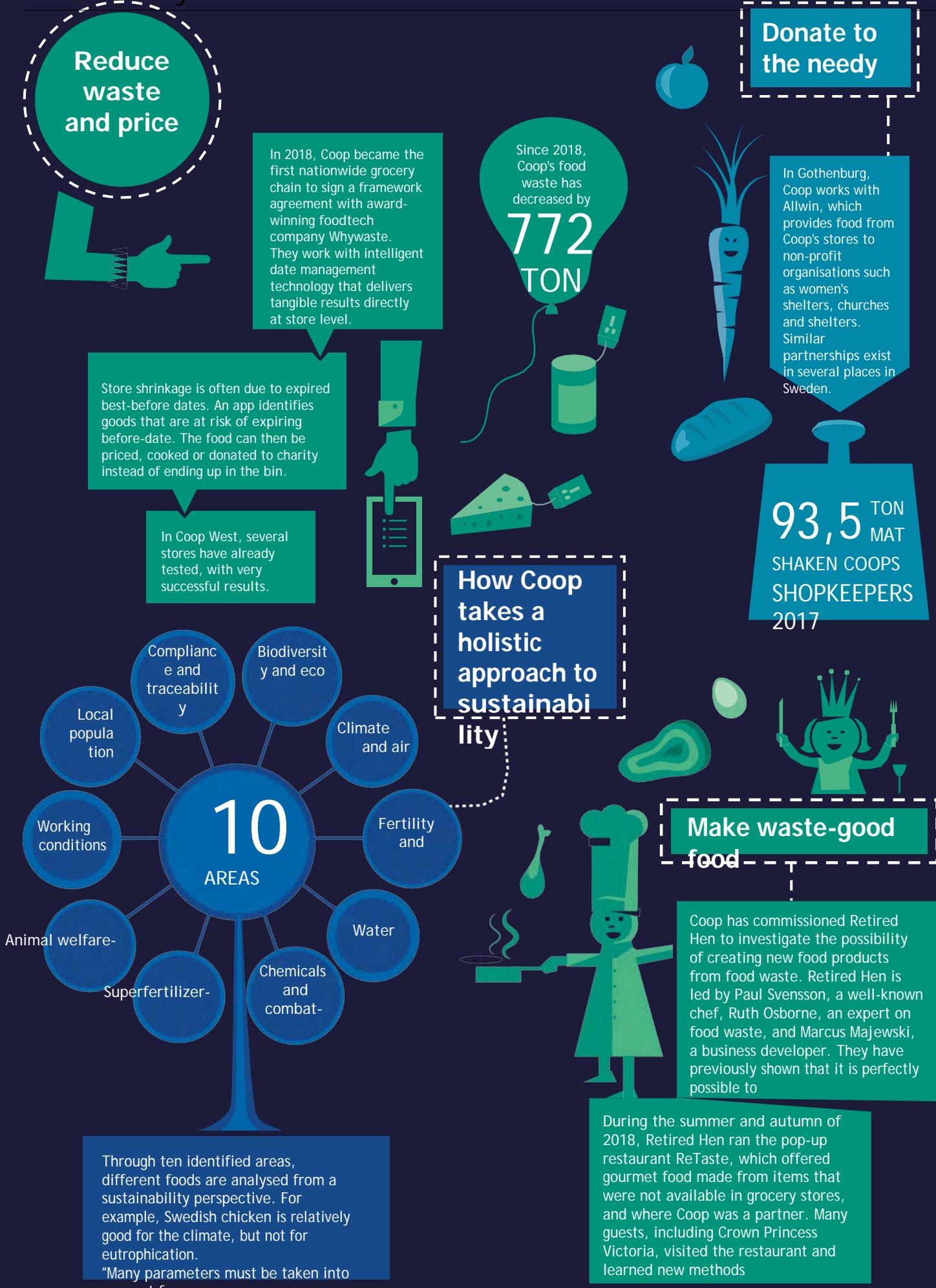
to help Coop manage, balance and visualise the complex issue of sustainability.

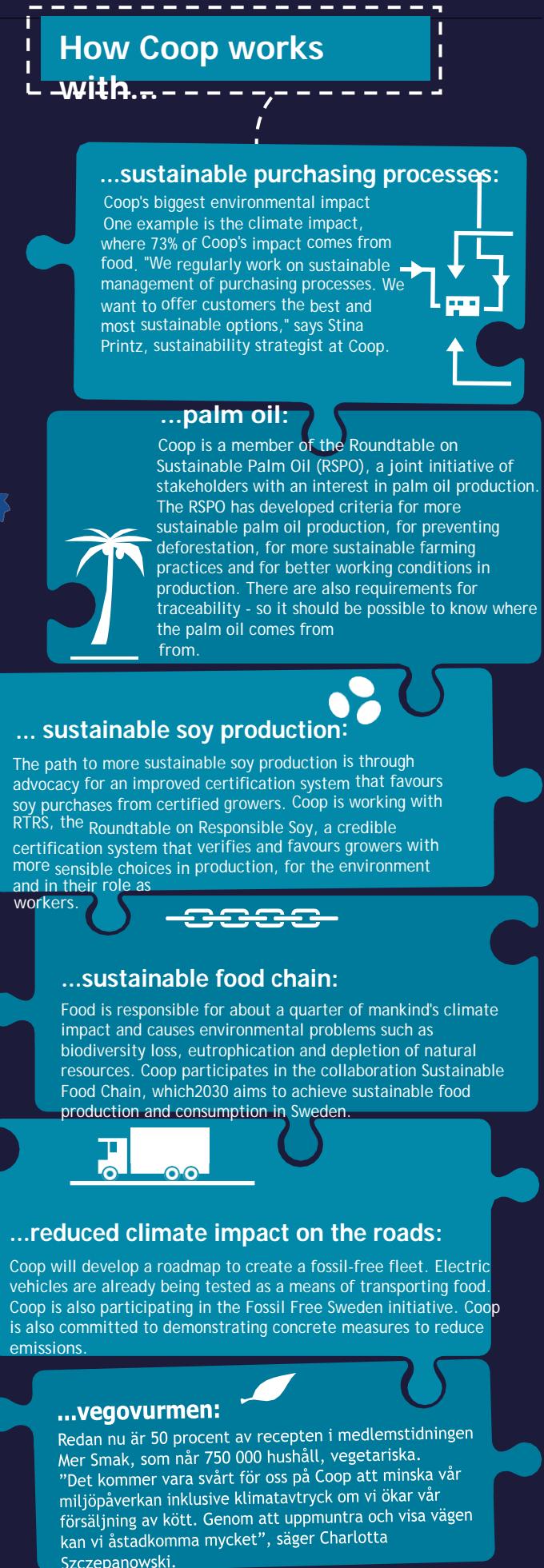
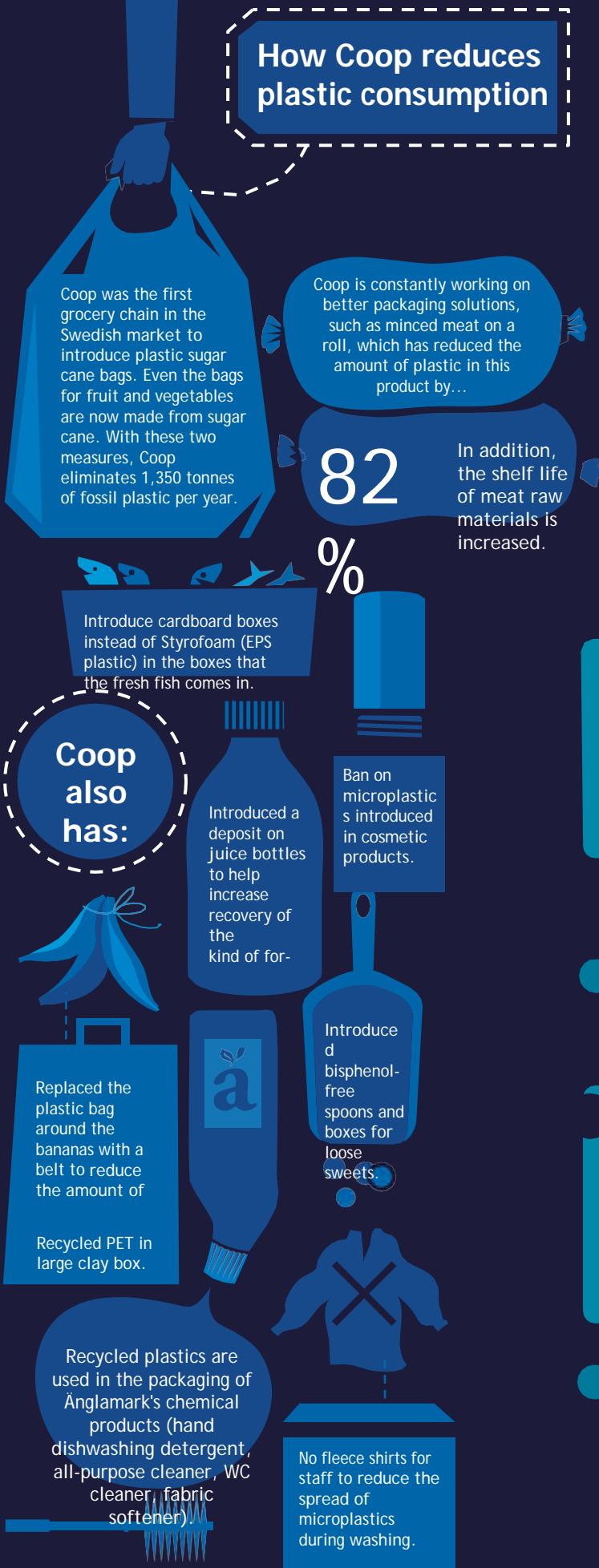
- Together with my colleague Stina Printz, I have developed a tool to clarify the complexity of the environmental issue. Nothing is black and white. That's why we have developed a so-called sustainability spider that identifies ten areas, such as chemicals and pesticides, animal welfare, climate, air and water. Based on the sustainability spider, we can then compare different foods to see how sustainable they are. For example, pasture-raised meat is good from many perspectives, such as contributing to biodiversity, but it is not good from a climate point of view. With the help of sustainability

plexity, says Charlotte Söderström and

Karin Herou

Sustainability







In just four years, Agnes Mashaka has created green fields thanks to tree planting. At the same time, the farm has become more resilient to climate change.

We-forest puts food on the table

Long before anyone had first uttered the word climate offset, Vi-forest was planting trees in the countries around Lake Victoria. Agroforestry - **mixing crops with trees** - is particularly effective at sequestering carbon.

text UNN EDBERG photo BARNABAS SHIJA

AI Is climate compensation really good? The phenomenon has become controversial and this autumn 2019 a debate initiated by articles in Dagens Nyheter. The objections are several. Some think that it makes no difference to offset their emissions - we should instead make sure not to create any. Others have criticised certifications. A serious criticism is that trees planted to sequestering carbon displaces local farmers, leaving them with less land to grow crops on. And there's the question of whether the trees being planted are good for the local ecosystem at all.

Vi Forest was started by Vi 1983 magazine and its owner Kf, with a completely different purpose than climate change mitigation. At the time, it was about people's living conditions and preserving biodiversity. The fact that wood sequesters carbon came as a bonus and it is only in recent years that Vi-skogen has highlighted the climate offsetting effect and launched a climate calculator on its site.

The chairperson and head of Vi-skogen is Pia

Carlsson Thörnqvist at Kf. She points out that Vi-forest, with its history, puts the individual farmers and their opportunity for a better life first. Vi-skogen does not plant fast-growing eucalyptus trees that

crowd out other crops. There is a harmony between people, the local environment and the global climate. Last year, Pia Carlsson Thörnqvist visited

Tan
zani
a
toge
ther
wit
h
the
Vi-
fore
st
Boa
rd
to

see
for
the
mse
lves
how
the
busi
ness
wor
ks.

-
I'm
so
im
pre
sse
d
wit
h
the
am
oun
t of
exp
erti
se
ava
ilab
le.
We'
re a
sm
all
org
ani
sati
on
in
Tan
zan
ia

with just staff 15, but we're doing great work. It's been exciting to meet farmers who, thanks to Vi-Forest, have food on the table and perhaps crops or seedlings to sell on, while at the same time contributing to biodiversity and reducing climate impact," she says.

CLIMATE CHANGES became evident during each field visit to the Bunda area. The crisis, which mainly is created in other parts of the world, affects farmers here every day. The rains were delayed in 2019 and when they did come, they were too heavy, with the risk of washing away the soil. Both the drought and the torrential rains can cause vulnerable plants to die. It becomes difficult for farmers to plan their work; what has been learned no longer works. In the dry soil, it is difficult for sensitive plants to take root.

Bwathoms James, secretary of the Tumaini youth group in the Serengeti, tells how the village had called in a witch doctor to bring rain. He says that the young people, who have been trained in agroforestry through Vi Forest's Sema project, are trying to combat this kind of superstition.

- What we need to do is plant trees," he says.

And he lives as he teaches. Soon he will be able to harvest his papaya and sell the surplus at the market.

Papaya, sunflower, cassava, maize and beans are planted by the youth group and they decide together ➔



Pia Carlsson Thörnqvist.



We've had activities that have mitigated climate change since we started 1983.

Tanzania.

which crops to invest in. When the group started two years ago, they grew watermelons, but because of the lack of rain, they didn't grow. Some of the young 15 people who were involved gave up, but the ten who are left started again.

Mariam Omary in the youth group has a child to support. She is planting trees to sell fruit in the future. Men are in the majority, Mariam is one of three women in the group.

- The other girls don't think farming is something for them, but nothing could make me stop," says Mariam, who thrives in boots and with dirt under her nails.

Vi-skogen includes gender equality in all its programmes and has methods for raising these issues with groups. It is needed. In Tanzania, women are traditionally subordinate. During our visits, we see how women in families put themselves on a lower seat than their husbands. It is a big step that Mariam Omary and the other two women who are there have the same voice as the men in the group.

The fields are young people's path to a decent life - instead of moving to the cities or engaging in illegal activities, such as poaching in Serengeti National Park or gambling like many of their village peers.

Pia Carlsson Thörnqvist has been following the debate on climate compensation and feels confident that Vi-skogen will deliver real results, both for people living where the trees are planted and for the climate.

- We've been working to reduce climate change since we started, even 1983, though our main aim was to reduce poverty and desertification. The great thing about We-forest is that we are doing education in agroforestry but also in equity and household planning - while both the trees and the soil on our farms are sequestering carbon. We don't have to choose - we do both!

Charles and Agnes Mashaka live in the village of Ligamba in the Bunda district. They are reminded daily of the changing climate.

Constant irrigation, which his son Joseph also helps with after school, is required for tree plants and vegetables to survive and grow.

At the same time, they are key players in the fight against rising temperatures. By Vi-Forest partner organisation

Bufadeso has given them the seeds and knowledge to grow seedlings for planting and sale. They 5000 plants that will grow on their farm can sequester carbon which is thus prevented from reaching the atmosphere.

For the individual farmer, tree planting and the practices that go with agroforestry make fields more resilient to the effects of climate change. Trees provide shade and trap moisture so that the soil does not dry out as easily. When the rains come, the roots of trees and bushes bind the soil so that it doesn't wash away. Crop rotation and leaf litter help keep the soil fertile. A Vi-bonded farm often produces a much larger harvest than one using traditional methods. Planting trees also reduces the workload of women, who do not have to walk far to fetch fuel for cooking.

Charlotta Szczepanowski is sustainability manager at Coop and sits on the Vi-forest board. She is impressed by Vi Forest's work.

- Agroforestry is an approach that takes a holistic approach to livelihoods and biodiversity while sequestering carbon. This sets it apart from other methods.

Agroforestry helps farmers adapt to the changing local changes due to climate change.

During her trip, she gained a deep understanding of the awareness among Tanzanian farmers of what is happening to the climate.

- The people we met started talking about climate change without us even asking. They haven't read up - they see it with their own eyes. So how can some politicians question that it's happening?

In addition to knowledge about cultivation methods, Vi-Forest contributes to democratic development. All activities take place in groups where members make decisions together. The groups are part of a partner organisation supported by Vi-forest's own staff. There are savings/loan groups where members can get help to make investments. A safe with two padlocks ensures that the group's common assets cannot be used by an individual. The box is opened at meetings. It is important to Kf that the cooperative spirit permeates its activities.

- During our visit to Tanzania, we saw evidence that global cooperative values are alive and well, with associations offering training and internships to their members and elected representatives. They work across borders with other co-operatives to create even greater shared benefits and they strive to operate in ways that take account of the wider community. They work for sustainable development. That makes me really happy," says Pia Carlsson Thörnqvist.

In Tanzania, the Plan Vivo project, which has been running since, is now to be handed 2008, over to partners.

- We have planted trees 412800 and tied over 55,000 tonnes of carbon dioxide in the project. "Through calculations, we can find out to what extent different farming methods and tree plantations bind carbon dioxide," says Grace.

Eustace, who has been in charge at the Tanzania office. □



1. The youth group decides collectively which crops to grow. Now the common plot includes sunflowers, papaya, pumpkins and beans.
2. Bwathoms James, from the youth group Tumaini, talks about crops with Vi-forest manager Maria Schultz.



Coop is Sweden's only cooperative grocery chain, with 696 stores owned by millions of 3,5members. We put two questions to some of those who aspire to Coop will be the good force in Swedish grocery retailing.

1. What was the highlight of 2019?

2. What opportunities and challenges do you see in 2020?

CARINA SAMMELI

Member
Coop Norrbotten:

1. We have opened two new stores, one in Luleå and one in Piteå, and it feels very good. It's been a long time since we opened new stores. The other highlight is our work with online sales. We have really invested a lot to get started, we have built warehouses and started our own delivery service. In the long run, I am convinced that this is a market that will grow.

2. Online will continue to be a challenge, not least how we work nationally on this issue. Here we have the advantage of our ownership structure, even if it is. There are challenges in coordinating online sales within the cooperative. Another challenge is a possible recession. Our county is relatively sensitive because we have many large industries that are often hit hard in bad times, and the goal is for the Coop to be up and running regardless of the economy.

ANN-KRISTINE JOHANSSON

Chairman of the
Board Coop
Värmland:

1. We have an incredibly good customer experience in our stores and several are top-rated for this very thing. We are welcoming, see every customer who comes in and are keen to answer questions and be accessible. I think that warm welcome is a competitive advantage.

2. A national challenge is to inform members about the great work that goes on every day at Co-op. I am thinking of the work on sustainability, the food waste issue and the expertise that exists in highlighting local products. I also see our form of business, an economic association, as an important competitive advantage. Many young people today like the cooperative idea of owning together, that everyone has a vote and that the profits go back into the business. Another challenge is to make the business profitable. But if we succeed in informing the members about the good power that Coop is, the profitability that a letter in the mail.

KERSTIN WALLENTIN

member of the
Stockholm Consumer
Association:

1. For me, the highlight was definitely the Netto deal. Taking over 163 stores and remodelling them in the Co-op format strengthens our competitiveness and gives us the opportunity to drive down prices. In this way, the purchase benefits the members.

2. One of the biggest challenges, and at the same time a huge opportunity, is that we in the co-operation must interact and co-operate even better and live from jointly made decisions and joint projects. This will make us more business-like and able to create good results together. I want us to aim for world-class customer service and hope that we maintain our leadership in sustainability. I also see a strong roll-out of the online service with a strong focus on the customer.





DORIS GUSTAFSSON

Association President
Coop Kristianstad Blekinge:

1. The net deal, no doubt. It's fantastic that Coop did the deal. A brave purchase. It makes Coop an even bigger player with the ability to push prices. A local highlight was the opening of another store in Eslöv, which increases our market share. It has been well received.

2. The net deal is a challenge that requires us to work together. It is also clear that online will continue to be both a challenge and an opportunity. In the future, that's where we'll find the customers. A personal sticking point is that I would like to somehow reintroduce carry-back, which I see as one of the pillars of Coop.

What are you looking forward to in 2020?



“

That we see the results of the fantastic work done by all our employees and that we take clear market shares that shake up our competitors.

Ann-Kristine Johansson

“

To promote Änglamark to a more prominent part of our offer and work towards a better price image to the customer.

Caroline Ullman-Hammer

“

To see the positive effects of our acquisition of Nettobutikerna will be felt across the store network.

