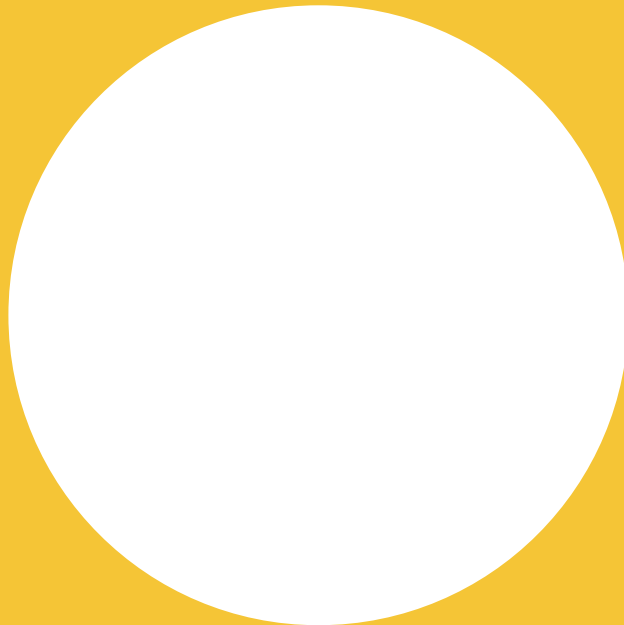




**HQ.SE**

**2000**

Annual Report



## **Table of content**

1	2000 in brief
2	The CEO's comments
6	Review of operations
13	Risks and risk management
16	Human capital
24	HQ,SE Aktiespar
27	HQ,SE Fonder
30	The HQ,SE share
32	Administration report
34	Proposed disposition of earnings
35	Audit report
36	Consolidated income statement
37	Consolidated balance sheet
38	Income statement for the Parent Company
39	Balance sheet for the Parent Company
40	Cash flow statements
42	Accounting and valuation principles
43	Definitions
44	Notes
51	Five-year overview
52	Articles of association
54	Board of Directors, management, and auditors
56	Annual General Meeting & Future reports



## THE YEAR 2000 IN BRIEF

Operating income amounted to MSEK 107, corresponding to an increase of 59 percent.

Following the acquisition of Aktiespar and PFK's custodian account stock, HQ.SE Aktiespar is Sweden's largest Internet broker with over 52,000 customers.

Record inflow of new capital to HQ.SE Fonder amounting to MSEK 1,360.

Spin-off of Hagströmer & Qviberg and redemption program amounting to MSEK 202 were carried out.

New share issues in the amount of MSEK 221 were carried out during the autumn in order to finance the acquisition of Aktiespar Fondkommission.

Spin-off and separate listing of HQ.SE Fonder is proposed.

No dividend is proposed for the operating year 2000.



## Dear shareholders

**T**HE CONDITIONS FOR FINANCIAL services over the Internet in the Swedish market are unparalleled. Interest in shares and mutual funds is increasing significantly and, at present, Sweden has without comparison the highest proportion of shareholders and mutual fund owners in the world. Approximately 77 percent of the population are shareholders in some form or another, which can be compared with 48 percent in the U.S. and 18 percent in Germany. In addition, Sweden is in the absolute top group with respect to use of the Internet. Almost 70 percent of the population between 16 and 64 have access to the Internet. There is widespread acceptance of use of the Internet to purchase products and services, and the Internet is regarded as adequately secure to carry out financial transactions.

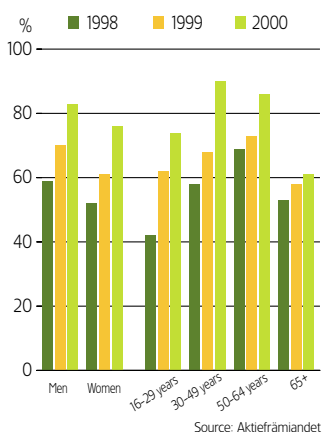
No products are as suitable for the Internet as financial services. HQ.SE succeeds in handling not merely information and sales, but also the distribution of the products we offer to our customers via the Internet. The increasingly volatile capital market is imposing more and more rigorous demands for immediate information, news and analysis for the end customer – the shareholder. The Internet provides private shareholders with a means for acting on the same information at the same time as the professional investor.

### A turbulent market

Despite the favourable conditions, and despite the euphoria on the stock market at the beginning of the year, 2000 was one of the most trying years for the stock market for a long time and the general index ended 12 percent down. Over the past two decades, only in 1990 was a worse trend experienced on the stock market.

The upswing at the beginning of the year, which was powered by representatives of the new economy, was quickly broken as reality caught up with the visions of many of the new Internet companies. Time after time, the market was disappointed by the non-fulfilment of growth and profitability forecasts. The consequences were a dry-up in the flow of venture capital and declining share prices. At year-end, the share prices of many Internet companies had fallen by over 90 percent from peak levels.

Shareholding in Sweden by gender and age



6.8 million Swedes hold shares in some form. This corresponds to 77 percent of the population.

During 2000, the U.S. capital market strengthened its function as the driving motor of the global economy. In pace with the increasing globalisation, capital movements have become increasingly sector-based, rather than national as previously, and are fuelled primarily by the flow of news in the United States. Thus, the sudden levelling off of the U.S. economy during the second half of 2000, after a long and unparalleled increase in business activity virtually throughout the 90s, had particularly noticeable effects in Sweden.

It was in these circumstances that HQ.SE conducted its first real year of operations. The journey has been shaky but the goal is firm: to offer competitive financial services over the Internet through the market's best accessibility and advice in combination with cost efficiency, thus enabling the market's most competitive prices. Today, HQ.SE is one of the leading independent mutual fund companies and Internet brokers. At the end of 2000, operating revenues within the Group amounted to MSEK 107 and there were over 65,000 customers. These figures represent increases of 59 and 149 percent, respectively, compared with the preceding year. We have thus managed to ride out the turbulent period that characterised much of 2000 and today, both business areas have the strength necessary to achieve one of our most important goals – growth combined with profitability.

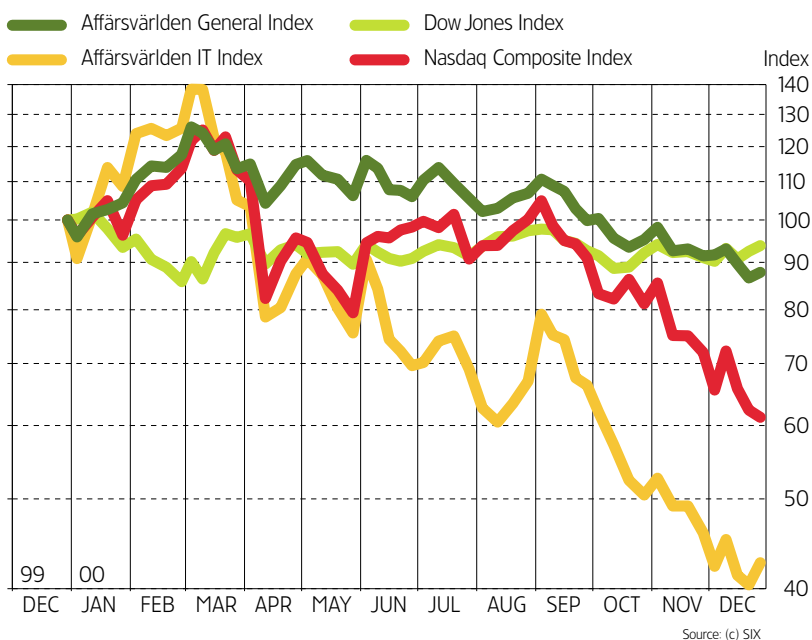
### Important victories

In the annual report for 1999, I described the changes that would characterise 2000 – the customers' increased demand for better advice, an expansion of the product range and high accessibility for financial services on the Internet. HQ.SE's competitiveness has thus been ensured by concentrating work on developing these core areas with the following priorities:

- Unique analysis concept
- High accessibility
- Various processing alternatives for customers

HQ.SE has established itself as the only company on the Internet that offers customers own stock analyses in real time and individual advice. The unique analysis concept is based on fundamental analyses, carried out by experienced analysts. An alternative for HQ.SE's customers is to invest directly in any of HQ.SE's twelve mutual funds, and

### Development of General Index, IT index, Dow Jones, NASDAQ 2000



# We have established ourselves as the only company on the Internet that offers customers own stock analyses in real time and individual advice.

thereby delegate investment decisions within a specific sector or geographical area to HQ.SE's fund managers.

Our vision is for our customers to be able to handle their investments via HQ.SE when and where they wish. This demands maximum accessibility. Accessibility can be expressed in two dimensions: freedom of choice for customers to access HQ.SE through various communication channels, and maximum operational accessibility in these channels.

Today, our customers can conduct transactions through three different channels for securities trading: the Internet, mobile Internet and telephone. Significant resources have been invested in ensuring high operational accessibility for the system platform for the Internet and mobile Internet. Although some work remains to be done, the service maintained full accessibility throughout most of the autumn of 2000.