Peter Renkel

“

That we continue to develop and drive our stores forward and continue to be the good force in food Sweden and for us employees.

Anette Nilsson

“

I am looking forward to the coming year. It's only our own possible shortcomings the one that limits our possibilities.

Kenneth Östberg

“

A common trade that gives all shops the opportunity to offer a very good value for money. Membership benefits! Cooperation for real!

Tommy Ohlström



finally

Judith Wolst *The cooperative of the future is within reach*

THE PRINCIPLES OF COOPERATIVITY on social responsibility and sustainability are more relevant today than ever. Above all, it is exciting to see how the cooperative idea is attracting so many young people. There we can also see a shift in the value of the concept of co-operative - which nowadays does not have a clear party-political link, but rather is associated with community, response and democracy.

In my 15 years of work, I have always worked cooperatively in a way, because I have worked with the Internet. That in itself is a gigantic co

”

work projects where we humans have shaped ideas, innovated and created digital services. It is an enormous power when individuals with a common agenda meet on different platforms. Perhaps the most high-profile and clear examples are Fridays for Future, initiated by Greta Thunberg, and Metoo, both of which have put important challenges on the agenda.

In the future, I believe that the cooperative idea will have a further rebirth thanks to technological developments but also because we humans

must work together to solve the challenges facing the world.

In my work to help businesses understand the new opportunities that technology brings, I'm noticing a growing interest in what's called the sharing economy. This means using technology to connect supply and demand in new ways. Sharing and borrowing from each other is something we have always done. The difference now is that technology helps us to do business with and trust strangers. We rent without blinking an eye someone's apartment via Airbnb on holiday. Equally self-evident is hopping into a private car driven by anyone via Uber.

But who is using the opportunities of the sharing economy today? Well, it's mainly *the millennials*, the generation born from the early 1980s to the mid-1990s. According to a study by accounting and consulting firm PwC, over 50% of Airbnb and Uber users are under 40. The same generation takes

don't see the same status in owning glassy gadgets as previous generations. These behaviours and values are now climbing up the age ladder.

I believe that companies' interest in the sharing economy will continue in the future. Partly because sustainability has become an increasingly important business issue, but also because platforms that - like Uber and Airbnb - connect supply and demand are the ones that are both growing fastest and most profitable. Consultancy Deloitte calls platforms that enable the sharing economy '*network orchestrators*'. Deloitte believes that these platforms has eight times the shareholder value-to-revenue ratio" compared to traditional manufacturing companies.

In plain English: the stock market values these companies higher than other types of companies.

SO BOTH DIGITAL DEVELOPMENT and our commitment to the environment point together in a direction towards a continued growth of the sharing economy.

It will therefore be particularly exciting to see how KF and other cooperative actors will take advantage of their unique position to find their place in the sharing economy. If I may fantasise, Coop could connect the local farmer with its members, with some purchases avoiding the "detour" via a retail store or a central e-commerce warehouse. The technology could provide

environmental issues very seriously and



the customer detailed and reliable information about each product and all stages of its production. KF Fastigheter could rent out unused office space or premises.

The journey of the sharing economy has only just begun and I believe that KF is in a particularly strong position with its large customer database, credible

strength to the demand and the

JUDITH WOLST
is a digital strategist, author and lecturer.

*Sweden,
we have
a result*

65 pages about the past year



Activities

Kooperative Federation (KF), is a federation in the form of an economic association with consumer-owned companies and associations as clients. The aim of the KF is to create economic benefit for individuals who are members and at the same time enable members to contribute to sustainable development for people and the environment through their consumption, an idea summed up in the mission statement "Together we do better business".

The members of the KF consist of directly affiliated members, 29 consumer associations, OK6 associations, Fonus and Folksam Sak and Folksam Liv. KF is Sweden's single largest cooperative federation in terms of number of members. Through the consumer associations and the directly affiliated

the members of the KF gather over 3,5 million consumers. During the year, the following functions have been incorporated into the parent association: federal, financial, brand and legal staff, and the cooperative governance and risk & compliance staff.

KF's activities are carried out through subsidiaries, employing the group (64809617) employees, of which (32 587521) women and 3 030 (2 288) men. The increase in the number of employees between the years is mainly due to Coop Butiker & Stormarknader's acquisition of Net's operations in Sweden.

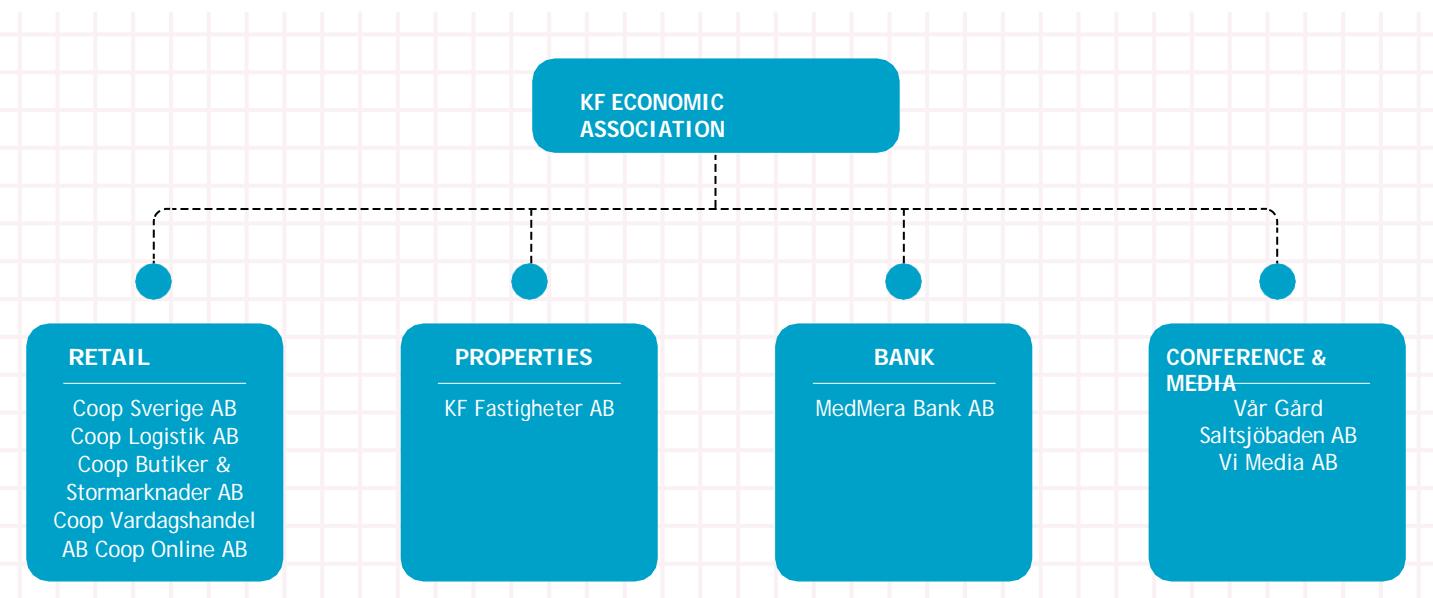
KF's role is to be the holding company for the companies in the group, which means that frameworks and financial targets are set for the respective activities. The frameworks and financial targets that KF sets for each of the subsidiaries are described in so-called ownership guidelines.

The respective boards of the subsidiaries have a

member of the Board of Directors has been appointed with specific responsibility for the investment and for the implementation of the Ownership Directive in the companies' strategic and operational plans. The owner-manager reports to the CEO and is also responsible for the follow-up of the respective activities. The main task of the KF is to develop the consumer cooperative grocery trade and to work towards the realisation of the business idea. The instrument for this is the ownership directive.

RETAIL

a Coop Sweden is responsible for merchandise purchasing, category management and merchandise supply to stores operated by Coop Butiker & Stormarknader and by consumer associations. In addition, Coop Sweden is responsible for membership programmes, format management and marketing for all



Coop stores. Coop Sweden also provides services in finance, communication, HR, sustainability, security and IT to other KF companies as well as to consumer associations.

a Coop Butiker & Stormarknader operates 234 of its own stores under the Coop and Stora Coop brands. Operations are mainly concentrated in Stockholm, Mälardalen and south-eastern Sweden.
a Coop Vardagshandel operates 162 of its own stores. The business was acquired on 1 July 2019. The business is mainly concentrated in the southern, south-eastern and western parts of Sweden. **a** Coop Online holds central functions for the e-commerce business, including the they mainly focus on business development, IT platform and marketing. The company delivers its services to the retail business.

PROPERTIES

a KF Fastigheter develops, develops and disposes of properties. The property portfolio consists of investment properties, larger development properties and land holdings. Market value of the property portfolio is estimated to amount to about 1,1SEK billion.

BANK

a MedMera Bank provides savings and loan products to individuals.

CONFERENCE & MEDIA

a Vår Gård Saltsjöbaden
Vår Gård is a high-profile conference facility located in Saltsjöbaden near central Stockholm. Vår Gård has a

has received several awards for its service and customer satisfaction, demonstrating the high quality of its operations and successful customer offering. During the year, 2019Vår Gård has also launched products for the private market, an initiative that will be expanded during the 2020.

a Vi Media

Vi Media produces and publishes the magazine *Vi*, a magazine about culture and society, and *Vi Läser*, a magazine about books. *Vi* and *Vi läser* are published both digitally and on paper. The company also operates commissioned publishing, travel and events activities. One of the many proofs of the high quality of its activities is that Vi Media and its staff have won a number of awards over the years, most recently the Publishing Prize for the best annual

accounting. □

”

One of the many proofs of the high quality of our work is that Vi Media has won several awards over the years."

Significant events

Da single biggest event in the Group during the year was 2019. Coop Butiker & Stormarknader's acquisition of the Swedish operations of Netto from the Danish Salling Group. Coop Butiker & Stormarknader took over 162 stores and nearly 2000 employees in Sweden. The turnover of the acquired stores amounts to approx. billion 5 and implies that the market share in Sweden increases by approx. 2.

2019 has been an eventful year and in addition to the acquisition of Nettobutiker, the following events in our subsidiaries can be mentioned: **aCoop Sweden completes** the first phase of the project The Good Customer Meeting. **aCoop Logistik conducts a feasibility study** with the aim of establishing a fully automated warehouse. **aCoop Online deploys a new platform** for e-commerce. **aVi Media launches** Vi magazine and Vi läser as digital concepts. **aMedMera Bank divests** its card business to Entercard. **aVår Gård adopts** new strategy and launches products/services for the private market. **aKF Fastigheter brings in** Balder as a 50 per cent partner in the property development project in Kungens Kurva in Stockholm.

In the parent company, Marie Nygren took up the position of President and CEO in June 2019. During the latter part of the year, work was initiated to revise the vision and strategy of KF. The strategic plan is expected to be completed in Q2 2020.

Furthermore, the following events in the parent company can be noted: **aKF closes down its archive operations** at Slussen in Stockholm. The archive comprised about ♦ 500 metres of documents and a large number of historical objects. Operations were outsourced to the Centre for Business History in Bromma. **aNew pension policy** for the Group's companies was implemented in 2019. **aNew remuneration policy** is being developed and implemented in the Group companies 2020. **aWithin the framework of Swedish Cooperation**, the KF is taking part in the development of **a new code of association governance**. Work on the implementation of the new code will be initiated during 2020.

In addition to the above, we would like to highlight the following events in the first part of 2020:

aResponsibility for the home delivery business, via the picking warehouse in Kungens Kurva, will be transferred from Coop Online to Coop Butiker & Stormarknader as of January 1st 2020. **aPer-Åke Sandsjö resigns** as Chairman of the Board of Coop Butiker & Stormarknader AB. Marie Nygren takes over as acting

President. □

until the appointment of a new

“

The single
biggest event in

the Group
during
209 was the

acquisition of the
Netto business.”

1

Performance

Development of results, Group

a The Group's net sales amounted to SEK 3,523 million (SEK 33,223 million). The increase in turnover of EUR 2.7 billion is mainly due to increased turnover in the retail business following the acquisition of 162 Netto stores as at July (12019EUR 2.4 billion).

The drop in sales between 2015 and 2016 is mainly due to the divestment of the Nor- sted publishing group and the closure of stores.

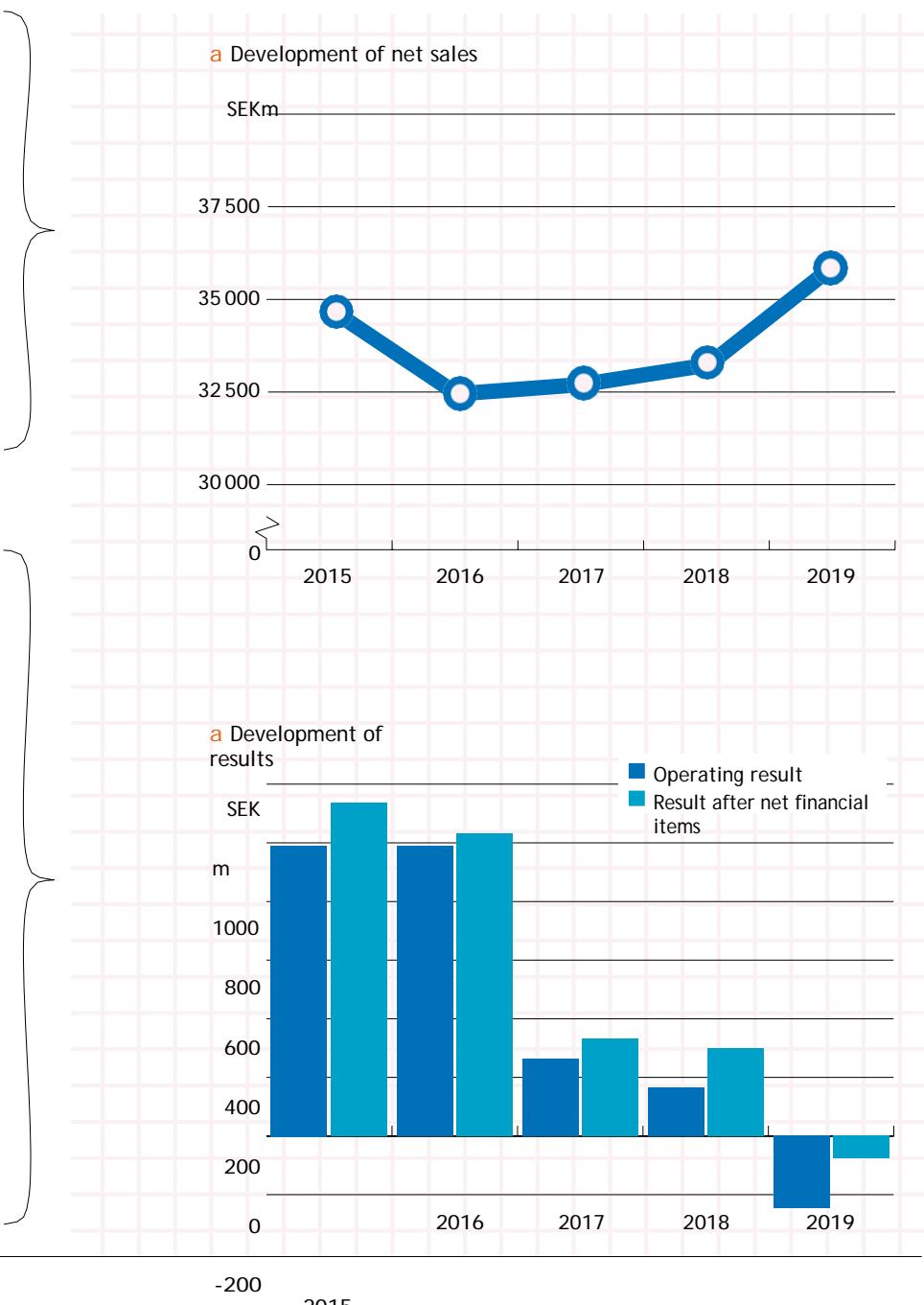
Operating profit for the KF Group amounted to SEK -242m (262) and profit after financial items was SEK -74m (298). The profit for the year was SEK -72 million (283).

a The Group's operating profit was mainly affected by losses in the e-commerce business, about SEK 185 million, and the impact of the acquisition of stores, about SEK 165 million.

Losses in the e-commerce business are mainly due to the development of a new e-commerce platform, costs related to home deliveries and increased marketing costs.

The realisation result amounted to SEK 96 million (238) and relates mainly to capital gains from property sales, including sales within partly owned property companies. Realisation gains from property sales amounted to approximately SEK 100 million.

KF estimates that the Group's operating result, excluding capital gains, risks being negative in 2020, mainly due to investments in e-commerce and one-off costs related to store acquisitions.



Development of results in the companies

KF Economic Association

Key figures		
	SEKm 2019/2018	
Net sales	153	165
Operating result	43	30
Result after net financial items	113	80
Equity capital	4 191	4 093
Average number of employees	15	17
Chairman of the Board:	Tommy Ohlström	
Managing Director:	Marie Nygren	

Key events in 2019:

- a Marie Nygren takes over as CEO of the KF Group in June 2019.
- a Archives and library activities at Slussen in Stockholm is outsourced to the Centre for Business History. The change is expected to result in cost savings of SEKm1,5 per year.
- a KF divests Coop Online AB to Coop Sverige AB in December 2019.
- a New pension policy implemented in Group companies during 2019.
- a New branding platform implemented for the newspaper business.
- a The result after net financial items includes a anticipated dividend of SEKm200.
- a KF expects the operating result for the year to 2020 be in line with this year's result.

Coop Stores & Supermarkets

Key figures Group, SEKm		
	2019	2018
Net sales	18 164	15 913
Operating result	-165	35
Result after net financial items	-170	52
Average number of employees	5 094	3 332
KF's investment		
Ownership	67,2 %	67,2 %
Book value - investment	2614 mkr	2614 mkr

Chairman of the Board: Marie Nygren
 Managing Director: Christian Wijkström
 Chief Executive Officer: Anders Dahlquist-Sjöberg

Key events in 2019:

- a The company will take over the Swedish operations of Netto as of 1 July 2019. The acquisition includes 162 stores and a turnover of close to bn5. a Conversion work for the acquired stores162 is started. 16 stores were converted to the Coop format at year-end, the remaining 146 shops are converted during 2020.
- a The Company initiates the sale of the properties included in the Net acquisition. Disposal is expected to take place during the first half of the year 2020.
- a The implementation of the adopted strategic plan has continued during the year. In particular, price reductions have been implemented in Stora Coop and new 7stores have been opened.
- a The company takes over the e-commerce business regarding home deliveries via the pick warehouse in Kungens Kurva on January 12020.
- a The increase in turnover of about billion2,3 is mainly attributable to the acquisition of the Swedish operations of Netto. The result was affected by acquisition and restructuring costs.

KF's comment:

In 2019, significant resources have been required to manage the acquisition of stores162, while implementing a number of activities in the 2018 strategic plan. 2020 will continue to be characterised by activities related to the acquisition of stores.

The company expects a negative operating result 2020.

Coop Online AB

Key figures		
	SEKm 2019/2018	2018
Net sales	318	279
Operating result	-185	-81
Result after net financial items	-186	-81
Average number of employees	32	78
KF's investment		
Ownership	100 %	100 %
Book value - investment	3,7 mkr	3,7 mkr

Chairman of the Board: Magnus Johansson
 Managing Director: Catrin Folkesson
 Chief Executive Officer: Anders Dahlquist-Sjöberg

Key events in 2019:

- a New e-commerce platform goes live in July.
- a The company develops its e-commerce offer, including the introduction of weekend deliveries and the placement of pick-up boxes in strategic locations.
- a Coop Logistik takes over responsibility for the operational management of the picking warehouse in Kungens Kurva.
- a Work on operational model for e-commerce operations are completed during the year. A decision is taken to introduce a decentralised model in which the store-operating business has operational responsibility.
- Coop Online takes responsibility for the operation of the digital store, the e-commerce platform, marketing coordination, customer service and business monitoring.
- a Coop Stores & Supermarkets will take over responsibility for home deliveries via the picking warehouse in Kungens Kurva, as a consequence of the decision.
- a The company will be transferred to Coop Sweden in December. Coop Sweden is where the other central support functions for store operations are located.
- a The company's negative result is mainly attributable to the development of a new e-commerce platform, costs related to home deliveries and increased marketing costs.

KF's comment:

The company's operations will be integrated with other central functions within Coop Sweden during 2020.