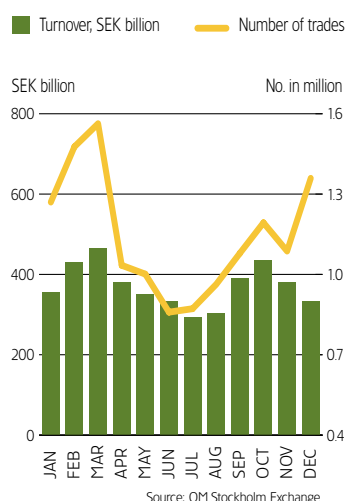
Different customers demand different products and services. Meeting these demands on the Internet is a challenge in itself, since the Internet's advantages are based on standardised and ready-packaged solutions, which cannot be tailor-made to the individual customer's desires. Accordingly, HQ.SE has designed three different types of custodian accounts adapted to various categories of customers with respect to activity levels, knowledge levels, price sensitivity and information requirements.

## Strong market position retained

2000 has been a year of establishment for HQ.SE. During the year, the necessary operative and structural measures were taken to establish the foundations on which the current operations are based. These can be summarised in:

- From start to market-leader in Internet brokerage
- Major flows to our funds
- Good profitability conditions

### Turnover and number of trades on the OM Stockholm Exchange in 2000



In December 1999, HQ.SE launched securities trading on the Internet and was thereby the last out among seven independent Internet brokers. Following rapid growth in the number of customers, primarily in the first few months of 2000, HQ.SE announced its strategic acquisition of Aktiespar Fondkommission in September. With the acquisition of Aktiespar, HQ.SE obtained the critical mass required in Internet brokerage. As a result of successful integration work during the autumn, it was possible to achieve significant cost savings in administration, systems development, IT operations, information and marketing. As a result, only one year after the start HQ.SE became the largest Internet broker measured in number of customers, and the second largest measured in market share in terms of transaction volume on the OM Stockholm Exchange.

The endeavours in fund management to achieve good returns over time and to develop various distribution channels yielded positive results during 2000. Net inflows into HQ.SE's funds amounted to MSEK 1,360 and broke all records from previous years. Primarily as a result of the positive inflow of new capital in the funds, HQ.SE Fonder increased its market shares during 2000.

In October 2000, HQ.SE carried out a new share issue. In the prospectus, I wrote that the focus is on growth, but that profitability is the goal. I also wrote that our goal was to report profitability for the shareholders within twelve months. However, reality has exceeded expectations as a result of the economies of scale we have achieved. Our measures have borne fruit earlier than expected and already today, at the beginning of 2001, HQ.SE is a profitable operation before amortisation of goodwill.

All of this is the result of hard work. I feel privileged to have carried out this work during the year together with gifted and ambitious individuals in analysis, back-office, accounting, fund management, fund administration, IT, cash service, customer service, market, brokerage and advice. All of the employees are important and all of their efforts are valuable. In addition, we have had fun!

### **The work is continuing**

However, most of HQ.SE's work remains to be done. New technology is creating a myriad of possibilities, at the same time the customer demands are changing. The trends that will characterise market development in 2001 are:

- Demands on *accessibility* will increase in pace with the Exchange's extended trading hours and the growth in trading in foreign shares.
- *Portfolio analysis and sophisticated savings products*. Although demand exists, advanced portfolio management systems, tax efficient saving solutions and guarantee products for both mutual funds and shares are relatively untapped areas on the Internet.
- There is a continuous need for *developed information and advice services* and these are a prerequisite for an independent Internet broker to be able to attract major groups of customers from the banks in the long term.

### **Spin-off of HQ.SE Fonder**

Also structurally, HQ.SE is in a constant process of change. At the beginning of 2001, the Board of Directors conducted a review of the operations within the Group, with the aim of guaranteeing that the conditions for maximum competitiveness and quality are maintained in rapidly changing markets. HQ.SE currently consists of two leading businesses within their respective industries. The conclusion from the review was that further streamlining and focusing are necessary to lead market developments and take the initiative for additional structural transactions during the coming year. In pace with this ongoing process of change, the Board of Directors has proposed a spin-off of HQ.SE Fonder.

## **No products are so well suited for the Internet as financial services.**

Finally, I wish to return to my introductory remark, namely that there are unparalleled conditions for financial services on the Internet in the Swedish market. Today, we estimate that there are approximately 400,000 custodian accounts on the Internet, corresponding to just under 6 percent of the total number of shareholders and mutual fund owners in Sweden.

With over 6.8 million Swedish shareholders and an Internet usage rate of just under 70 percent, I am convinced that HQ.SE will continue to enjoy a very exciting future.