Coop Sweden

Key figures		
Group, SEKm	2019	2018
Net sales	29 134	28 311
Operating result	66	85
Result after net financial items	90	-72
Average number of employees	1 375	1 268
KF's investment		
Ownership	67,2 %	67,2 %
Book value - investment	3157 mkr	3157 mkr

Chairman of the Board: Marie Nygren
 Managing Director: Magnus Johansson
 Chief Executive Officer: Patrik Schinzel

Key events in 2019:

- a the Good Meeting programme is launched 2019. The programme aims to ensure that Coop has the best customer experience in the industry 2021.
- a The company is reorganising in the autumn. The sales organisation is being strengthened with a focus on the Coop and Stora Coop formats and all digital expertise is being brought together within one unit. A decision is also made to establish an external innovation platform to strengthen the ability to develop sustainable innovations.
- a The company, together with partners, launches the Bloomer accelerator programme. The programme is aimed at foodtech entrepreneurs who want to develop services that make the food sector more sustainable.
- a Work on the implementation of a new business system will start in 2019. The project is divided into three phases and is expected to be completed in 2022. The first phase, mainly finance and master data, is expected to be operational in Q2 2020.
- a During the year, a feasibility study will be carried out to establish a fully automated warehouse solution.
- a The increase in turnover of about SEKm 400 is mainly attributable to the wholesale sector.

KF's comment:

In 2019, the company has implemented a number of change projects and has at the same time had to allocate significant resources in connection with the acquisition of Netto stores. The pace of change will continue to be high during 2020.

KF Real Estate

Key figures		
Group, SEKm	2019	2018
Net sales	83	91
Operating result	78	173
Result after net financial items	83	167
Average number of employees	5	6
KF's investment		
Ownership	100 %	100 %
Book value - investment	1112 mkr	1112 mkr

Chairman of the Board: Anders Dahlquist-Sjöberg
 Managing Director: Helena Liljedahl
 Chief Executive Officer: Anders Dahlquist-Sjöberg

The company expects a positive operating result for the coming year.

MedMera Bank AB

Key figures		
	2019	2018
	SEKm	
Total revenue	199	276
Financial net	85	103
Result after net financial items	6	14
Average number of employees	43	51
KF's investment		
Ownership	100 %	100 %
Book value - investment	663 mkr	663 mkr

Chairman of the Board: Mats Lagerqvist
 Managing Director: Manfred Krieger
 Chief Executive Officer: Pia Carlsson Thörnqvist

Key events in 2019:

- a Fastighets AB Balder is chosen as a partner for the development area in Kungens Kurva. Balder acquires 50% of the area and takes possession in July. The development project is on schedule. The planning programme is adopted during 2019.
- a The planning programme for the Backaplan housing development project in Gothenburg is approved 2019.
- a In the Bro Mälarstrand development area in Upplands Bro, two school sites are being sold during Construction 2019. of housing is underway in the part of the area that was sold to Magnolia 2018. Work on the main street, which will run through the entire area, is underway.
- a During the year, the sale of the Ferdinand property in 9 Spånga is completed. a Book value of the property portfolio amounted to about bn 0,4 at the end of the year. Estimated market value is approximately bn 1,1.

KF's comment:

KF Fastigheter is working on the basis of the strategy decided in 2016. In the coming years, the company's work will focus primarily on real estate projects in the development stages. The company is expected to show positive results during this period.

Key events in 2019:

- a In 2018, a review of the bank's future operations and strategy was carried out. the 2019 decision was taken to concentrate on savings and loan products for private individuals.
- a As a consequence of the strategy decision, the bank will, in 2020, divest its payment solutions business to Coop Sverige AB.

- a In March, the bank's card business is sold to EnterCard.
- a The Bank completes the development of a digital procurement card for companies, authorities and organisations. The product will be sold to Coop Sweden, which will take over responsibility for operations

and sales.

- a Development of the bank's savings products begins.

KF's comment:

In 2019, the bank has defined its strategy and continued its work on streamlining the bank. Restructuring costs mean that management expects a break-even result for 2020.

Development of results in the companies

(continued)

Vi Media AB

Key figures SEKm	2019	2018
Net sales	45	46
Operating result	-3	1
Result after net financial items	-2	0
Average number of employees	13	12

Chairman of the Board: Maria Hamrefors
Managing Director: Unn Edberg
Chief Executive Officer: Thomas Svensson

Key events in 2019:

- a In 2019, the strategy decided for the company in 2018 will be implemented. As a first step, the company will acquire a platform for building its digital business.
- a In June, Vi Läser is launched 2019 as a digital product.
- a During the 2019 redesign of the We magazine.
- a In September, the magazine Vi will be launched as a digital concept where both reading and listening are available to members.
- a The drop in turnover between 2019 and 2018 mainly due to lower subscription revenues.
- a The company changes premises and moves its operations to Münchenbryggeriet in Södermalm, Stockholm.
- a The company receives the Publishing Award for the best annual report.

KF's comment:

The structural transformation of the media industry continues with falling circulation and a shrinking advertising market. In a short time, Vi Media has built up digital concepts with the aim of countering the loss of circulation and attracting new target groups.

The company expects 2020 a negative operating result for the year, which is entirely due to the digital initiative.

Vår Gård Saltsjöbaden AB

Key figures SEKm	2019	2018
Net sales	63	67
Operating result	-2	2
Result after net financial items	-2	2
Average number of employees	41	45

KF's investment

Ownership	100 %	100 %
Book value - investment	7 mkr	7 mkr

Chairman of the Board: Thomas Svensson
Managing Director: Kadi Upmark
Chief Executive Officer: Thomas Svensson

Key events in 2019:

- a A new strategic plan will be developed in the autumn. The plan includes an increased focus on private concepts and the redevelopment of the entrance area, bar, bakery, kitchen and restaurant. Renovations will take place in 2020 and in Q1 2021.
- a During the year, several private concepts are launched, including No Waste dinners, health weekends and family dinners. The focus on private concepts will be expanded during 2020.
- a Continued periodic maintenance is carried out in the property. During the year, replacement of windows in hotel buildings and relining of parts of the drainage systems have taken place.
- a Demand for business conferences fell in the autumn, which is the main reason for the drop in turnover and the negative result 2019.
- a Vår Gård received 2019 the "Meeting Chef of the Year" award.

KF's comment:

The volume of the business conference market is expected to remain constant over the next few years, as is the price picture. As part of the effort to increase volume at Vår Gård, a decision has been made to increase the focus on the private market. The company's offer will therefore be expanded in the coming years in accordance with the strategic plan adopted 2019.

The booking situation looks better at the beginning of the year compared 2020 to the autumn for 2019. The accommodation team, a negative operating result is expected 2020 as a result of the investments and renovations that are taking place 2020.

Financial position

	Group	2019	2018	2017	2016	2015
Cash flow - operating activities before changes in working capital		208	538	556	691	544
Equity (excl. minority interest)		5 000	5 045	4 802	4 522	3 868
Return on equity		-1,2%	4,7%	5,7%	18,8%	25,2%
Return on capital employed		1,3%	4,6%	5,1%	11,8%	14,9%
Solidity		33,1%	37%	36,5%	34,6%	33,2%
Net asset (+), Net liability (-)		1 823	4 167	3 801	3 513	3 632
Balance sheet total		18 415	16 686	16 505	16 483	16 695
Cash and cash equivalents		622	767	763	676	1 997

*) Definition see note 34

a Cash flow

Cash flow from operating activities increased to SEK 806 million (690). Cash flow from investing activities amounted to SEK -SEK 918 million (-322). Cash flow from financing activities amounted to SEK m966 (-364). Total cash flow amounted to SEK -SEK 46 million (4). Cash and cash equivalents at the end of the year amounted to SEK m622 (767).

a Investments and disposals

Net investments in tangible and intangible fixed assets for the period amounted to SEK 90 million (66). Of the total investment, SEK 44 million (406) relates to investments in the retail sector. The remaining SEK 496 million (20) relates mainly to investments in the Group's IT systems, primarily a new business system.

In 2019, acquisitions of stores and properties have affected cash flow by SEKm2347 (2).

Disposals have mainly been of properties packaged in companies. Net disposals of businesses had a positive impact on cash flow of SEK 22 million (9).

Change in financial assets

has a positive impact on cash flow of approximately SEK 227 (205). The change is mainly due to sales of securities (bonds and certificates) and an increase in lending to private individuals (personal loans).

In total, investing activities had a negative impact on cash flow of SEK 918 (322).

a Financing activities

The largest single events in financing activities are the reduction of interest-bearing deposits in MedMera Bank by SEK 1 million451 and the taking out of a loan in Swedbank of SEK 1.3 billion. The loan in Swedbank will be settled during the quarter. 22020.

In total, financing activities had a positive impact on cash flow of SEKm966 (-364).

a Cash and cash equivalents

Cash and cash equivalents amounted to SEK 622 million (767). The reason for the decrease in cash and cash equivalents between 2015 and 2016 is the placement of surplus cash in bonds and certificates with a maturity of more than three months. At year-end, the value

total investments, excluding investments in Med- Mera Bank, amounted to approximately bn2,4 (3.5 bn) of which bn2 (3.4 bn) consisted of investments in housing bonds.

Investments are governed by a financial policy established annually by

KF annual report 2019

the Board of Directors of the CF.

a net promotion

Net claim decreased to SEKm1823

(4.6%). Total assets amounted to SEK 184.5 million (6,686) and the equity ratio increased to 33.1 per cent (37 per cent).

Equity excluding minority interests amounted to SEK m5000 (5045) and the return on equity was -2.2 per cent

(4.7 percent). □

83

Risks

a Risk management

The business activities of the KF Group naturally entail an exposure to risks. We define risk as uncertainty about future events and their effect on the ability of the business to achieve its objectives. This means that a risk is an uncertainty that can present both threats and opportunities.

Risk management within the KF Group includes the identification, analysis and evaluation of risks.

The Board, through the Audit Committee, is responsible for financial risks and for identifying and managing risks of error in financial reporting. The Audit Committee reports to the Board on an ongoing basis. The CEO is responsible for financial reporting.

The CEO is responsible for the Group's operational risks. In order to identify and minimise the impact of risks in a timely manner, an annual risk inventory is carried out. The inventory is carried out in connection with the Group's business planning, where identified risks are assessed on the basis of probability and impact. Risks are described in risk matrices, and action plans are drawn up as part of each company's business plan. Evaluation and follow-up of identified risks and action plans is then carried out on an ongoing basis by each company's Board of Directors.

Evaluation and monitoring of the Group's overall risks is carried out by KF's risk and compliance unit, which reports to the KF Board on an ongoing basis.

a Significant risks and uncertainties The activities of the KF Group entail financial exposure to interest rate, currency and liquidity risks. The management of these risks is centralised in the Group's finance function and is governed by a finance policy set annually by KF's Board of Directors.

KF is also exposed to credit risks through its banking activities. In order to limit and control risks in the bank, the Board of Directors has established policies for lending and other risks, which comply with the regulatory framework for banks and the Finansinspektionen's general advice.

Through its property portfolio, KF also has exposure to the Swedish property market. The property portfolio has significant excess values.

KF's business risks consist mainly of high exposure to retail. The risk consists mainly of changing market conditions affecting the value of the investment. Business risks in subsidiaries are managed by the appointed Board of Directors of each subsidiary having control over business development, risks, monitoring of the environment and responsibility for ensuring that reliable systems are in place for internal control and financial reporting.

According to the assessment of the CEO and the Board of Directors, no event occurred during the year within or outside the KF Group that would require a revision of the previous risk analysis. See further note [9](#) on financial instruments

Profit planning

a At the disposal of the General Assembly according to the balance sheet of the parent company:

	Amount in SEK
Retained earnings	2322973 629
Result for the year	96467 891
Total to dispose of	2419441 520

a The Board of Directors and the Executive Director propose that the available earnings be appropriated as follows:

	Amount in SEK
Allocation to the reserve fund	14470 184
Balanced in new account	2404971 337
Total disposed	2419441 520

The Board of Directors and the Managing Director of Kooperativa Förbundet ekonomisk förening, with registered office in Solna, are hereby authorized to present the following annual report and consolidated financial statements.

financial statements for the year □2019.

Content

Group financial statements

- 87 Consolidated income statement
- 88 Group balance sheet
- 90 Group changes in equity
- 91 Group cash flow statement

Notes to the consolidated financial statements

- 92 Note Significant1 accounting policies
- 93 Note Segment reporting2
- 96 Note Estimates3 and judgements
- 97 Note Business acquisitions/disposals4
- 98 Note Net sales5
- 99 Note Other 6operating income
 - Note Data7 on personnel and remuneration to the Board of Directors/senior executives
- 101 Note Depreciation8, amortisation, impairment and reversal of impairment
 - Note Fees9 and reimbursement of expenses to auditors
 - Not Operational10 leasing
- 102 Note Investments11 in associates and jointly controlled entities
- 104 Note Financial12 items
 - Note Income taxes13
- 106 Note Intangible14 assets
- 108 Note Property15, plant and equipment
- 110 Note Receivables16 from jointly controlled entities
- 111 Note MedMera17 Bank
 - Note Other 18long-term securities holdings
 - Note Financial19 instruments and risk management
- 116 Note Other 20long-term receivables
 - Note Inventories21 mm
 - Note Prepaid22 expenses and accrued income
 - Note Provisions23 for pensions and similar obligations
- 117 Note Provisions24 for taxes
 - Note Other 25provisions
- 118 Note Non-current26 liabilities
 - Note Other 27liabilities
 - Note Accrued28 expenses and deferred income
- 119 Note Collateral29 and contingent liabilities
 - Note Transactions30 with related parties
- 120 Note Interest paid31 and dividends received
 - Note Cash32 and cash equivalents
 - Note Other 33disclosures to the cash flow statement
- 121 Note Key figure definitions34
 - Note Events35 after the balance sheet date

Financial statements of the parent company

- 122 Parent company income statement
 - 123 Parent company balance sheet
 - 125 Changes in equity of the parent company
 - 126 Parent company cash flow statement
-
- ## Notes to the parent company
- 127 Note M1 Accounting policies of the parent company
 - Note M2 Net turnover
 - Note M3 Other operating income
 - Note M4 Data on staff and remuneration to the Board of Directors/senior executives
 - Note M5 Depreciation, amortisation, impairment and reversal of impairment
 - 128 Note M6 Auditors' fees and reimbursement of expenses
 - Not M7 Operating leases
 - 129 Note M8 Investments in group companies
 - 130 Note M9 Other financial items
 - Note M10 Income taxes
 - 131 Note M11 Intangible assets
 - Note M12 Property, plant and equipment
 - Note M13 Receivables from associated companies
 - 132 Note M14 Other long-term securities holdings
 - Note M15 Financial instruments and risk management
 - Note M16 Other long-term receivables
 - Note M17 Prepaid expenses and accrued income
 - Note M18 Equity
 - 133 Note M19 Other provisions
 - Note M20 Non-current liabilities
 - Note M21 Other liabilities
 - Note M22 Accrued charges and deferred income
 - Note M23 Collateral and contingent liabilities
 - 134 Note M24 Transactions with related parties
 - Note M25 Interest paid and dividends received
 - Note M26 Cash and cash equivalents
 - Note M27 Other disclosures to the cash flow statement

Consolidated income statement

Amount in SEKm	Not	2019	2018
Net sales	5	35 923	33 223
Cost of goods sold		-29 897	-27 660
a Gross profit		6 027	5 563
Selling expenses		388	576
Administrative costs		-310	-339
Share of results of associates and jointly controlled entities	11	-4	49
Other operating income	6	435	466
Other operating expenses		-1	-1
a Operating result	7,8,9, 10	-242	162
Result from financial items	12		
Income from securities and loans that are fixed assets		26	33
Other interest receivable and similar income		209	179
Interest expense and similar items		-67	-77
a Result after financial items		-74	298
Tax on profit for the year	13	2	-15
a Profit for the year		-72	283
Related to:			
Owners of the parent company		15	243
Non-controlling interests		-87	40

Comments on the income statement

a Net sales

The Group's net sales amounted to SEK 35,923 million, an increase of 8.4% compared to the previous year, including the acquisition of Netto Marknad Sverige AB as of July 12019.

a Operating result

The Group's operating profit was mainly affected by losses of SEK 85 million in the e-commerce business. The result was further impacted by acquisition and restructuring costs related to the acquisition of Net's Swedish operations.

The Group's operating profit includes capital gains of SEK 00m (85) related to the disposal of properties.

Group balance sheet

Amount in SEK million Not 2019-12-31 2018-12-31

ASSETS			
FIXED ASSETS			
Intangible fixed assets	14		
Expenditure on development and similar work included in the balance sheet		180	144
Concessions, patents, licences, trademarks and similar rights		7	10
Rental and similar rights		4	0
Goodwill		1 040	21
Advances of intangible fixed assets		552	146
		1 782	320
Tangible fixed assets	15		
Buildings and land		1 993	413
Expenditure incurred on other property		41	-
Machinery and other technical equipment		3	3
Furniture, tools and installations		1 456	1 294
Construction in progress and advances of tangible fixed assets		51	93
		3 545	1 802
Financial fixed assets			
Shares in Jointly controlled entities	11	12	39
Claims of jointly controlled entities	16	101	29
Shares in associated companies	11	129	122
Other long-term securities holdings	18, 19	128	161
Deferred tax asset	13	522	461
Other long-term receivables	17, 20	2 782	2 167
		3 674	2 978
Total fixed assets		9 001	5 101
CURRENT ASSETS			
Stocks mm	21		
Finished goods and merchandise		1 913	1 389
Advances to suppliers		15	9
		1 928	1 398
Short-term receivables			
Trade receivables		1 740	1 431
Claims of jointly controlled entities		0	-
Receivables from associated companies		3	3
Current tax asset		1	1
Other receivables	17	995	2 416
Prepaid expenses and accrued income	22	787	733
		3 526	4 584
Short-term investments	19	2 954	4 435
Cash and bank		1 007	1 169
Total current assets		9 414	11 586
TOTAL ASSETS		18 415	16 686

Amount in SEK million Not 2019-12-31 2018-12-31

EQUITY AND LIABILITIES		M18		
Equity capital				
Member initiatives		1 634		1 631
Other paid-in capital		881		877
Retained earnings incl. profit for the year		2 485		2 537
Equity attributable to owners of the parent		5 000		5 045
Non-controlling interests		1 089		1 123
Total equity		6 089		6 169
Provisions				
Deferred tax liability	13	0		0
Provisions for other taxes	24	25		35
Other provisions	25	498		688
		523		723
Non-current liabilities	26			
Other liabilities	17	449		160
		449		160
Current liabilities				
Amounts owed to credit institutions		1 300		-
Advances from customers		6		9
Trade payables		3 987		3 290
Current tax liability		4		-
Other liabilities	17, 27	4 540		5 038
Accrued charges and deferred income	28	1 516		1 297
		11 353		9 634
Total liabilities		11 802		9 794
TOTAL EQUITY AND LIABILITIES		18 415		16 686

Comments on the balance sheet

a Fixed assets

Investments (net) in intangible and tangible fixed assets amounted to SEKm910 (616), of which SEKm462 (129) relates to investments in Coop Grossist, SEKm 414 (406) to investments in Coop Butik and SEKm 44 (70) to investments in Coop Online. The acquisition of Netto Marknad Sverige AB increased property, plant and equipment by SEKm1439 and goodwill by SEKm.1080

Long-term lending to the public in MedMera Bank has increased by SEKm253 (481) (nominal).

a Current assets

The acquisition of Netto Marknad Sverige AB increased the operating assets by SEKm461.

Short-term lending in MedMera Bank to the public has decreased by SEKm226 (+125), due to the transfer of the credit card stock to EnterCard.

The Group's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEKm3576 (5 202) at the end of the year. This includes MedMera Bank's liquidity reserve of SEK m422 (606).

a Equity and liabilities

In MedMera Bank, short-term deposits from the public have been reduced by SEKm451 (245).

The acquisition of Netto Marknad Sverige AB increased operating liabilities by SEK 1002 million. The acquisition was financed, among other things, by borrowing SEK m1300 from credit institutions and SEK m300 from the owners of the parent company.

Group changes in equity

Group	Equity attributable to owners of the parent						Total equity capital	
	Member efforts	Other paid-in capital	Retained earnings incl. net profit		Non-controlling interests			
			Results	Summary				
a Opening	balance 2019-01-01	1 631	877	2 537	5 045	1 123	6 169	
Profit for the year according to the approved profit and loss account		-	-	15	15	-87	-72	
Transactions with owners of the group								
Distribution		-	-	-	-	-9	-9	
Result from transactions with owners of non-controlling interests		-	-	-61	-61	61	-	
Change of membership fees		3	4	-6	1	-	1	
Total Transactions with owners		3	4	-67	-60	52	-8	
a Closing balance	2019-12-31	1 634	881	2 485	5 000	1 089	6 089	
a Closing balance	2018-01-01	1 633	876	2 293	4 802	1 118	5 920	
Profit for the year according to the approved profit and loss account		-	-	243	243	40	283	
Transactions with owners of the group								
Distribution		-	-	-	-	-33	-33	
Result from transactions with owners of non-controlling interests		-	-	2	2	-2	0	
Change of membership fees		-2	1	-	-1	-	-1	
Total Transactions with owners		-2	1	2	1	-35	-34	
aClosing balance	2018-12-31	1 631	877	2 537	5 045	1 123	6 169	

Group cash flow statement

Amount in SEKmNot	2019	2018
Current operations		
Result after financial items	31	-74
Adjustment for items not included in cash flow	33	282
Income tax paid		-1
Cash flow from operating activities before changes in working capital	208	538
Cash flow from changes in working capital		
Increase (-)/Decrease (+) in inventories		-165
Increase (-)/Decrease (+) in operating receivables		737
Increase (+)/Decrease (-) in operating liabilities		26
Cash flow from operating activities	806	690
Investment activities		
Acquisition of tangible fixed assets		-433
Disposal of tangible fixed assets		35
Acquisition of intangible assets		-512
Acquisition of subsidiary/business, net cash impact	33	347
Disposal of subsidiary/business, net cash impact	33	112
Change in financial assets		1 227
Cash flow from investing activities	918	-322
Financing activities		
Increase in membership contributions		1
Reduction of member contributions		-
Change in deposits		-463
Other changes in loans		1 437
Dividends paid to non-controlling interests		-9
Cash flow from financing activities	966	-364
Cash flow for the year		-146
Cash and cash equivalents at the beginning of the year		767
a Cash and cash equivalents at the end of the year	32	622
		767

Notes, Group

Amounts in SEK million unless otherwise stated

Note | 1 Significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below and in the relevant notes.

The accounting policies applied by the parent company are set out in note M1.

Amounts are rounded to the nearest million (SEKm) unless otherwise stated. In some cases, rounding may result in partial amounts not adding up to totals. Certain comparative amounts have been reclassified to conform more closely to the presentation for the current year. Where a reclassification is material, this has been disclosed separately.

a REASON FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The annual accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012: An~~d~~ accounts and consolidated accounts (K3).

The parent company applies the same accounting policies as the Group, except as set out below in note M~~1~~.

Assets, provisions and liabilities have been valued at cost unless otherwise stated below.

a CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include, in addition to the parent company, all companies in which the parent company, directly or indirectly, has a controlling influence.

Intra-group receivables and payables, income and expenses and unrealised gains or losses arising from transactions between group companies are eliminated in full. Unrealised gains arising from transactions with associated companies are companies and jointly controlled entities are eliminated to the extent to the extent of the group's interest in the entity. Orealise-losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication that an impairment loss is necessary.

a FOREIGN CURRENCY

Foreign currency items

Monetary items denominated in foreign currencies are translated at the closing rate. Non-monetary items are not translated but are recorded at the exchange rate at the date of acquisition. Exchange gains and losses on operating assets and liabilities are recognised net in the operating result. The corresponding net amount on financial assets and liabilities is included in other financial items. Exchange differences arising on the settlement or translation of monetary

These items are recognised in the profit and loss account in the financial year in which they arise.

Restatement of foreign operations

Assets and liabilities, including goodwill and other consolidated surpluses and deficits, are translated into the reporting currency, Swedish kronor, at the exchange rate prevailing at the balance sheet date. Income and expenses are translated at an average rate approximating the exchange rates prevailing at the dates of the transactions. Exchange differences arising on translation are recognised directly in equity. The cumulative exchange differences arising on the translation of a non-controlling interest are recognised as part of non-controlling interests. The cumulative exchange differences arising on the disposal of foreign operations are recognised in the income statement.

a CLASSIFICATION

Non-current assets, long-term liabilities and provisions consist essentially of amounts expected to be recovered or paid after more than twelve months from the balance sheet date. days. Current assets and current liabilities consist essentially of amounts expected to be recovered or paid within twelve months of the balance sheet date.

Note | Segment reporting

ACCOUNTING PRINCIPLES

An operating segment is a part of the Group that engages in activities in which it can generate revenues and incur expenses and for which stand-alone financial information is available. The KF Group is divided into operating segments based on how the business is monitored and evaluated by the CEO of the parent company. This segmentation is countered by an internal reporting and management structure, in accordance with established ownership guidelines.

Five operating segments have been identified:

- a Coop Wholesaler. Wholesale of mainly groceries, including product development, purchasing and logistics.
- a Coop store. Retail sale of mainly groceries.
- a Coop Online. Online sales of groceries, including logistics. a MedMera Bank. Provides loan and savings services, including Coop debit and credit cards, overdrafts, Coop savings accounts and Coop personal loans.
- a KF Fastigheter. Development, processing and sale of mainly land and project properties

From 2020, Coop Online will cease to be a separate business segment. Its online sales will then be included in Coop Butik, while logistics and IT platform will be included in Coop Grossist.

Directly attributable items have been included in the results, assets and liabilities of the segments. Financial items are also included in assets and liabilities.

The item Other includes parts of the Group not included in the identified segments. This refers in particular to Group-wide functions and the subsidiaries Vår Gård Saltsjöbaden AB and Vi Media AB. It also includes the share of net financial income not allocated to MedMera Bank.

Market pricing is applied to any inter-segment transactions.

The accounting policies applied are otherwise consistent with those of the Group.

Net external turnover is almost exclusively made up of sales of goods. Of the Group's net turnover of SEK m35923 (33 223), SEK0 m (0) is attributable to the rest of Europe. No single customer accounts for more than 20% of the Group's net turnover. Therefore, no major customer is deemed to exist based on this criterion. The Group's intangible and tangible fixed assets of SEK m5327 (2 223) are attributable to Sweden.

	Coop Wholesale	Coop	ShopCoop	Online ²⁾	MedMera ³⁾		Bank	
a Result								
Net external turnover	17 158	16 645	18 155	15 903	292	251	108	194
Net internal turnover	11 976	11 666	10	10	27	28	91	82
Net sales	29 134	28 311	18 164	15 913	318	279	199	275
Depreciation and amortisation	-78	-64	-433	-358	-6	-6	-7	-45
Share of results of associates and jointly controlled entities	-	-	-	-	-	-	-	-
Operating result	66	85	-165	35	-185	-81	-79	-90
Interest receivable and similar income							135	142
Interest expense and similar items							-50	-47
Other financial income and expenses							-	8
Result after financial items							6	14
a Other information								
Investments in fixed assets ¹⁾	-462	-129	-414	-406	-44	-70	-10	-6
Investments in associates companies and joint controlled companies	-	-	-	-	-	-	-	-
Assets	8 407	7 840	7 234	4 162	-	129	4 353	4 799
Debt	4 521	4 045	5 189	1 947	-	125	3 682	4 173

¹⁾Refers to net investment in intangible and tangible fixed assets. ²⁾Assets and liabilities attributable to Coop Online AB as at 31/12-2019 transferred to the Coop Wholesale operating segment.

KF Fastigheter Other Eliminations Total

46	56	166	175	-	-	35 923	33 223	
37	35	94	102	-12 235	-11 923	0	0	
83	91	260	277	-12 235	-11 923	35 923	33 223	
-22	-24	-5	-4	-	-	-550	-500	
-4	49	-	-	-	-	-4	49	
78	173	43	40	-	-	-242	162	
		111	76	-34	-33	211	185	
		-50	-62	34	33	-65	-77	
		22	19	-	-	22	27	
		-80	72	-	-	-74	298	
26	-2	-6	-3	-	-	-910	-616	
25	5	-	-	-	-	25	5	
2 416	2 496	6 268	6 031	-10 264	771	18 415	16 686	
122	285	6 462	6 099	650	157	12 326	10 518	

Note | 3 Estimates and judgements

The following estimates and judgements are those that are considered to be the most significant to an understanding of the financial statements given the degree of significant judgement involved.

a DECLARATION PROBLEMS

Intangible and tangible fixed assets are stated at cost less accumulated depreciation and any impairment losses. The carrying amount is reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Estimated value in use is based on a discounted cash flow. The key assumptions in these calculations relate to growth rates, profit margins, investment requirements and discount rates.

For investments in subsidiaries held by the parent company, a similar assessment is made if there is an indication that the value is less than the carrying amount.

a THE MEMBERSHIP PROGRAMME

The Group's customer loyalty programme, the "Member Programme", gives customers the opportunity to collect points when making purchases from Coop or partners. For accounting purposes, the fair value of

compensation received at the time of sale, between points and other components of the sale. Calculation of the fair value of points earned is based on assumptions about expected redemption rates. Redemption rates and customer preferences, in terms of redemption methods, are reassessed at each balance sheet date.

a VALUATION OF UNDERSIGNED ASSETS

The Group assesses each year whether there is any need for impairment of deferred tax assets relating to tax loss carry-forwards. In addition, the possibility of asset-new deferred tax assets in respect of tax loss carry-forwards which have arisen in the past and which have not yet been capitalised. Deferred tax assets are recognised only where it is probable that future taxable profits will be available for utilisation in the foreseeable future.

Note | 4 Business acquisitions/disposals

ACCOUNTING PRINCIPLES

a GENERAL

The acquisition method is used to prepare the consolidated financial statements.

The acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the assets of the subsidiary and assumes its liabilities.

The acquisition analysis determines the fair value at the acquisition date of the identifiable assets acquired and liabilities assumed and non-controlling interests. Non-controlling interests are measured at fair value at the acquisition date. From the acquisition date, the following are included in the consolidated financial statements, the acquiree's income and expenses, identifiable assets and liabilities and any goodwill or negative goodwill arising.

The cost of a subsidiary is calculated as the sum of the fair value at the acquisition date of the assets given, plus liabilities incurred and assumed, plus equity instruments issued, plus expenditure directly attributable to the business combination, plus any additional purchase consideration.

Consolidated goodwill arises when the cost of acquiring an interest in a subsidiary exceeds the value of the acquiree's identifiable net assets as determined in the acquisition balance sheet. Goodwill is stated at cost less accumulated amortisation and any impairment losses. Where the difference is negative, negative goodwill arises and is released based on the reason for its arising.

a ADDITIONAL PURCHASE EXPENDITURE

Is it likely at the time of acquisition that the purchase price will be

more to be adjusted at a later date and the amount may be can be reliably estimated, the amount is included in the estimated final cost of the unit acquired.

Adjustment of the value of additional purchase consideration within twelve months from the acquisition date affects goodwill/negative goodwill. Adjustments later than twelve months after the acquisition date are recognised in the consolidated income statement.

a ADJUSTMENT OF DISEASE ANALYSIS

If the assumptions for the acquisition analysis are incomplete, it is adjusted to better reflect actual conditions at the acquisition date. The adjustments are made retrospectively within twelve months of the acquisition date. Adjustments made later than twelve months after the acquisition date are accounted for as a change in accounting estimate.

a CHANGES IN SHAREHOLDINGS

When acquiring additional shares in an enterprise, which is already a subsidiary, a new acquisition analysis is not prepared

is a transaction between owners, no gain or loss is recognised

loss in the income statement without the effect of the transaction being shown only in equity. For this reason, goodwill does not arise.

In the case of acquisition of additional shares in an enterprise so that the enterprise becomes a subsidiary, an acquisition analysis is prepared. The previously held shares are considered to have been disposed of. Shares in a subsidiary has been acquired. Gains or losses, calculated as the difference between fair value and consolidated carrying amount, are recognised in the consolidated income statement.

When shares in a subsidiary are disposed of or control otherwise ceases, the shares are treated as disposed of in the consolidated financial statements and the gain or loss on disposal is recognised in the consolidated income statement. If shares remain after control has ceased, they are recognised at their fair value at the date of acquisition as cost.

a DEFERRED TAX ON DISPOSAL OF

NETTO MARKNAD SVERIGE AB (COOP VARDAGSHANDEL AB)

The acquisition of the shares in Netto Marknad Sverige AB (Coop Vardags- handel AB), included a major property holding. The intention in connection with the share acquisition was to start the process of divesting the real estate holding immediately after the acquisition. This separate part of the share acquisition, relating to the properties, is considered as a sub-acquisition. No goodwill attributable to this part arose.

more thus not. A reliable valuation of the deferred tax liability could not be made in connection with the acquisition. In addition, the recognition of deferred tax has not been considered to give a true and fair view from an accounting point of view, given the stated ambition to start the divestment process at the time of the acquisition.

For this reason, deferred tax has been valued at zero.

because the parent enterprise already has control. Since changes in ownership interests in enterprises that are subsidiaries are only

ACQUISITION/DISPOSAL OF GROUP COMPANIES DURING THE FINANCIAL YEAR

- a In July, Coop Butiker & Stormarknader AB acquired all shares in Netto Marknad Sverige AB (Coop Vardagshandel AB).
- a In October, the dormant subsidiary Tranbodarna AB was divested.

Within KF Fastigheter, the following acquisitions and

disposals have taken place:

- a In April, KFF Utveckling Holding AB sold its shares in Ferdi- nand i9 Stockholm AB.

- a In July, KF Fastigheter Bostad AB sold 50% of the shares in KFF Bostadsutveckling Kungens Kurva AB. After the divestment 50% of the shares remain in the Group's ownership and the company becomes a jointly controlled company.

- a In September, Brogård ♦84 i Upplands-Bro AB sold its shares in Bro Mälarstrand AB 35 and Bro Mälarstrand AB40.

ACQUISITION/DISPOSAL OF JOINTLY CONTROLLED ENTITIES DURING THE FINANCIAL YEAR

a In December, KF Fastigheter AB sold its 50% stake in the of the shares in the dormant company Handelsbodarna i Sverige Real Estate AB.

Note | Net sales**ACCOUNTING PRINCIPLES**

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity and the revenue can be measured reliably. Revenue is recognised at the fair value of what has been or will be received less discounts given.

The Group's net turnover relates mainly to in-store turnover, which is recognised in full at the time of sale. The Group's customer loyalty programme, the "Membership Programme", allows customers to earn points when making purchases from Coop or partners. Based on this, the customer can pick out goods and receive future discounts. It is also possible to redeem points for benefits at partners. For accounting purposes, the fair value of the consideration received at the time of sale is allocated between points and other components of the sale. The fair value of points earned is initially recognised as a provision, taking into account the total number of points expected to be redeemed. The degree of redemption and customer preference, in terms of redemption method, are reassessed at each balance sheet date. Revenue allocated to points is recognised in the income statement when the points are redeemed or expire.

Revenue from wholesale sales is recognised when the goods are delivered. Revenues attributable to the provision of services in areas such as logistics, marketing, purchasing & controlling, accounting and IT are recognised as they are earned.

Where the terms of the purchase require the buyer to obtain financing, the fair value of the revenue is the present value of all future payments.

See further note on segment reporting.

Note | 6 Other operating income

ACCOUNTING PRINCIPLES

Stores act as agents for a number of companies and thus receive commission income for services rendered such as gaming transactions and postal services. Such commission payments are recognised as other operating income.

	Group 2019 2018	
Realisation gain on disposal of business/group company	-	4
Realisation gain on disposal of real estate	100	185
Commission income from games, tickets, etc.	82	84
Services, including re-invoiced costs	93	62
Rental income	0	0
Other	160	131
	435	466

Note 7 | Information on personnel and remuneration of directors/executives

a Average number of employees

Group	2019 of		which men	
Sweden	6 617	46%	4 809	48%
Group total	6 617	46%	4 809	48%

a Disclosure of gender distribution on the Board and among senior executives

Group	2019-12-31 Percentage of women	2018-12-31 Percentage of women	Percentage of women	
			Percentage of women	Percentage of women
Board of Directors	40%	29%		
Senior executives	50%	33%		

a Wages and salaries and social security costs, including pension costs

	2019		2018	
	Wages and other remuneration	Social costs	Wages and other remuneration	Social costs
Parent company	25	30	26	41
(of which pension cost) ^{1) 3)}		(24)		(25)
Subsidiaries	2 347	967	2 080	880
(of which pension cost)		(193)		(188)
Group total	2 372	997	2 106	921
(of which pension cost) ^{2) 3)}		(217)		(213)

¹⁾ Of the parent company's pension costs, excluding special payroll tax, SEKm0,7 (0.8) relates to the Board of Directors, CEO and Deputy CEO group.

²⁾ Of the Group's pension costs, excluding special payroll tax, SEKm9 (9) relates to the Board of Directors, CEO and Deputy CEO group.

³⁾ Does not include the cost of new pension entitlements secured through the Consumer Co-operative Pension Fund, even if financed from the existing surplus of the Fund.

Pension obligations of former CEOs of the parent company are secured by company-owned endowment policies. These represent a commitment to pay pensions, in line with the market value of ▲4m (59) of the relevant endowment policies.

a Remuneration and other benefits allocated to members of the Board of Directors and other employees

	2019		2018	
	Board and CEO	Other employees	Board and CEO	Other employees
Parent company	9	17	8	18
(of which bonus etc.)	(-)	-	(-)	-
Subsidiaries	31	2 315	26	2 054
(of which bonus etc.)	(-)	-	(-)	-
Group total	40	2 332	34	2 072
(of which bonus etc.)	(-)		(-)	

a Remuneration and other benefits and pension costs to the CEO and other senior executives of the parent company

Tkr ry ¹⁾	2019			
	Pension cost ²⁾ Benefits ³⁾			Total
	Sala			
CEO Marie Nygren 4)	1 743	620	18	2 381
Vice President Anders Dahlquist- Sjöberg	2 954	492	108	3 554
Group management, other (3 pers.)	5 766	2 272	308	8 346
Total	10	4633384	434	14 281
 2018				
Tkr ry ¹⁾	Pension cost ²⁾ Benefits ³⁾			Total
	Sala			
CEO Tommy Ohlstrom 5)	401	1 264	25	1 690
Vice President Anders Dahlquist- Sjöberg	2 450	970	109	3 529
Group management, other (5 pers.)	9 388	4 883	388	14 659
Total	12	2407117	522	19 878

1) Salaries including holiday pay and change in holiday pay liability.

2) Includes the cost of new pension entitlements, if any, secured through the Consumer Co-operative Pension Fund, even if funded from the existing surplus in the Fund. Pension cost includes special payroll tax.

3) Existing benefits consist mainly of car benefits.

4) The CEO's salary, pension cost and benefits refer to the period from the date of entry into office on June 172019.

5) CEO's salary, pension cost and benefits refer to the period up to the AGM in April 2018.

a INCOME STATEMENT AND EARNINGS CEO

For the termination of the CEO, a mutual notice period of 6 months. In the event of termination by the Company, a severance payment equivalent to one month's salary will be paid in addition to salary and benefits during the period of termination.

a PENSION VD

In addition to statutory insurance and pension benefits, the CEO is provided with contractual insurance and pension benefits, as agreed between KFO and its counterparties. A defined contribution pension scheme is applied to the CEO.

a Remuneration paid to the Board of Directors of the parent company 1)

	2019	2018
Tkr	Board fees	Board fees
Anders Sundström, Chairman		130 ²⁾
Tommy Ohlström, Chairman	1 143 ³⁾	1 839 ⁴⁾
Ann-Kristine Johansson, Vice Chair	289 ⁵⁾	316 ⁶⁾
Jan Johnsson, Second Vice-President	307 ⁵⁾	147 ¹⁾
Sune Dahlqvist, second vice-president		134 ²⁾
Maj-Britt Johansson Lindfors, Member	173 ⁸⁾	233 ⁹⁾
Håkan Smith, member	182	176
Kenneth Östberg, Member	205 ¹⁰⁾	187 ¹⁰⁾
Anette Andersson, member	124 ¹¹⁾	214 ¹²⁾
Stig Nilsson, member	229	163
Kristina Kamp, Member	287 ⁹⁾	274 ⁹⁾
Britt Hansson, member	187	182
Maria Rudolphi, Member	250 ⁹⁾	194
Caroline Ullman-Hammer, Member	101	
Peter Renkel, Member	104	
Tobias Täpp, Employee Representative	138	116
Anneli Eklöf, Employee Representative	175	132
Anette Nilsson, Employee Representative Alternate	36	43
Johan Wiberg, Employee Representative Alternate		6
Total	3 930	4 486

1) In addition to the Board fee, all members receive a combined meeting and attendance fee. All Board members are also entitled to compensation for loss of earnings.