Stockholm, March 2001

NICKLAS STORÅKERS

*President and CEO*

[nicklas.storakers@hq.se](mailto:nicklas.storakers@hq.se)

# Review of operations

## Group structure

Operations are conducted within two business areas: HQ.SE Aktiespar and HQ.SE Fonder.

- *HQ.SE Aktiespar* provides securities trading on the Internet. HQ.SE Aktiespar offers trading in Swedish and foreign shares, options, warrants, and HQ.SE's own funds, among other things. Customers can place orders via the Internet, mobile Internet, or telephone. They are also offered various custodian account alternatives with different service and price levels depending on the degree of activity.
- *HQ.SE Fonder* manages twelve equity and fixed-income funds. The funds are actively managed and consist of both geographically-focused and industry-focused funds and funds with broader investment strategies, commonly referred to as strategy funds.



## Results and financial position

HQ.SE's operating income was MSEK 107.2 (67.3), an increase of 59 percent compared with the preceding year. Commission income minus commission expenses accounted for 86 percent of the total income, while net interest income accounted for 14 percent.

HQ.SE Aktiespar's operating income was MSEK 16.7. Operations in HQ.SE Aktiespar were launched in December 1999. During the year, there was a substantial growth in operating income, consisting primarily of commissions and net interest income, due to the major increase in the number of active custodian account customers which amounted to 39,000 (100) persons at year-end.



HQ.SE Fonder's operating income, which amounted to MSEK 80.6 (52.5), increased by 54 percent. Income consists almost exclusively of fees on managed assets, which at year-end amounted to MSEK 8,270 (7,480). This growth in income was attributable to an increase in managed assets and to the launch of new funds with result-based fee structures. The increase in managed assets was primarily due to significant improvement in the net inflow of capital into the funds, totalling MSEK 1,360 (+20). However, as a result of the weak stock market during 2000, total fund yields contributed negatively to the value of managed assets.

Operating expenses for the Group, excluding restructuring expenses and amortisation of goodwill, amounted to MSEK 118.8 (50.0), an increase of 137 percent. This was primarily due to higher personnel expenses and major investments in marketing. The increased personnel expenses were due to recruitment in IT, customer service, back-office, brokerage and joint Group functions. Personnel expenses amounted to 38 percent of the total operating income. The establishment of the new HQ.SE brand resulted in significant investments in marketing during 2000, including campaigns on TV and in printed media. Marketing expenses during the year amounted to MSEK 35.1, corresponding to 33 percent of the operating income.

The operating loss before restructuring expenses and amortisation of goodwill was MSEK -11.6 (17.3) of which the result from HQ.SE Aktiespar was MSEK -43.4, from HQ.SE Fonder MSEK 33.5, and joint Group functions and miscellaneous amounted to MSEK -1.7. The restructuring expenses of MSEK 19.7 were attributable to the spin-off of the Hagströmer & Qviberg Group and the integration of Aktiespar Fondkommission and PFK's stock of custodian account holders. Amortisation of goodwill during the year amounted to MSEK 3.6.

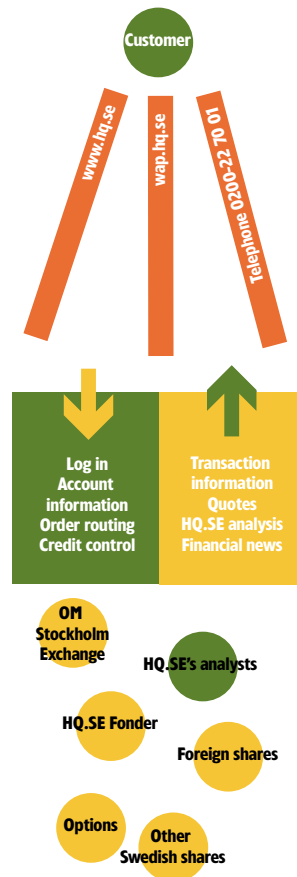
The loss before tax was MSEK -34.9 (17.3).

The operating margin before restructuring expenses and amortisation of goodwill was negative (25.7 percent in 1999), as was return on equity (3 percent in 1999).

The balance sheet total at year-end was MSEK 582.9, of which goodwill amounted to MSEK 217.4. Equity as per 31 December 2000 amounted to MSEK 346.2, of SEK 16.49 per share. The Group's liquid assets amounted to MSEK 211.0.

At the end of the year, the number of employees had increased to 74 (30) persons.