2) Fees for the period until the KF General Assembly 2018.

3) In addition to the Board fee, the fee includes the fee for the remuneration committee and the fee as full-time Chairman of the Board for the period Jan-Apr. 2019.

4) The remuneration for the period after the AGM includes, in 2018, addition to the Board fee, the remuneration of the Remuneration Committee and the fee of the full-time Chairman of the Board.

5) In addition to the Board fee, the fee includes the fee for the Remuneration Committee.

6) In addition to the Board fee, the fee includes the fee for the Remuneration Committee. The fees have been partly invoiced including social security contributions.

7) The remuneration for the period after the CF meeting includes, in addition 2018 to the Board remuneration, the remuneration of the Remuneration Committee.

8) The fee for the period up to the AGM includes, in 2019, addition to the Board fee, the fee for the Audit Committee.

9) The fee includes, in addition to the Board fee, the fee for the Audit Committee.

10) The fee includes, in addition to the Board fee, the fee for chairing the Steering Committee of Directly Affiliated Members.

11) The fee for the period until the 2019 CF General Assembly, in addition to the Board fee, includes the fee as Vice-Chair of the Steering Committee of Directly Affiliated Members.

12) The fee includes, in addition to the Board fee, the fee as Vice-Chair of the Steering Committee for Directly Affiliated Members.

PRINCIPLES FOR REMUNERATION OF SENIOR EXECUTIVES OF THE PARENT COMPANY

Senior management of the parent company, as reported in this note, refers to the CEO, the Deputy CEO and other members of Group management. The current guidelines for the remuneration of senior executives were established at the Annual General Meeting of the Association. The remuneration 2019 should be competitive and contribute to the efficient and rational running of the business, but should not be salary-driven. Remuneration should reflect position, responsibility, competence, performance and experience. The main principle is fixed remuneration.

a PENSION

As a general rule, the CEO of KF will be covered by a defined contribution pension scheme by joining a collectively agreed occupational pension scheme under KTP1 or ITP1. The retirement age is 65 years and the pensionable salary is paid in cash. KTP1 and ITP1 include old-age and sickness pensions, waiver of premium insurance, and voluntary compliance protection.

For the CEO of the KF, a special agreement can be reached on a supplementary premium for old-age pension. The total pension premium for old-age pension may amount to a maximum of 35% of fixed salary up to SEK500 t per month, including the basic premium under KTP1 or ITP1. Salary above SEK500 t per month does not entitle to a supplementary premium, in addition to the ordinary premium of 30% under KTP1/ITP1.

a INCOME STATEMENT AND EARNINGS EXECUTIVE OFFICER

In the event of termination by a senior executive, a termination a maximum notice period of six months. Employment may be terminated by the employer with six months' notice. Severance pay may be paid up to a maximum of one month's salary. The severance pay is paid monthly and new salary from other employment or remuneration from own company is deducted. Severance pay is not pensionable or holiday pay.

Note 8 | Depreciation, amortisation, impairment and reversal of impairment

a Lines in the profit and loss account that include depreciation, amortisation and impairment losses reversed

	Group20192018	
Cost of goods sold	-32	-34
Selling expenses	-510	-449
Administrative costs	-4	-13
Other operating expenses	-4	-4
	-550	-500

Note 9 | Fees and expenses paid to auditors

	Group20192018	
PwC		
Audit assignment	8	7
Other assignments	16	1

Note 10 | Operating lease

ACCOUNTING PRINCIPLES

Leases in which the economic benefits and risks associated with the leased item remain substantially with the lessor are classified as operating leases. Payments, including an initial uplift in rent, under these agreements are recognised as an expense on a straight-line basis over the lease term.

a Leases where the enterprise is the lessee

Koncernen2019-12-312018-12-31

Future minimum lease payments under non-cancellable operating leases	2019	2018
Within a year	1 067	977
Between one and five years	3 052	3 760
Later than five years	1 408	1 382
	5 527	6 119

Lease charges for the financial year

	2019	2018
	1 159	1 104

KF annual report 2019

The operating leases in which the company is lessee relate mainly to the rental of retail and warehouse premises. The Group has a large number of leases for shops and other premises, which differ in terms of their nature, e.g. lease terms and indexation. Most of the leases can be extended at the end of the lease period at a rate corresponding to a market rate. Some leases include a variable fee consisting of a turnover-based component.

a Leases where the enterprise is the lessor

Koncern 2019-12-31 2018-12-31

Future minimum lease payments under non-cancellable operating leases	2019	2018
Within a year	33	49
Between one and five years	86	121
Later than five years	18	12
	137	182
Variable contributions included in the result for the financial year	2019	2018
	1	4

The operating leases where the company is the lessor relate mainly to the letting of retail premises. The rental contracts differ in terms of, for example, contract periods and indexation. Most leases are renewable at the end of the lease term. Some leases include a variable fee consisting of a turnover-based element.

Note 11 | Investments in associates and jointly controlled entities**ACCOUNTING PRINCIPLES**

Investments in associates in which the Group holds 20% or more but not more than 50% of the voting rights or otherwise has significant influence are accounted for using the equity method. The equity method implies that the carrying amount of shares in the Group

in associates is represented by the Group's share in the associate's equity, any residual value of the Group's and impairments, including goodwill and negative goodwill reduced by any internal profits. In the consolidated income statement, 'Share of profit/loss of associates' is the Group's share of the profit/loss of associates after tax adjusted for any amortisation or reversal of impairment losses acquired, including amortisation of goodwill/reversal of negative goodwill. Dividends received from associates reduce the carrying amount.

When the Group's share of the recognised loss exceeds the fair value of the investment in the associate's equity, the value of the investment is reduced to zero. The loss is also set off against unsecured long-term financial liabilities, which in their economic substance form part of the net investment in the associate. Continuing losses are only recognised if the Group has provided guarantees to cover them.

A jointly controlled company is a joint venture involving the formation of a limited company, partnership or other form of enterprise in which each of the joint owners has a share. A joint venture is a contractual cooperation where two or more parties jointly carry out an economic activity and have joint control over the activity. Interests in jointly controlled entities are accounted for using the equity method.

a Investments in associates

		Koncernen	2019-12-31	2018-12-31
Accumulated acquisition values				
At the beginning of the year			122	119
Shareholder contributions			8	3
Share of profit of associates for the year			-1	-
Carrying amount at year-end			129	122

a Specification of the Group's holdings in associated companies

				2019-12-31	2018-12-31
Stakeholder body	No. of seats	Shares/numbers in % ¹⁾	Capital share value in the group	Share/number in % ¹⁾	Value of the equity interest in the Group
Indirectly owned					
Norra Backaplan Bostads AB	556743-0276	Gothenburg	33	129	33
				129	122

¹⁾ Ownership of capital is referred to, which also corresponds to the proportion of votes for the total number of shares.

a Shares in jointly controlled entities

				Koncernen	2019-12-31	2018-12-31
Accumulated cost At the beginning of the year				39	47	
Acquisitions				5	-	
Shareholder contributions				2	-	
Share of the year in the result of jointly controlled entities				-3	50	
This year's dividend				-31	-58	
Carrying amount at year-end				12	39	

a Specification of the Group's holdings of interests in jointly controlled entities

Jointly controlled	bodies of undertakings	Shares/numbers in % ¹⁾	Capital share value in the group	Share/number in % ¹⁾	Value of the equity interest in the Group
Indirectly owned					
Handelsbodarna i Sverige Fastighets AB	556792-4146	Stockholm	-	-	50
Housing development Kungens Kurva AB	559056-7888	Stockholm	50	5	-
Bridge Land Development AB	556803-3079	Strängnäs	50	5	50
Ljusta Project Development KB	969700-6188	Ljusta	50	1	50
Other, dormant or of minor importance			-	1	-
				12	39

¹⁾ Ownership of capital is referred to, which also corresponds to the proportion of votes for the total number of shares.

Note | 12 Financial items**ACCOUNTING PRINCIPLES**

Interest is recognised as income using the effective interest rate method, which is the rate that discounts estimated future cash flows through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Dividends are recognised when the competent body has decided that a dividend should be paid.

a Result from other securities and receivables that are fixed assets

	Group 2019 2018	
Interest income	4	6
Gains on disposal of shares	-	-13
Dividends	14	16
Impairments	-2	-1
Reversal of impairment losses	10	25
Other	0	0
	26	33

a Other interest receivable and similar income

	Group 2019 2018	
Interest income	209	166
Dividends	0	1
Exchange rate results	-4	4
Realisation result	2	9
Reversal of impairment	2	0
Other financial income items	0	0
	209	179

a Interest expense and similar income and expense items

	Group 2019 2018	
Interest expenses, other	-31	-16
Impairments	-27	-30
Other financial expense items	-8	-31
	-67	-77

Note | Income 13 taxes**ACCOUNTING PRINCIPLES**

Tax on profit for the year in the income statement consists of current tax and deferred tax. Current tax is income tax for the current financial year relating to the taxable profit for the year and the unrecognised portion of income tax for previous financial years. Deferred tax is income tax relating to taxable profit for future periods arising from past transactions.

actions or events.

Deferred tax liabilities are recognised for all taxable temporary differences, except for temporary differences arising from initial recognition of goodwill. Deferred tax assets are recognised for deductible temporary differences and for the possibility of using tax loss carry-forwards in the future. The amounts are based on the tax rates and tax rules enacted before the balance sheet date and have not been discounted.

Deferred tax liabilities arising on pure substance acquisitions are revalued if the value of the deferred tax liability is an integral part of the transaction and there is a documented link between the purchase price and the buyer's valuation of the deferred tax liability.

Deferred tax assets have been valued at no more than the amount that is likely to be recovered based on current and future taxable income. The valuation is reviewed each balance sheet date.

In the consolidated balance sheet, untaxed reserves are split between deferred tax and equity.

	Group 2019 2018	
Current tax	-1	-
Deferred tax	3	-15
	2	-15

a Reconciliation of effective tax

Group	Total	%	Total	2019	2018
Profit before tax			-74		298
Tax at the rate applicable to the parent company		21,4%	16		22,0%-65
Depreciation/amortisation of consolidated goodwill			-13		-1
Other non-deductible expenses			-27		-60
Non-taxable income			54		77
Tax effect of sale of shares, real estate and condominium			18		31
Increase in tax loss carryforwards without corresponding capitalisation of deferred tax			-45		-6
Effect of changes in tax rates and tax rules			-		-1
Adjustment of taxes in associated enterprises and jointly controlled entities			-1		10
Reported effective tax			2		-15

Temporary differences exist when there are differences between the carrying amounts of assets and liabilities and their tax bases.

Temporary differences relating to the following items and tax loss carry-forwards have resulted in deferred tax assets and liabilities.

Group	2019-12-31			2018-12-31		
	Deferred tax receivable	Deferred tax liability	Net	Deferred tax receivable	Deferred tax liability	Net
Temporary differences						
Fixed assets, including any untaxed reserves	16	9	7	14	10	4
Provisions and long-term liabilities	9	-	9	11	-	11
Tax loss carry-forward	506	-	506	446	-	446
Deferred tax asset/liability	531	9	522	471	10	461
Receipt	-9	-9		-10	-10	
Net deferred tax asset/liability	522	-	522	461	-	461

Tax loss carry-forwards total SEK m5208 (483♦). Of this amount, SEK 2086 million (2029) has been taken into account in the calculation of the deferred tax asset.

Note 14 | Intangible assets

ACCOUNTING PRINCIPLES

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The capitalisation model is applied to internally generated intangible assets. The cost of an internally generated intangible asset is all directly attributable expenditure (e.g. materials and salaries). Expenditure on internally generated goodwill and trademarks is recognised in the income statement as an expense as incurred. Amortisation is charged on a straight-line basis over the estimated useful life of the asset. In the case of acquisitions of a strategic nature, for example to gain access to new land, goodwill is amortised over a period of up to 40 years.

For internally generated intangible assets, which have been capitalised from 2016 onwards, a transfer is made within equity.

The corresponding amount is transferred from unrestricted equity to the restricted fund for development expenditure. The fund is released at the same rate as depreciation, amortisation and disposals.

Depreciation periods applied	Use-period
Internally generated intangible assets	
On-balance sheet expenditure on development and similar work	3-5 years
Acquired intangible assets	
Concessions, patents, licences, trademarks and similar rights	3-10 years
Rental and similar rights	5-7 years
Goodwill	5-10 years

a DESCRIPTION

At each balance sheet date, an assessment is made as to whether there is any indication that the value of an asset is lower than its carrying amount. If such an indication exists, the recoverable amount of the asset is calculated. If it is not possible to calculate the recoverable amount of an individual asset, the recoverable amount is calculated for the entire cash-generating unit to which the asset belongs. For assets, other than goodwill, that have been previously impaired, an assessment is made at each balance sheet date as to whether the impairment can be reversed.

The recoverable amount is the higher of fair value less costs to sell and value in use. In calculating

The value in use is calculated as the present value of the future cash flows expected to be generated by the asset in its current operations and when it is disposed of or retired. The discount rate used reflects market assessments of the time value of money and the risks associated with the asset. A previous impairment loss is reversed only if the reasons underlying the calculation of the recoverable amount at the time of the last impairment loss have changed.

a Expenditure on development and similar work included in the balance sheet

Koncernen 2019-12-31 2018-12-31

	2019-12-31	2018-12-31
Accumulated acquisition values		
At the beginning of the year	405	331
Other investments	40	45
Disposals and eliminations	-22	-3
Reclassifications	65	32
	488	405
Accumulated depreciation		
At the beginning of the year	-261	-209
Reversed depreciation on disposals and retirements	17	3
Depreciation for the year	-64	-55
	-308	-261
Accumulated impairment losses		
Reclassifications	-	5
Impairment losses for the year	-	-5
Carrying amount at year-end	180	144

a Concessions, patents, licences, trademarks and similar rights

Koncernen 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	25	17
Business combinations	1	1
Reclassifications	-1	7
	25	25
 Accumulated depreciation		
At the beginning of the year	-15	-13
Disposals and eliminations	-	1
Depreciation for the year	-3	-3
	-18	-15
 Carrying amount at year-end	7	10

a Rental and similar rights

Koncernen 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	9	9
Business combinations	8	-
	17	9
 Accumulated depreciation		
At the beginning of the year	-9	-8
Business combinations	-3	-
Depreciation for the year	-1	-1
	-13	-9
 Carrying amount at year-end	4	0

a goodwill

Koncernen 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	380	451
Business combinations	1 080	1
Disposals and closure of operations	-	-21
Reclassifications	-7	-51
	1 453	380

Accumulated depreciation

Accumulated depreciation		
At the beginning of the year	-258	-326
Disposals and closure of operations	-	9
Reclassifications	7	68
Depreciation for the year	-61	-9
	-312	-258

Accumulated impairment losses

Accumulated impairment losses		
At the beginning of the year	-101	-95
Disposals and closure of operations	-	11
Reclassifications	-	-17
	-101	-101
 Carrying amount at year-end	1 040	21

a Advances of intangible fixed assets

Koncernen 2019-12-31 2018-12-31

Advances at the beginning of the year		
Change through acquisition/disposal of subsidiaries	475	143
Reclassifications	-64	-44
Impairment losses for the year	-4	-28
 Carrying amount at year-end	552	146

Note | 15 Property, plant and equipment

ACCOUNTING PRINCIPLES

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. In addition to the purchase price, the cost includes expenditure directly attributable to the acquisition. Incremental expenditure meeting the asset criterion is included in the carrying amount of the acquisition. Expenditure on routine maintenance and repairs is recognised as an expense as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. When a component of a fixed asset is replaced, any remaining part of the old component is disposed of and the cost of the new component is capitalised.

Borrowing costs are charged to the income statement in the period to which they relate, irrespective of how the borrowed funds have been used.

Realisation gains and losses on the disposal of property, plant and equipment are recognised in the income statement as Other operating income and Other operating expenses respectively. Realisation gains and losses are calculated after deduction of direct selling expenses.

Depreciation periods applied	Use-period
Buildings10-100	years
plant20year	Land
Expenditure incurred on other propertymax	years20
Machinery and other technical	equipme
nt5-10years	
Equipment, tools and installations3-20	years

The buildings consist of a number of components with different periods of use. The main classification is buildings and land. No depreciation is charged on the land component, the useful life of which is deemed to be indefinite. The buildings consist of several components with varying useful lives.

The following main groups of components have been identified and are the basis for depreciation:

Buildings

Carcass, incl. foundation100	years
Stem completion	25 year
Facade50-75	years
Tak20-40	years
Façade/truss completion, surface	10yea
Installations, general for property	25yea

Normal tenant adaptation, buildingContract period

Building inventories:

Installations, specific to the activity25

a DESCRIPTION

At each balance sheet date, an assessment is made as to whether there is any indication that the value of an asset is lower than its carrying amount. If such an indication exists, the recoverable amount of the asset is calculated. If it is not possible to calculate the recoverable amount of an individual asset value, the recoverable amount of the entire cash-generating unit to which the asset belongs is calculated. For assets that have been previously written down, an assessment is made at each balance sheet date as to whether the write-down can be reversed.

The recoverable amount is the higher of fair value less costs to sell and value in use. In calculating value in use, the present value of the future cash flows expected to arise from the operation of the asset and from its disposal or retirement is calculated. The discount rate used reflects market assessments of the time value of money and the risks associated with the asset. A previous impairment loss is reversed only if there has been a change in the circumstances that led to the calculation of the recoverable amount at the time of the last impairment loss.

A LEASE

Leases that transfer substantially all the economic risks and rewards incidental to ownership of an asset from the lessor to a company in the KF Group are classified as finance leases.

the consolidated financial statements as finance leases. Financial
Normal tenant adaptation, building inventoryContract period

leases result in rights and obligations being recognised as assets and liabilities in the balance sheet. The asset and liability are initially measured at the lower of the fair value of the asset and the present value of the minimum lease payments. Expenditure directly attributable to the lease is added to the value of the asset. Lease payments are apportioned between interest and amortisation using the effective interest method. Interest expense is therefore

allocated over the lease term so that each accounting period is charged with an amount equal to a fixed rate of interest on the liability recognised in that period. Variable charges are recognised as an expense in the period in which they are incurred. The leased asset is depreciated on a straight-line basis over its estimated useful life.

a Buildings and land

Koncernen 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	788	846
New acquisitions	37	8
Business combinations	2 142	-
Disposals and eliminations	-170	-76
Reclassifications	-	10
	2 797	788
Accumulated depreciation		
At the beginning of the year	-231	-224
Business combinations	-368	-
Reversed depreciation on disposals and retirements	11	20
Depreciation for the year	-50	-27
	-638	-231
Accumulated impairment losses		
At the beginning of the year	-144	-158
Business combinations	-28	-
Reversals of impairment losses on disposals and retirements	-	8
Impairment losses reversed during the year	6	6
	-166	-144
Carrying amount at year-end	1 993	413

a Of which land and land improvements

Koncernen 2019-12-31 2018-12-31

Accumulated acquisition values	292	191
Accumulated depreciation	-32	-29
Accumulated impairment losses	-7	-6
Carrying amount at year-end	253	156

a Disclosure of fair value of investment property

Koncernen 2019-12-31 2018-12-31

Accumulated fair values		
At the beginning of the year	930	851
At the end of the year	461	930

The market value of wholly owned investment properties as at December 31 2019 amounted to SEK 461m (930). The properties are mainly land and/or project properties in nature. The market value has been determined through internal and external valuations.

Building rights/land have been valued on the basis of the estimated market value per square metre of building right in cases where building rights have been established according to a detailed plan. If there is no detailed plan for a property A risk deduction has been made based on the assessed conditions for obtaining building rights according to the detailed plan. For built

project properties, the appraised value per square metre of building right after deduction of demolition costs and other costs is used. To this is added the initial residual operating net of existing rental

figures during the calculation period. Project properties are valued on the basis of the estimated value of the completed project, less any outstanding investments and an estimated risk premium, including in certain cases the

In such cases, an additional summary of the investments made in the project.

a Expenditure incurred on another person's property

Koncernen 2019-12-31 2018-12-31

Accumulated acquisition values		
Business combinations	243	-
Disposals and eliminations	-9	-
	234	-

Koncernen 2019-12-31 2018-12-31

Accumulated acquisition values		
Business combinations	-176	-
Reversed depreciation on disposals and retirements	7	-
Depreciation for the year	-6	-
	-175	-

Accumulated depreciation

Business combinations	-17	-
Impairment losses reversed during the year	1	-
Impairment losses for the year	-2	-
	-18	-

Carrying amount at year-end

41

a Machinery and other technical equipment

Koncernen 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	61	61
New acquisitions	1	-
	62	61

Accumulated depreciation

At the beginning of the year	-58	-58
Depreciation for the year	-1	-
	-59	-58
Carrying amount at year-end	3	3

a Furniture, tools and installations

Koncernen 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	3 727	3 516
New acquisitions	360	377
Business combinations	676	1
Disposals and eliminations	-427	-217
Reclassifications	48	50
	4 384	3 727
Accumulated depreciation		
At the beginning of the year	257	030
Business combinations	-534	-
Reversed depreciation on disposals and retirements	400	200
Reclassifications	-	-40
Depreciation for the year	-413	-387
	804	257
Accumulated impairment losses		
At the beginning of the year	-176	-198
Reversals of impairment losses on disposals and retirements	4	13
Impairment losses reversed during the year	59	14
Impairment losses for the year	-11	-5
	-124	-176
Carrying amount at year-end	1 456	1 294

a Construction in progress and advances on tangible fixed assets

Koncernen 2019-12-31 2018-12-31

At the beginning of the year		
93	60	
Disposals and eliminations	-28	-8
Reclassifications	-48	-20
Investments	34	61
Carrying amount at year-end	51	93

Note 16 | Receivables from jointly controlled entities

Koncernen 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	29	29
Additional receivables	72	-
Carrying amount at year-end	101	29

Need | 17 MedMera Bank

MedMera Bank's mission is to offer good and competitive lending and deposit products to retail customers. The bank also offers a credit and non-credit card product that can be used in Co-op stores and is responsible for all card redemption within the consumer co-operative. The technical infrastructure allows the bank to be online with all tills in all affiliated stores.

Utlåning 2019-12-31 2018-12-31

Loans to credit institutions (short-term clearance receivables)		
<i>Contractual undiscounted cash flow</i>		
Maximum year1	304	371
	304	371
Lending to the public		
<i>Contractual undiscounted cash flow</i>		
Maximum year1	555	781
Longer than years 1but not longer than years5	1 882	1 885
Longer than years5	1 378	1 121
	3 815	3 787
Total lending	4 118	4 159

Osäkra	lånefordringar 2019-12-	
Lending to the public		
Unsecured loan receivables	7	9
Reserved	-7	-8
	0	1

Förfallna lånefordringar 2019-12-31 2018-12-31

Lending to the public		
Days60 past due or less	35	32
Due between days60 and days90	6	7
Due between days90 and days180	0	1
Due between days180 and days360	0	0
	40	40

Inlåning 2019-12-31 2018-

Deposits from the public		
Contractual undiscounted cash flow		
Maximum year1	2 731	3 183
Longer than years 1but not longer than years5	36	31
	2 767	3 214

Note 18 | Other long-term securities holdings

Koncernen 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	265	285
Additional assets	4	7
Depreciating assets	-45	-27
Reclassifications	-2	-
	222	265

Accumulated impairment losses

Accumulated impairment losses		
At the beginning of the year	-104	-104
Reclassifications	2	-
Impairment losses reversed during the year	10	2
Impairment losses for the year	-2	-2
	-94	-104
Carrying amount at year-end	128	161

Note 19 | Financial instruments and risk management

ACCOUNTING PRINCIPLES

Financial assets and liabilities are accounted for in accordance with Chapter (11Financial instruments measured at cost) of BFNAR 2022:2.

Financial assets are initially measured at cost, including any transaction costs directly attributable to the acquisition of the asset.

Short-term interest-bearing investments, marketable securities including fund units and derivatives are valued collectively under the cost method at the lower of cost and fair value.

A financial asset or financial liability is recognised in the balance sheet when the entity becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual right to receive the cash flows from the asset has expired or been settled. The same applies when the risks and rewards incidental to ownership are substantially transferred to another party and the entity no longer has control of the financial asset. A financial liability is derecognised when the obligation is discharged or ceases to exist.

a CUSTOMER LOANS AND OTHER TRANSACTIONS

Trade receivables and other receivables that are current assets are valued individually at the amount expected to be recovered net of bad debts. Financial fixed assets are valued after initial recognition at cost less any impairment losses and plus any revaluations. Receivables that are interest-free or bear interest at a rate that differs from the market rate and have a maturity of more than 2 months are carried at their discounted present value. The change in the time value is recognised as interest income in the income statement. The expected life of trade receivables is short and they are therefore stated at nominal value without discounting.

a SHORT-TERM LOCATIONS

Securities acquired with the intention of being held for the short term are initially recognised at cost and subsequently the valuations in accordance with the lowest value principle at the lower of cost and market value. The Group's securities portfolio is included in the short-term investments item. This includes The instruments consist of interest-bearing investments, marketable shares including fund units and derivatives. Derivative instruments include forward contracts and swaps, which are used to hedge the risk of changes in exchange rates and for exposure to interest rate risk. For the instruments included, the valuation principle is applied to the portfolio as a whole. This means that in the lowest value principle test, unrealised losses are offset against unrealised gains within the portfolio.

a OTHER LONG-TERM INVESTMENT PORTFOLIO

Assets included in this item are initially recognised at cost and subsequently measured at cost with an assessment of whether there is any need for impairment. Interest-bearing assets are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

a LOAN AND SUPPLIER DEBTS

Non-current financial liabilities are stated at amortised cost. Expenditure directly attributable to the raising of

loans have been adjusted for the acquisition cost of the loan and according to the effective interest method. Current liabilities are stated at cost.

a DERIVATIVE INSTRUMENTS FOR WHICH INSURANCE REPORTING IS NOT APPLIED

The subsidiaries' currency risks are hedged, with certain exceptions, against concern's internal bank (MedMera Bank AB). The internal bank then aggregates the Group's foreign exchange risk and hedges it against external counterparties. The subsidiaries' imports and exports of goods in foreign currencies that are contracted and for which the price, volume and delivery date are fixed must be hedged in their entirety. Subsidiaries also have the right to, in consultation with the Finance Department, currency-hedge purchasing contracts in addition to order placement in order to secure profit margins and market shares. Furthermore, balance sheet exposures from net assets/liabilities in other currencies, other than through equity in subsidiaries and associates, shall be currency hedged (except for deviations according to the investment policy).

If it is deemed appropriate to adjust the Group's interest rate risk at the aggregate level, KF may use interest rate derivatives.

Derivative instruments are valued according to the lower of cost or market principle, i.e. only outstanding derivative instruments with a negative value are recognised in the balance sheet and income statement.

a DERIVATIVE INSTRUMENTS FOR WHICH INSURANCE REPORTING IS APPLIED

The Group's electricity price risk is managed through trading in electricity derivatives.

Forecasted own consumption is priced according to the norm defined in the financial policy. Hedge accounting is applied for these price hedges, which means that no outstanding gold derivatives are recognised in the balance sheet or income statement. When the transaction is entered into, the relationship between the hedging instrument and the hedged item is documented, as well as the Group's risk management objectives and risk management strategy for the hedge. The CFO also documents the entity's assessment, both at the inception of the hedge and on an ongoing basis, of whether the derivative instruments used in the hedge transactions are highly effective in offsetting changes in cash flows attributable to the hedged items.

Hedge accounting is discontinued if the hedging instrument is lost, sold, liquidated or redeemed, or the hedging relationship no longer qualifies for hedge accounting. Any gain or loss on a hedge that is terminated early is recognised immediately in the income statement.

In some cases, hedge accounting is also applied for hedging foreign exchange risks.

a Derivatives and financial risk management

Assets	Koncernen		2019-12-31		2018-12-31	
	Reported value	Real value	Reported value	Real value		
Derivatives for which hedge accounting is applied						
Elderly derivatives	-	2	-	61		
Derivatives for which hedge accounting is not applied						
Currency futures	-	1	-	1		
	-	3	-	62		

MANAGEMENT PRINCIPLES

Management of financial risks and cash flows is centralised to achieve effective control, exploit economies of scale and obtain favourable conditions in the financial markets. The Group's financial activities are managed by MedMera Bank AB on behalf of the parent company, and are governed by the Group's financial policy. The financial activities of MedMera Bank AB are regulated by separate policies and are subject to supervision by the Swedish Financial Supervisory Authority.

The Finance Division is directly responsible for all interest-bearing items on the balance sheet, for the Group's activities towards banks and on the financial markets. Finance will support the Group's operational activities by proactively participating and supporting in all finance-related issues within the Group, with a clear objective to:

- a Add sustainable value to the entire Group
- a Identify, measure and manage the financial risks arising from the Group's activities in order to support the Group's operational objectives
- a Provide good service in the financial field to subsidiaries, the management of KF and consumer associations

a FINANCING

It is the Group's policy to achieve stability in the long-term supply of capital and to limit both liquidity and refinancing risk. The maintenance of an adequate cash reserve in the form of cash and/or undrawn credit facilities is of paramount importance. The Group's sources of funding are mainly working capital, deposits via MedMera Bank, external deposits via the Group's cash pool and other equity.

Refinancing risk

Refinancing risk refers to the risk that costs will be higher and financing options limited when loans are extended, and that payment obligations cannot be met due to insufficient liquidity or difficulties in obtaining financing. Refinancing risk is closely linked to liquidity risk, which is described in the next section.

It is the Group's policy to achieve stability in the long-term supply of capital and thereby limit refinancing risk. This means that the Group should maintain a sufficiently large liquidity reserve, have a consistent maturity structure of loans and facilities over time, and achieve diversification across funding types and markets. Refinancing risk is directly linked to financial risk. As the Group's financial position is good and net debt is positive, the importance of a smooth maturity structure and diversification as described above is marginal. If the situation changes and the Group becomes a net borrower, this should be reviewed.

Liquidity risk

The short-term capital supply aims to ensure the Group's ability to pay at all times by maintaining an adequate cash position or liquidity reserve. The liquidity reserve is defined as cash and cash equivalents, financial investments that can be converted into cash within banking3 days, and guaranteed undrawn credit facilities.

Liquidity shortages may arise within KF through unforeseen withdrawals from MedMera Bank and the Group's cash pools. Liquidity developments are monitored on a daily basis.

The Group's financial policy stipulates that the liquidity reserve should cover at all times:

- a Estimated net investments in coming months6
- a Normal cash flow variations within the group
- a An additional buffer to cover the ability to pay in the event of a stressed liquidity situation

The liquidity reserve must at all times amount to a minimum of SEKm1000 in excess of planned net investments.

As at 31 December, the Group2019's cash and cash equivalents, including interest-bearing short-term investments, amounted to SEK m3576 (5 202). This includes MedMera Bank's liquidity reserve of SEKm422, which is not available to the Group due to banking legislation. At year-end, KF had bank loans of SEKm0 (0).

a RENTISK

A change in market interest rates affects the Group's income statement. Both interest-bearing liabilities and assets are exposed to interest rate risk. The speed with which a lasting change in interest rates is reflected in the Group's net financial income depends on the duration of the interest rate fixation, i.e. the time at which the interest rate terms are extended.

The Group is currently net positive, i.e. financial assets exceed financial liabilities. The interest rate risk is therefore linked to the financial assets. The Group has three portfolios of investments that are regulated in separate policies for KF eko-nomisk förening, MedMera Bank and Coop Sweden.

According to the Group's financial policy, all investments must be denominated in Swedish kronor (SEK). The average duration of the external financial investments in KF Cooperative Society may not exceed months6 (6 months). At year-end, the duration was months3 (4.♦ months), which corresponds to an interest rate risk of SEKm6,3 (♦♦.4) calculated on the basis of a 1% shift in the yield curve. In MedMera Bank, the holdings are divided into a liquidity portfolio and a liquidity reserve. The liquidity portfolio has

a benchmark duration of ♦.0 years. The interest rate risk is allowed to deviate from the benchmark risk by SEKm15 calculated as a ♦% shift in the yield curve. At year-end, the duration of all investments in MedMera Bank was years0,7 (0.7 years), which corresponds to an interest rate risk of SEKm4,1 (7.6) calculated as a ♦% shift in the yield curve. The average duration of the external financial investments in Coop Sweden should be 2-4 years (2-4 years), with a benchmark of years3 (3 years). At year-end, the duration was years2,3 (2.8 years), corresponding to an interest rate risk of SEKm16,6 (35.1m) calculated as a ♦% shift in the yield curve in the yield curve.

Total duration of the Group's external financial investments amounted to 0.7♦ years (0.96)

Interest rate fixation,	31 dec 2019					
	SEKm0-3	months 3-6	months 6-12	months 1-5	years over	years
Interest-bearing assets	4 947	1 506	309	847	47	7 656
Interest-bearing liabilities	755	-16	-25	-36	-	832
Net	-809	1 490	283	812	47	1 823

Interest rate derivatives may be used to reduce the interest rate risk and to protect the Group's results against a possible change in interest rates.

a CURRENCY

The KF Group's operations are exposed to changes in exchange rates. This exposure arises from purchases and sales in foreign currencies (transaction exposure) and from net assets/liabilities in currencies other than the Group's presentation currency (translation exposure). Changes in exchange rates therefore affect both the Group's income statement and balance sheet. It is the Group's policy to reduce this exposure.

Currency risk is usually classified into transactional and translational exposures.

Transaction exposure

Transaction exposure for the KF Group refers to contracted purchases, i.e. orders to suppliers where the price, volume and timing of payment are fixed. Transaction exposures are currency hedged to ensure expected margins, reduce uncertainty in the income statement and thereby increase forecast certainty. The subsidiaries' currency hedging is done through MedMera Bank using intra-group transactions which Med-Mera Bank in turn hedges against external counterparties. It is the Group's policy to hedge ♦00% of the transaction exposure.

Currency exposures in balance sheet items are hedged by means of offsetting balance sheet items or derivative instruments. Holdings of quoted shares and equity funds and unquoted holdings of foreign currency are not currency hedged. Balance sheet items in foreign currencies are held in MedMera Bank except for unlisted holdings in foreign currencies held in KF Invest.

The Group's currency exposure as at December 20♦9 is presented below in local currency, as well as translated into SEK.

Conversion exposure

The Group's translation exposure is the risk that changes in exchange rates has a negative effect on the translation of the foreign

subsidiaries' balance sheets and profit and loss accounts to Swedish cro- nor. Translation exposure is an accounting risk that arises from the consolidation of the Group's balance sheet, but which therefore also affects financial ratios and financial covenants.

The KF Group's translation exposure is currently limited in scope and therefore the impact on key figures is also small. It is the Group's policy not to hedge the translation exposure.

Currency	Transactional exposure	Interest-bearing assets and shoulders	Listed shares and equity funds and unlisted holdings	Derivatives- contract against external counterparty	Net exposure	Net exposure
	(mn local currency)			(mn local currency)	(mn local currency)	in SEK (SEK mn)
DKK	24,9	0,9	0,0	24,8	1,0	1,4
EUR	40,3	4,1	0,4	40,0	4,2	43,9
NOK	17,7	1,0	0,0	17,8	1,0	1,0
USD	2,3	0,0	3,4	2,3	3,3	31,1
Total currency exposure (SEK m)						72,6

a ELPRISRISK

Electricity price risk is defined as the risk that the KF Group's income statement and balance sheet will be adversely affected by changes in the market price of electricity. The KF Group has an electricity price risk through electricity consumption in Coop Stores & Supermarkets, Coop Logistics and in KF Fastigheter. It is the Group's policy to hedge the electricity price risk for the current year plus years³ by trading in electricity derivatives.

	2020	2021	2022
Forecasted annual consumption MWh:	176 147	175 680	175 680
Electricity derivative MWh:	101 030	38 106	-
Degree of protection %:	57%	22%	0%

Outstanding senior derivatives are hedged in accordance with C3, chapter 11.

a OTHER MARKET RISK

Other market risk is defined as the risk that the value of financial instruments will fluctuate due to changes in market prices caused by factors other than those already described in this note.

At year-end, KF's holdings in quoted shares amounted to SEKm0 (10), and holdings in private equity companies, unquoted shares and other long-term financial investments amounted to SEKm♦84(222).

KF and MedMera Bank limit other market price risk through a detailed framework of diversification, counterparty and credit risks in KF's financial policy and MedMera Bank's financial policy, respectively.

a CREDIT AND COUNTERPARTY RISK

KF is exposed to credit risk through its investments in bonds and other interest-bearing instruments and through deposits in banks. Credit risk is limited by ensuring that investments and bank deposits are only made with counterparties that have a high credit rating (investment grade or equivalent). Furthermore, the CF has exposure to consumer associations as a result of lending. Such lending may therefore only be undertaken after careful credit assessment. In addition, KF has only a limited credit risk in its trade receivables, which is a natural consequence of the nature of its business.

Credit risk is also present at MedMera Bank through lending to the public in the form of utilised card credits and unsecured loans. For further information, see MedMera Bank's Annual Report.

The largest single credit exposure as at 3♦ December 20♦9 was to Nordea. The market value totalled SEK m978, of which SEK525 m was in covered bonds.

Counterparty risks are the credit risks arising from positive market values of financial contracts in the foreign exchange, interest rate, equity and electricity markets. Counterparties to these transactions are banks, fund commission agents and electricity trading companies, unless the financial contracts are cleared on an exchange (central counterparty clearing).

KF's counterparty risk is limited by ensuring that financial transactions are only made with eligible counterparties and that, as far as possible, transactions are cleared on an exchange. KF seeks to spread financial transactions across multiple counterparties. The credit risk arising from financial derivative contracts that are not cleared on an exchange shall be reduced by means of ISDA agreements, thereby enabling the offsetting of liabilities and receivables in the event of the counterparty's default.

Note | 20 Other long-term receivables**Koncernen** 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	2 183	2 244
Change in accounting principle	0	-
Additional receivables	2 000	1 501
Regulated receivables	311	-934
Reclassifications	-76	-628
	2 796	2 183
Accumulated impairment losses		
At the beginning of the year	-16	-25
Impairment losses reversed during the year	2	9
	-14	-16
Carrying amount at year-end	2 782	2 167

Note | 21 Varulager mm**ACCOUNTING PRINCIPLES**

Inventories are stated at the lower of cost and net realisable value. Allowance is made for credit risk. Cost is calculated on a first-in, first-out (FIFO) basis. In addition to the cost of purchase, the cost of bringing the goods to their present location and condition is included in the cost of acquisition.

Note 22 | Prepaid expenses and accrued income**Koncernen** 2019-12-31 2018-12-31

Prepaid rents	313	304
Bonus from suppliers	227	201
Prepaid IT costs	51	58
Accrued interest income	97	104
Other accrued income	22	9
Other items	77	57
Carrying amount at year-end	787	733

Note 23 | Provisions for pensions and similar obligations**ACCOUNTING PRINCIPLES****a DEFINED PLANS**

In defined contribution plans, fixed contributions are paid to another company, usually an insurance company. The KF has no long-term obligation to the employee once the fee is paid. The size of the employee's post-employment benefits depends on the contributions paid and the return on capital generated by the contributions. Contributions to defined contribution plans are recognised as an expense. Unpaid contributions are recognised as a liability.

a DEFINED PLANS

In the case of defined benefit plans, the enterprise has an obligation to provide the agreed benefits to current and former employees. In essence, the enterprise bears the risk that the benefits will be higher than expected (actuarial risk) and the risk that the return on plan assets will differ from expectations (investment risk). For the accounting of defined benefit plans, the simplification rules set out in BFNAR 2012:1 are applied.

Defined benefit plans for which pension premiums are paid are accounted for as defined contribution plans, which means that the contributions are expensed

in the income statement. Where pension obligations have been secured by a transfer of funds to a pension fund, a provision and annual cost are calculated based on the present value of the future benefit earned. Where the plan assets exceed the obligation, no asset is recognised. The net of interest on the pension liability and the expected return on the related assets held for investment are recognised in net financial income. Other components are included in the operating result.

Where the pension obligations depend solely on the value of an owned endowment policy, the pension obligation is recognised as a provision equal to the carrying amount of the asset. The endowment policy, which is pledged as security for a given pension promise, is recognised as a financial fixed asset.

a REIMBURSEMENTS ON EMPLOYMENT

Termination benefits are paid when any Group company decides to terminate an employee's employment before the normal termination date or when an employee accepts an offer of voluntary redundancy in exchange for such benefits. If the benefit does not provide any future economic benefit to the entity, a liability and an expense are recognised when the entity has a legal or constructive obligation to provide such benefit.

The compensation is measured at the best estimate of the compensation that would be required to settle the obligation at the balance sheet date.

a PENSION BENEFITS

KF has both defined contribution and defined benefit pension plan. Under defined contribution plans, the company pays fixed fees to an external party and has no obligation to pay additional fees. The defined benefit plans guarantee the employee a pension equal to a certain percentage of final salary at full service.

Post-employment benefits in Sweden are a combination of both defined-contribution and defined-benefit plans. All plans for collective employees are defined contribution plans. Civil servants are covered by the defined benefit KTP plan, consisting of old-age, sickness and family pensions, and by the defined contribution ITPK plan, which is a supplementary old-age pension. The commitment under the KTP plan is largely funded through the Consumer Co-operation Pension Foundation, supplemented by credit insurance with PRI Pensionsgaranti. The assets of the trust are segregated from the KF. The liability for the KTP plan's health and family pension is funded through insurance.

With effect from , the KTP plan was 2009 amended. The new plan, ITP1/KTP1, is defined contribution and is open to new participants in the KTP plan, while current participants continue in the old plan.

the plan. KF pays the premiums for the employee, who is covered by ITP1/ KTP1, and the employee chooses the trustee. This plan is open to officials born in 198◆ or later and for so-called ten-stagers (salary exceeding ibb10).

Folksam calculates the pension liabilities of the companies within the KF Group that have guaranteed defined benefit pension obligations in the foundation. On the basis of this calculation and the calculation of the value of the plan assets, the Consument Cooperative Pension Fund invoices the employer on a monthly basis so that the provisions correspond to the liability at the end of each year. The amount of the pension liability is determined by factors such as age, salary, length of service, retirement age, gender, remaining life expectancy and the discount rate of %2,0 (2,0 %).

The assets of the pension fund are managed by the joint Asset Management Department of Folksam. The mix of equities, fixed income, real estate and special investments aims to achieve the desired real return objective, with good risk diversification. The Board of the Foundation is responsible for the management of the Foundation's assets.

In addition, there are, to a limited extent, direct pension solutions secured by company-owned capital insurance.

The cost of pensions, covered by the Foundation, is divided into a part included in the operating result and a part included in financial items.

Note | 24 Provisions for taxes

Provisions for taxes for the current year consist of special payroll tax on pension obligations, the outcome of which depends on the value of the endowment insurance policy held.

Note | 25 Other provisions

ACCOUNTING PRINCIPLES

A provision is recognised in the balance sheet when the entity has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. At initial recognition, provisions are measured at the best estimate of the amount that will be required to settle the obligation at the balance sheet date. Provisions are reassessed at each balance sheet date. Where the effect of the timing of payment is material, the provision is calculated by discounting the expected future cash flows to a present value.

A provision for onerous contracts, mainly operating leases in the case of the CF, is recognised when the expected economic benefits to be derived from a contract are less than the unavoidable expenditure required to settle the obligations under the contract.

A provision for restructuring of operations is recognised when there is a legal or constructive obligation, which means that the entity has an established and detailed restructuring plan and those affected have a valid expectation that the restructuring will be carried out.

Koncernen 2019-12-31 2018-12-31

Restructuring measures	22	53
Guarantee commitments	9	4
Customer loyalty programme	246	270
Other 1)	220	361
Carrying amount at year-end	498	688

1) Includes commitments related to property disposals

Provision for restructuring measures mainly relates to provisions made for rental costs for unused premises, related to Coop Butik. Some reversal of previous provisions has been possible as a result of changes in market conditions and assessments of the future of individual market places.

Group	Omstruktureringsätgärder2	
Carrying amount at the beginning of the year	53	121
Provisions made during the year ¹⁾	10	53
Amounts drawn down during the year	-29	-76
Unused amounts recovered during the year	-12	-45
Carrying amount at year-end	22	53
Garantiättaganden2019-12-		
Carrying amount at the beginning of the year	4	6
Business combinations	13	-
Amounts drawn down during the year	-7	-1
Unused amounts recovered during the year	-2	-1
Carrying amount at year-end	9	4
Kundlojalitetsprogram2019		
Carrying amount at the beginning of the year	270	255
Provisions made during the year ¹⁾	103	99
Business combinations	-	0
Amounts drawn down during the year	-117	-84
Unused amounts recovered during the year	-10	-
Carrying amount at year-end	247	270
Övrigt2019-		
Carrying amount at the beginning of the year	361	286
Provisions made during the year ¹⁾	13	103
Amounts drawn down during the year	-149	-22
Unused amounts recovered during the year	-5	-6
Carrying amount at year-end	220	361

1) Including increases in existing provisions.

Note | 26 Non-current liabilities

Koncernen2019-12-312018-12-31

Liabilities falling due later than one year from the balance sheet date:		
Member deposits, five-year loans	104	115
Other liabilities	345	45
Carrying amount at year-end	449	160

Note | 27 Other liabilities

Koncernen2019-12-312018-12-31

Deposits from the public	2 731	3 182
Deposits from consumer associations	831	1 052
Other items	978	804
Carrying amount at year-end	4 540	5 038

Note | 28 Accrued expenses and deferred income

Koncernen2019-12-312018-12-31

Personnel-related costs	828	681
Costs of freight	91	81
Goods delivered but not yet invoiced	62	66
Other items	535	469
Carrying amount at year-end	1 516	1 297

Note 29 | Collateral and contingent liabilities

In some cases, the CF has guaranteed commitments in subsidiaries for deliveries. In addition, the parent company has entered into general guarantee commitments towards KF Invest Förvaltning AB and Med- Mera Bank AB. In the Group, in connection with the sale of companies, guarantees have been given to the buyer in respect of the fulfilment of commitments made.

In order to secure a small number of pension commitments made, endowment insurance policies have been taken out and pledged in favour of pensioners.

KF, together with its subsidiaries, is a shareholder in PRI Pensionsgaranti. The partners have a mutual liability which amounts to a maximum of %2 of the respective company's pension debt. The parent company has acted as guarantor on behalf of the subsidiaries and has therefore assumed the contingent liabilities of all subsidiaries towards PRI Pensionsgaranti.

Ställda säkerheter 2019-12-31 2018-12-31

For own liabilities and provisions		
Bonds and other securities	2	3
Endowment insurance	54	82
	56	85
Other pledges and securities		
Credit insurance guarantee	385	385
	385	385
Total collateral provided	441	470
Contingent liabilities		
Overdraft facilities, MedMera Bank AB		
- Overdraft facilities granted	1 171	4 467
- Retired: overdraft facilities	-89	-918
Guarantee commitments, PRI Pension Guarantee	59	59
Guarantees given in connection with the disposal of companies	50	50
Investment commitments	37	44
Total contingent liabilities	1 228	3 702

Note | 30 Transactions with related parties

The KF Group has related party relationships with subsidiaries, associated companies, jointly controlled entities and with members of the Board of Directors and Group Management. Holdings in subsidiaries, associates and jointly controlled entities are disclosed in the Note on Investments in Group Companies and the Note on Investments in Associates and Jointly Controlled Entities.

As an economic association, the purpose of the KF is to promote the economic interests of its members through economic activities in which the members participate.

Accordingly, purchases or sales of goods and services have been made during the financial year between the KF group and members of the parent company. In the same way, members participate in the financing of the association, e.g. through subscribed deposits and deposits via the Group's internal banking activities. These transactions have been carried out in accordance with the purpose of the Association. In addition to the supply of goods, concept development and marketing, KF offers the associations, for example, specialist expertise in property-related services, advertising services, advice on financing issues, administration and marketing of the MedMera card and card redemption for bank cards and debit and credit cards.

Some transactions with directors of the parent company and Group management, in addition to salary and other remuneration, has not occurred.

Sale of goods and services to related parties 2019-12-31 / 2018-12-31

Group		
Jointly controlled entities	0	-
	0	-
Financial services to related parties		
Group		
Jointly controlled entities	2	1
	2	1

Note 31 | Interest paid and dividends received

	Group 2019 2018	
Dividends	14	17
received Interest	135	121
received	-31	-16
Interest paid		

Note 32 Cash and cash equivalents

ACCOUNTING PRINCIPLES

Cash and cash equivalents consist of cash on hand, deposits held at call with banks and other credit institutions and short-term investments consisting of bonds and other fixed-income securities with a maximum maturity of three months from the date of acquisition. Restricted cash is not classified as cash and cash equivalents. Changes in restricted cash are recorded in investing activities.

	Group 2019 2018	
The following subcomponents are included in cash and cash equivalents		
1):	622	767

- 1) Cash and cash equivalents include funds subject to capital adequacy restrictions in MedMera Bank AB.
- 2) Bank deposits in the balance sheet also include restricted cash of SEKm385 (402), which is not classified as cash and cash equivalents.

Note 33 | Other disclosures to the cash flow statement

ACCOUNTING PRINCIPLES

The cash flow statement is prepared using the indirect method.

a Adjustments for items not included in cash flow, etc.

	Group 2019 2018	
Depreciation	599	482
Impairment losses/reversal of impairment losses	-32	22
Unrealised exchange differences	2	-
Net result on sale of fixed assets	10	-29
Net result on sale of subsidiaries	-95	-146
Profit participations in associated, jointly controlled and controlled enterprises	4	-49
Other provisions	-211	-34
Other non-cash items	4	-5
	282	241

a Acquisition of subsidiary/business, net cash impact

Koncernen 2019-12-31 2018-12-31

Assets and liabilities acquired and equity from previous holdings in case of successive acquisitions		
Intangible fixed assets	-4	1
Tangible fixed assets	439	1
Financial fixed assets	-60	-
Warehouse	-358	1
Operating receivables	-103	0
Cash and cash equivalents	39	0
Total assets	924	3
Provisions	11	0
Interest-bearing liabilities	182	-
Operating liabilities	1 002	1
Total provisions and liabilities	1 195	1
Purchase price	2 386	2
Purchase price paid	2 386	2
Resigned: Cash and cash equivalents of the acquired business	-39	0
Impact on cash and cash equivalents	347	-2

a Disposal of subsidiaries/business, net cash impact

Koncernen 2019-12-31 2018-12-31

Assets and liabilities disposed		
of Tangible fixed assets Financial	199	41
fixed assets Operating	0	0
receivables	5	6
Cash and cash equivalents	0	-
Total assets	205	47
Provisions Interest-bearing liabilities	-153	1
Operating liabilities	0	0
Total non-controlling interests influence, liabilities and provisions	-181	22
Selling price	112	212
Resigned: Sellers' Reversals	-	-121
Purchase price received	112	91
Resigned: Cash and cash equivalents of the divested business	0	-
Impact on cash and cash equivalents	112	91

Note | Key figure 34 definitions

Equity ratio	The sum of reported equity, guaranteed capital, subordinated loan capital and minority capital as a percentage of total assets.
Capital employed	Total assets less non-interest-bearing assets carrying liabilities, including deferred tax liabilities.
Return on capital employed	Profit before interest and exchange rate differences financial liabilities as a percentage of average capital employed.
Return on equity	Profit after tax as a percentage of average reported equity.
Net assets/net liabilities	Sum of interest-bearing liabilities and provisions minus short-term investments, cash and bank and interest-bearing short-term receivables and financial fixed assets.

Note | 35 Events after the balance sheet date

No significant events, other than ordinary activities, have occurred since the end of the financial year.

Parent company income statement

Amount in SEKmNot		2019	2018
Net sales	M2	153	165
a Gross profit		153	165
Administrative costs		-112	-136
Other operating income	M3	2	1
a Operating result	M4, M5, M6, M7	43	30
Result from financial items			
Result from investments in group companies	M8	32	18
Result from other securities and receivables which are fixed assets	M9	2	4
Other interest receivable and similar income	M9	58	49
Interest expense and similar items	M9	-22	-21
a Result after financial items		113	80
Financial statements			
Group contributions, submitted		-16	-
a Profit before tax		97	80
Tax on profit for the year	M10	-1	-15
a Profit for the year		96	66

Parent company balance sheet

Amount in SEK million Not 2019-12-31 2018-12-31

ASSETS			
FIXED ASSETS			
Intangible fixed assets	M11		
Concessions, patents, licences, trademarks and similar rights		0	0
		0	0
Tangible fixed assets	M12		
Furniture, tools and installations		1	-
		1	-
Financial fixed assets			
Shares in group companies	M8	6 141	6 145
Receivables from group companies	M13	600	-
Other long-term securities holdings	M14, M15	38	67
Deferred tax asset	M10	4	5
Other long-term receivables	M16	52	52
		6 835	6 269
a Total fixed assets		6 835	6 269
CURRENT ASSETS			
Short-term receivables			
Trade receivables		-	0
Receivables from group companies		859	354
Other receivables		42	57
Prepaid expenses and accrued income	M17	16	23
		917	434
Short-term investments	M15	1 712	2 229
Cash and bank		708	1 041
a Total current assets		3 337	3 704
a TOTAL ASSETS		10 172	9 973

Parent company balance sheet (continued)

Amount in SEK millionNot2019-12-312018-12-31

EQUITY AND LIABILITIES		M18	
EQUITY			
Tied equity			
Member initiatives		1 634	1 631
Reserve Fund		138	128
		1 772	1 759
Free equity			
Balanced result		2 323	2 268
Result for the year		96	66
		2 419	2 334
		4 191	4 093
Provisions			
Provisions for taxes	24	5	16
Other provisions	M19	41	71
		46	86
Non-current liabilities	M20		
Other liabilities		404	115
		404	115
Current liabilities			
Trade payables		7	9
Liabilities to group companies		4 651	4 576
Other liabilities	M21	840	1 060
Accrued charges and deferred income	M22	33	33
		5 531	5 678
a Total liabilities		5 935	5 794
a TOTAL EQUITY AND LIABILITIES		10 172	9 973

Changes in equity of the parent company

Group		Tied		equityFreeequity	
		Member effortsReserves	Balanced result incl. this year's results	Total equity	
a Closing balance	2019-01-01	1 631	128	2 334	4 093
Profit for the year according to the approved profit and loss account		-	-	96	96
Transactions with owners					
Change of membership fees		3	-	-1	1
Total Transactions with owners		3	-	-1	1
Transfer between equity items					
Other appropriation of the previous year's result		-	10	-10	-
Total Transfers		-	10	-10	-
a Closing balance	2019-12-31	1 634	138	2 419	4 191
a Closing balance	2018-01-01	1 633	124	1 335	3 092
net income for the year according to the profit and loss account		-	-	66	66
Transactions with owners					
Interest on members' and publishers' contributions		-	-	-9	-9
Change of membership fees		-2	-	-	-2
Change of publisher inserts		-	-	1	1
Merger results		-	-	944	944
Total Transactions with owners		-2	-	936	935
Transfer between equity items					
Other appropriation of the previous year's result		-	3	-3	0
Total Transfers		-	3	-3	0
aClosing balance	2018-12-31	1 631	128	2 334	4 093

Parent company cash flow statement

Amount in SEKmNot	2019	2018	
Current operations			
Result after financial items	M25	113	80
Adjustment for items not included in cash flow	M27	206	51
	319	131	
Income tax paid		4	0
Cash flow from operating activities before changes in working capital	323	131	
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in operating assets		24	-26
Increase(+)/Decrease(-) in operating liabilities		-6	10
Cash flow from operating activities	340	115	
Investment activities			
Shareholder contribution left		-220	-80
Acquisition of tangible fixed assets		-1	-
Acquisition of a business, net cash impact	M27	-	-4
Disposal of acquisition/business, net cash impact	M27	4	-
Change in financial assets		-331	-400
Cash flow from investing activities	-548	-483	
Financing activities			
Increase in membership contributions		1	-
Reduction of member contributions		-	-1
Change in member deposits		-12	-15
Other changes in loans		-115	633
Dividends paid		-	-9
Cash flow from financing activities	-125	609	
Cash flow for the year	-333	241	
Cash and cash equivalents at the beginning of the year	656	415	
a Cash and cash equivalents at the end of the year	M26	323	656

Note M1 | Accounting policies of the parent company

The parent company applies the same accounting policies as the Group, unless otherwise stated below or in the relevant notes.

a SHARES IN COMPANIES, INVESTMENT COMPANIES AND JOINTLY CONTROLLED ENTITIES

Investments in subsidiaries, associates and jointly controlled entities are stated at cost less accumulated impairment losses. In addition to the purchase price, the cost includes expenses directly attributable to the acquisition. Any shareholder contributions made are added to cost when they are delivered. Dividends from subsidiaries are recognised as income.

At each balance sheet date, an assessment is made as to whether there is any indication that the value of a unit is lower than its carrying amount. If such an indication exists, the recoverable amount of the unit is calculated. If it is not possible to calculate the recoverable amount of an individual asset value, the recoverable amount is calculated for the entire cash-generating unit to which the asset belongs. For shares previously written down, an assessment is made at each balance sheet date as to whether the write-down can be reversed.

The recoverable amount is the higher of the fair value and deductions for selling costs and value in use. In calculating value in use, the present value of the future cash flows expected to arise from the operation of the asset and from its disposal or retirement is calculated. The discount rate used reflects market

assessments of the time value of money and the risks associated with the asset. A previous impairment loss is reversed only if the reasons underlying the calculation of the recoverable amount at the time of the last impairment loss have changed.

a GROUP CONTRIBUTION

Group contributions received/given are recorded as a financial statement provision in the income statement. Group contributions received/given affect the current tax of the entity

Note M2 | Net turnover

Parent company	2019	2018
Trademark fees	130	127
Other	23	38
	153	165

Note M3 | Other operating income

Parent company	2019	2018
Other	2	1
	2	1

Note M4 | Information on staff and remuneration of directors/executives

a Average number of employees

Parent	2019 company	of which men	2018 of which men
Sweden	15	50%	17
Total in parent company	15	50%	17
			53%

a Reporting on gender distribution in management

Parent	2019-12-31	2018-12-31
	Percentage of women	Percentage of women
Board of Directors	47%	53%
Other senior executives	50%	33%

For remuneration of the Board of Directors/executive officers in the parent company, reference is made to the corresponding note for the Group.

Note M5 | Depreciation, amortisation, impairment and reversal of impairment

Parent company	2019	2018
Administrative costs	0	0
	0	0

Note M6 | Auditors' fees and reimbursement of expenses

Parent company	2019	2018
PwC		
Audit assignment	1	1
Other assignments	11	1

Note M7 | Operating leases

ACCOUNTING PRINCIPLES

All leases where the company is the lessee are accounted for as operating leases, whether financial or operating. The lease charge is recognised as an expense on a straight-line basis over the lease term.

a Leases where the enterprise is the lessee

Parent company	2019-12-31	2018-12-31
Future minimum lease payments under non-cancellable operating leases		
Within years	1	2
Between and 1 year	4	1
Later than year	1	-
	6	3
	2019	2018
Lease charges for the financial year	2	2

The operating leases where the company is the lessee relate mainly to the rental of premises and leased vehicles.

Note M8 | Investments in group companies

a Result from investments in group companies

Parent company	2019	2018
Distribution	278	100
Gains on disposal of shares	-	-2
Impairments	-246	-80
	32	18

a Shares in group companies

	Moderföretaget	2019-12-31	2018-12-31
Accumulated acquisition values			
At the beginning of the year		7 697	7 798
Acquisitions		246	84
Disposal		-4	-185
	7 939	7 697	
Accumulated impairment losses			
At the beginning of the year		552	472
Impairment losses for the year		-246	-80
	798	552	
Carrying amount at year-end		6 141	6 145

a Spec of the parent company's and group's holdings of shares in group companies

Subsidiary body	No. of	shares	share in % 1)	Reported value	Reported value
Coop Sverige AB	556710-5480	Solna	7436 910	67	3 157
Coop Stores & Supermarkets AB	556030-5921	Solna		100	
Coop Logistik AB	556710-2453	Solna		100	
Coop Online AB	556011-2822	Solna	17 000	100	-
KF Fastigheter AB	556033-2446	Solna	100 000	100	1 112
KF Invest AB	556027-5488	Solna	800 000	100	1 194
MedMera Bank AB	556091-5018	Solna	3000 000	100	663
Vi Media AB	556041-3790	Stockholm	10 000	100	7
Vår Gård Saltsjöbaden AB	556035-2592	Nacka	35 000	100	7
Other subsidiaries, dormant or insignificant				0	0
				6 141	6 145

1) The ownership share of the capital is referred to, which also corresponds to the share of votes for the total number of shares.

Note M9 | Other financial items**a Result from other securities and receivables that are fixed assets**

Parent company	2019	2018
Interest income, other	0	2
Dividends	2	2
Reversal of previously written-down fixed assets	-	0
Other	-	0
	2	4

a Other interest receivable and similar income

Parent company	2019	2018
Interest income, group companies	18	17
Interest income, other	-2	-5
Foreign exchange gains	14	12
Other financial income	28	25
Other	-	0
	58	49

a Interest expense and similar income and expense items

Parent company	2019	2018
Interest expenses, group companies	0	0
Interest expenses, other	-3	-2
Exchange rate losses	-14	-12
Other financial expenses Group companies	-4	-5
Other financial expense items	-2	-3
Other	-	0
	-22	-21

Note M10 | Income taxes**ACCOUNTING PRINCIPLES**

In the balance sheet of the parent company, untaxed reserves are disclosed without any split between equity and deferred tax liabilities. Similarly, in the Parent Company Income Statement, no allocation is made of the portion of the year-end provisions to deferred tax expense.

Parent company	2019	2018
Deferred tax	-1	-15
	-1	-15

a Reconciliation of effective tax

Parent company	% Total	2019	2018
Profit before tax		97	80
Tax at the applicable tax rate for the parent company	21,4% - 21		22% - 18
Non-deductible expenses		-54	-24
Non-taxable income		64	35
Tax effect of sale of shares, real estate and condominium		-	0
Increase in tax loss carryforwards without corresponding capitalisation of deferred tax		11	-8
Effect of changes in tax rates/rules		0	-
Reported effective tax		-1	-15

Temporary differences exist when there are differences between the carrying amounts of assets and liabilities and their tax bases. Temporary differences relating to the following items and tax loss carry-forwards have resulted in deferred tax assets and liabilities.

							2019-12-31	2018-12-31
Parent company	Deferred tax receivable	Deferred tax liability	Net	Deferred tax receivable	Deferred tax liability	Net		
Provisions and long-term liabilities	4	-	4	5	-	5		
Deferred tax asset/liability	4	-	4	5	-	5		
Receipt	-	-	-	-	-	-		
Net deferred tax asset/liability	4	-	4	5	-	5		

Note M11 | Intangible assets

a Expenditure on development and similar work included in the balance sheet

Moderföretaget 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	0	0
At the end of the year	0	0

Accumulated depreciation		
At the beginning of the year	0	0
At the end of the year	0	0
Carrying amount at year-end	0	0

a Concessions, patents, licences, trademarks and similar rights

Moderföretaget 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	2	2
At the end of the year	2	2

Accumulated depreciation		
At the beginning of the year	-2	-2
Depreciation for the year	0	0
At the end of the year	-2	-2
Carrying amount at year-end	0	0

Note M12 | Property, plant and equipment

a Furniture, tools and installations

Moderföretaget 2019-12-31 2018-12-31

Accumulated acquisition values		
At the beginning of the year	0	0
New acquisitions	1	-
	1	0

Accumulated depreciation		
At the beginning of the year	0	0
	0	0
Carrying amount at year-end	1	0

Note M13 | Receivables from group companies

Moderföretaget 2019-12-31 2018-12-31

Accumulated acquisition values		
Additional receivables	600	-

Note M14 | Other long-term securities holdings

Moderföretaget		2019-12-31	2018-12-31
Accumulated acquisition values			
At the beginning of the year	67	87	
Additional assets	0	1	
Depreciating assets	-29	-21	
	38	67	
Accumulated impairment losses			
At the beginning of the year	0	0	
Impairment losses reversed during the year	-	0	
	0	0	
Carrying amount at year-end	38	67	

Note M15 | Financial instruments and risk management

ACCOUNTING PRINCIPLES

For accounting principles, see the corresponding note for the Group.

a Derivatives and financial risk management

Moderföretaget		2019-12-31		2018-12-31	
		Reported	Real	Reported	Real
Derivatives for which hedge accounting is not applied					
Currency futures	0	0	0	0	0

Note M16 | Other long-term receivables

Moderföretaget

Accumulated acquisition values		
At the beginning of the year	52	52
Regulated receivables	0	-
Carrying amount at year-end	52	52

Note M17 | Prepaid expenses and accrued income

Moderföretaget

Accrued interest income		
Other items	1	1
Carrying amount at year-end	16	23

Note M18 | Equity

ACCOUNTING PRINCIPLES

Equity is divided into tied and untied capital, in accordance with the classification of the Annual Accounts Act.

a INSATS DIRECT MEMBER

According to the statutes of the CF, each Direct Member shall participate with a contribution of

SEK 00 kr. Members may participate with a higher stake. The deposit account can be increased by cash payment as well as by transfer of funds received by the member in case of surplus distribution. Surplus funds may be distributed to the Direct Member in proportion to purchases made under the KF Membership Programme, according to principles determined by the General Meeting.

a INSTITUTION CONSUMER ASSOCIATION AND ORGANISATION

According to KF's statutes, each member, consumer association or organisation participates with a minimum contribution of SEK 0,000. Each year, the consumer association or organisation must transfer to its contribution account in the KF 2/3 of the surplus funds attributable to the KF's ordinary members. At the Annual General Meeting, the dividend on the paid-in capital. A member who withdraws or is expelled from the IF may, with the consent of the Board, receive his/her contributions. Furthermore, a member may, after notifying the KF Board, transfer all or part of his/her contribution to another member.

In addition to membership contributions, capital may be provided in the form of publisher contributions. The purpose of contributions is to provide the KF with risk-bearing equity capital which, in the event of the dissolution of the association, will be subordinate to the association's creditors but superior to the member contributions. Deposits may be redeemed at the earliest five years after the contribution was made.

The holder must give at least two years' notice. Publisher's deposits are remunerated in accordance with the issued publisher's share certificates.

The purpose of the Reserve Fund is to save a part of the net profit, which is not used to cover the accumulated loss. Retained earnings represent the previous year's free capital after any reserve fund allocation and after any profit distribution.

a VINSTDISPOSITION

The Board of Directors and the Managing Director have proposed for 2019 that SEK m14 be allocated to the reserve fund and SEK2405 m be allocated in a new account. For details of the proposed profit appropriation, please refer to the Directors' Report.

Note M19 | Other provisions

Moderföretaget 2019-12-31 2018-12-31

Guarantee commitments	11	11
Training of owners' representatives, other elected representatives and association boards, etc.	15	15
Other	15	45
Parent company	41	71
Övrigt 2019-12-31 2018-12-31		
Carrying amount at the beginning of the year	71	81
Provisions made during the year 1)	0	12
Amounts drawn down during the year	-30	-22
Carrying amount at year-end	41	71

i) including increases in existing provisions.

1) including increases in existing provisions.

Note M20 | Non-current liabilities

Moderföretaget 2019-12-31 2018-12-31

Liabilities falling due later than one year from the balance sheet date		
Member deposits, five-year loans	104	115
Other items	300	-
Carrying amount at year-end	404	115

Note M21 | Other liabilities

Moderföretaget 2019-12-31 2018-12-31

Deposits from consumer associations	831	1 052
Other items	9	8
Carrying amount at year-end	840	1 060

Note M22 | Accrued expenses and deferred income

Moderföretaget 2019-12-31 2018-12-31

Personnel-related costs	15	16
Other items	18	17
Carrying amount at year-end	33	33

Note M23 | Collateral and contingent liabilities

a Collateral provided

Amount in SEK million

	2019-12-31	2018-12-31
For own liabilities and provisions		
Endowment insurance	15	45
	15	45
Other pledges and securities		
Credit insurance guarantee	385	385
	385	385
Total collateral provided	400	430
Contingent liabilities		
Guarantee commitments, PRI Pension Guarantee	59	59
Guarantees in favour of group companies	1 618	791
Guarantees given in connection with the disposal of companies	50	50
	1 727	899

Note M24 | Transactions with related parties**a Sale of goods and services to related parties**

Moderföretaget 2019-12-31 2018-12-31

Parent company	2019	2018
Group companies	83	92

a Purchases of goods and services from related parties

Moderföretaget 2019-12-31 2018-12-31

Parent company	2019	2018
Group companies	18	19

Note M25 | Interest paid and dividends received

Parent company	2019	2018
Dividends received	280	102
Interest received	7	-1
Interest paid	-3	-2

Note M26 | Cash and cash equivalents

Moderföretaget 2019-12-31 2018-12-31

The following subcomponents are included in cash and cash equivalents:	2019	2018
Cash and bank balances 1)	323	656
1) Bank deposits include blocked funds of SEKm385 (385), which are not classified as cash and cash equivalents.		

Note M27 | Other disclosures to the cash flow statement**a Adjustments for items not included in cash flow, etc.**

Parent company	2019	2018
Depreciation	0	0
Impairment losses/reversal of impairment losses	246	80
Unrealised exchange differences	0	0
Net result on sale of fixed assets	-	2
Other provisions	-40	-31
	206	51

a Acquisition of subsidiary/business, net cash impact

Moderföretaget 2019-12-31 2018-12-31

Purchase price	2019	2018
Purchase price paid	-	4

a Disposal of subsidiaries/business, net cash impact

Parent company	2019-12-31	2018-12-31
Selling price	4	-
Purchase price received	4	-

Tommy Ohlström

Ann-Kristine

Johansson

ORDINARY EXECUTIVE COMMITTEE

Jan Johnsson

Marie

OTHER vIcE ORDERS

Nygren

Britt Hansson

Caroline

Ullman-Hammer

Håkan Smith

Kenneth

Östberg

Kristina Kamp

Maria

Rudolphi

Peter Renkel

Stig

Nilsson

Anneli Eklöf

Tobias

Täpp

EMPLOYEE REPRESENTATIVE EMPLOYEE REPRESENTATIVE

Our audit report was submitted on March 182020

PRICEWATERHOUSECOOPERS AB

Sofia Götmar-Blomstedt

AUTORIZED REVISOR

Catharina Andersson

Hans

PREVIOUS REVISOR

Eklund

PREVIOUS REVISOR

Audit report

To the General Assembly of the Cooperative Federation (CF),
economic association, org.nr 702001-1693

Report on the annual accounts

a UTTALAND

We have audited the annual accounts and the consolidated accounts of the Cooperative Federation (KF), Cooperative Society for the year 2019. The annual accounts and the consolidated accounts of the Cooperative Society are included on pages 76-35 of this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the Association and the Group as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual and consolidated financial statements.

We therefore recommend that the General Meeting approve the profit and loss account and the balance sheet of the parent company and the group.

a REASON FOR THE OPINION

We conducted our audit in accordance with generally accepted auditing standards in Sweden. The auditor's responsibilities under this code of practice are described in more detail in the sections on the *responsibility of the authorised auditor* and the *responsibility of the elected auditor*.

We are independent in relation to the Association in accordance with good auditing practice in Sweden. As an authorised auditor, I have fulfilled my

professional ethical responsibilities under these requirements.

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

a OTHER INFORMATION ABOUT THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

This document also contains other information than the Annual Report and Consolidated Financial Statements and can be found on pages 1-75. The Board of Directors and the Executive Director are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover this information and we do not express an audit opinion on this other information.

In connection with our audit of the annual and consolidated financial statements, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual and consolidated financial statements. In performing this review, we also consider the other knowledge we have obtained in the course of the audit and consider whether the information otherwise appears to be materially misstated.

If, based on the work that has been done on this information, we conclude

conclude that the other information contains a material misstatement, we are required to report it. We have nothing to report in this regard.

a RESPONSIBILITY OF THE BOARD AND THE EXECUTIVE DIRECTOR

It is the Board of Directors and the Executive Director that is responsible for the preparation and fair presentation of the annual accounts and consolidated accounts in accordance with the Annual Accounts Act. The Board of Directors

and the Executive Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Chief Executive Officer

are responsible for assessing the Association's ability to continue as a going concern. They disclose, where applicable, conditions that may affect the ability to continue as a going concern and to use the going concern assumption. However, the going concern assumption shall not be applied if the board of directors and the chief executive officer intend to liquidate the association, cease operations or have no realistic alternative to doing any of these things.

a. the responsibility of the accredited auditor

Our goals are to achieve a reasonable degree of assurance that the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement if one exists. Misstatements may arise from irregularities or errors and are considered material if, individually or in combination, they could reasonably be expected to influence the financial decisions of users taken on the basis of the annual accounts and consolidated accounts.

As part of an audit under the ISA, we exercise professional judgment and maintain a professional skeptical attitude throughout the audit. In addition:

- a 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, including on the basis of those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

KF annual report 2019

for our statements. The risk of not detecting a material misstatement due to an irregularity is higher than for a material misstatement due to a fraud.

irregularities may include collusion, falsification, deliberate omissions, misrepresentation or breach of internal control.

a obtaining an understanding of the association's internal control relevant to our audit to design audit procedures that are appropriate in the circumstances.

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

a we evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.

a, we conclude on the appropriateness of the use of the going concern assumption by the Board of Directors and the Chief Executive Officer in the preparation of the annual accounts and consolidated accounts. We also conclude, based on the audit evidence obtained, whether there are any material uncertainties related to such events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that there is a material

uncertainty factor, our audit report requires us to draw attention to the disclosures in the annual and consolidated financial statements about the material uncertainty factor or, if such disclosures are inadequate, to modify our opinion on the annual and consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, the events or circumstances make it impossible for an association to continue its activities.

a we evaluate the overall presentation, structure and content of the annual and consolidated financial statements, including the disclosures, and whether the annual and consolidated financial statements present fairly the underlying transactions and events.

a we obtain sufficient appropriate audit evidence about the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the management, supervision and performance of the group audit. We are solely responsible for our opinions.

We must inform the Board of Directors of, among other things, the planned scope of the audit



audit report

and direction and the timing of it. We must also disclose significant observations made during the audit, including any significant deficiencies in internal control that we have identified.

a. responsibilities of the statutory auditors

We have to carry out an audit according to revisionslagen and thus according to good auditing practice in Sweden. Our objective is to obtain reasonable assurance about whether the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and whether the annual accounts and consolidated accounts give a true and fair view of the results and position of the Association and the Group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

a UTTALAND

In addition to our audit of the annual accounts and the consolidated accounts, we have also audited the management of the Cooperative Association (KF), Cooperative Society, for the year 2019 and the proposed appropriation of the Society's profit or loss by the Board of Directors and the Executive Director.

We recommend that the Annual General Meeting approves the appropriation of profits as proposed in the

Directors' Report and authorises the Board of Directors

members and the Executive Director for the financial year.

a REASON FOR THE OPINION

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under these are described in more detail in the section Auditors' responsibilities. We are independent in relation to the Association and the Group in accordance with generally accepted auditing standards in Sweden. As an authorised auditor, I have otherwise fulfilled my professional 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 opinion.

a RESPONSIBILITY OF THE BOARD AND THE EXECUTIVE DIRECTOR

The Board of Directors is responsible for the right to dispose of the association's profit or loss. When proposing a dividend, this includes an assessment of whether the dividend is justifiable in view of the requirements of the nature, scope and risks of the association's and group's activities with regard to the size of the association's and group's equity, consolidation needs, liquidity and other position.

The Board is responsible for the organisation of the Association and the management of its affairs. This includes, among other things, continuously assessing the Association's

and the financial situation of the group and to ensure that the organisation of the association is such that the accounts, the management of funds and the financial affairs of the association are properly controlled. The Executive Director shall carry out the day-to-day management in accordance with the guidelines and instructions of the Board of Directors and shall, *inter alia*, take the measures necessary to ensure that the Association's accounts are kept

in accordance with the law and that the management of funds is carried out in a satisfactory manner.

a RESPONSIBILITY OF AUDITORS

Our objective in auditing the Board of Directors, and thereby our opinion on discharge, is to obtain audit evidence about the existence of any material misstatement by any Director

or by the Chief Executive Officer, with a reasonable degree of assurance:

a has taken any action or made any omission which may give rise to a liability to pay compensation to the association, or
a has acted in any other way contrary to the Economic Associations Act, the Annual Accounts Act or the Articles of Association.

Our objective with regard to the audit of the proposal for the appropriation of the profit or loss of the association, and thus our opinion

on this, is to assess with a reasonable degree of certainty whether the proposal is compatible with the law on economic associations.

Reasonable assurance is a high level of assurance, but no guarantee that an audit performed in accordance with good auditing practice in Sweden will always detect actions or omissions that may give rise to a liability for damages against the association, or that a proposal for the disposal of the association's profit or loss is not in accordance with the law on economic associations.

As part of a good faith audit

auditing practice in Sweden, the authorised auditor uses professional judgment and maintains a professionally sceptical attitude throughout the audit. The audit of the management is based primarily on the audit of the accounts. The additional audit procedures performed are based on the professional judgement of the Statutory Auditor and other elected auditors' assessment based on risk and materiality. This means that we focus our audit on those actions, areas and

circumstances essential to the business and where deviations and breaches would have a particular impact on the association's situation. We review and examine decisions made, decision-making documents, actions taken and other matters relevant to our opinion on freedom from liability.

As a basis for our opinion on the Board of Directors' proposal for the appropriation of the profit or loss of the Association, we have examined whether the proposal is consistent with

with the Law on Economic Associations. □

Stockholm, March 182020
PRICERWATERHOUSECOOPERS AB

Sofia Götmar-Blomstedt
AUTORIZED REVISOR

Catharina Andersson Hans
PREVIOUS REVISOR

Eklund
PREVIOUS REVISOR

This is KF

The members of the Cooperative Federation are consumer²⁹ associations, Folksam och Liv, Fonus and OK associations⁶. Together, the ownership circle brings together a large part of Swedish consumer cooperation.

Just over a million^{3,5} people are members of one of the country's consumer or directly affiliated to the CF. Through the associations' membership in Kooperativa The federation, KF, owns these retail group KF.

KF owned through Coop Butiker & Stormarknader (234 plus converted¹⁶ from Netto) Coop stores around Sweden as of December 31 2019.

The retail associations of the consumer co-operative own 444 stores. At the end of 2019/2020, there were 29 consumer associations in total, of which 28 are retailers and one is a member association in the form of the Swedish Stockholm Association. KF directly operates stores through its co-ownership of Coop Supermarkets.

The KF Group is headquartered in Solna and the majority of the Group's cooperation exists in Sweden.

THE ACTIVITIES ARE MAINLY DIVIDED INTO SEVEN AREAS:

- a Coop Sweden is responsible for the development and purchase of the product range, logistics, marketing and business support for the 694 Coop stores in Sweden (as of 31 December 2019). a MedMera Bank provides savings and loan products to private individuals. It develops, develops and disposes of properties. The purpose of the business is to create value for owners, tenants and society at large.
- a Vi Media produces and publishes Vi and Vi Läser. The company also has a newspaper activities and a travel club.
- a Vår Gård Saltsjöbaden is the meeting place of the consumer cooperation and conference solutions for companies, authorities and organisations and various offers at concepts private guests.
- a Coop Butiker & Stormarknader AB is owned by Kooperativa Förbundet (KF) and mentföreningen Stockholm (Kfs). The company operates Coop 250 stores in the south, Konsul, Sweden (as of December 31 2019).
- a Coop Online is responsible for the development, marketing and IT platform for e-commerce. The company was transferred to Coop Sweden on December 31 2019.



**NUMBER OF PEOPLE WHO HAD
REGISTERED AN ACCOUNT ON VI.SE
DURING THE FIRST THREE MONTHS OF
THE SERVICE**

In the autumn, Tidningen Vi launched 2019 a digital service - a platform where members can meet and participate in influencing journalism and where they can also listen to all journalism in audio form, on vi.se or in the app.



KF Real Estate