## Securities trading on the Internet. Here's how it works.



# Structural measures in 2000

## **Spin-off of Hagströmer & Qviberg**

On 7 June, HQ.SE Holding AB's shares in Hagströmer & Qviberg AB (formerly H&Q Holding) were distributed to the shareholders in accordance with a resolution adopted by the general meeting of shareholders. For every fourth share in HQ.SE Holding, one share was received in Hagströmer & Qviberg. Hagströmer & Qviberg was listed on the OM Stockholm Exchange's O list on 3 July.

## **Acquisition of Aktiespar Fondkommission and PFK's stock of custodian account customers**

At the beginning of the autumn, HQ.SE announced its acquisition of Aktiespar Fondkommission and PFK Fondkommission's stock of custodian account customers. The purchase price for Aktiespar totalled MSEK 220, of which MSEK 160 was paid in cash and MSEK 60 through a non-cash issue of 1,715,000 HQ.SE shares. The purchase price for PFK's stock of custodian account customers was not disclosed. The acquisition of Aktiespar was effected through an asset transfer, which gave rise to tax deductible asset transfer goodwill amounting to MSEK 217 that will be amortised over a five-year period.

Aktiespar's operations consisted of securities trading on the Internet and had 29,000 active custodian account customers and SEK 6 billion in managed assets. The number of employees taken over amounted to 30 persons. Aktiespar was consolidated in the accounts as per 2 December 2000. Amortisation of goodwill arising from the acquisition of Aktiespar thereby amounted to MSEK 3.6 in 2000.

PFK's stock of custodian account customers amounted to 13,000 active custodian account customers and SEK 0.5 billion in managed assets. The majority of customers have access to the Internet and are interested in carrying out securities transactions on the Internet. PFK's stock of custodian account customers was consolidated in the operations as per 10 February 2001.

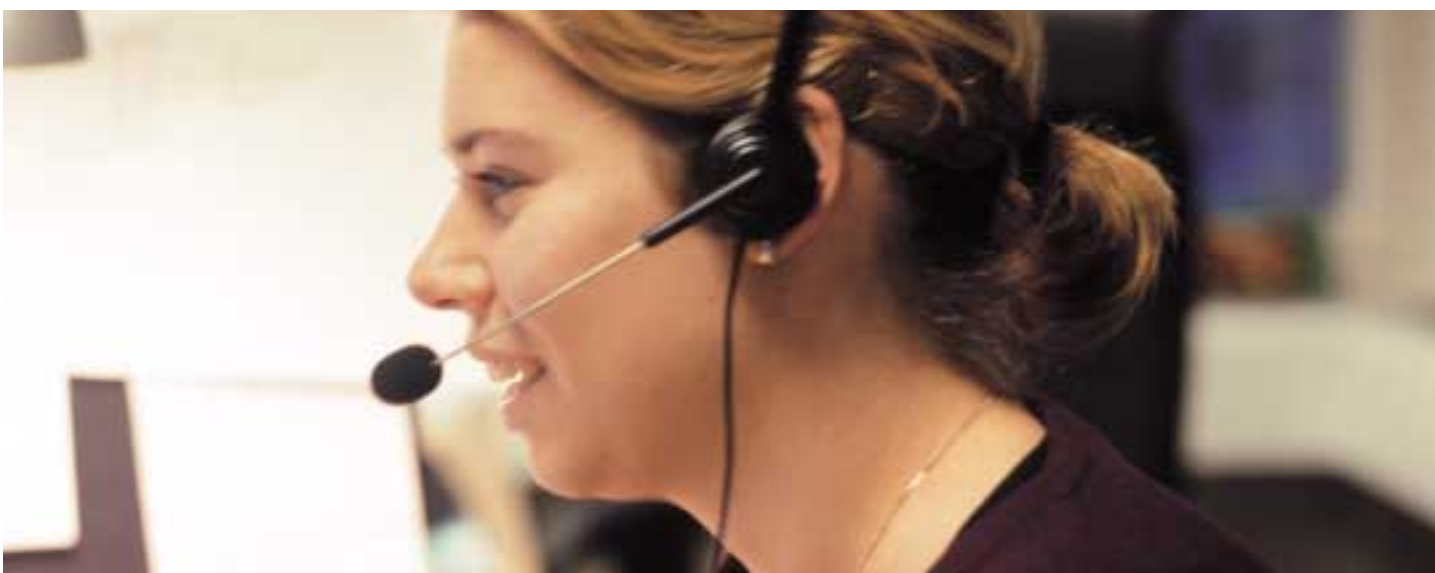
A primary motive for the acquisitions was significant synergy effects they offered. HQ.SE contributes a significantly improved range of products and services to Aktiespar's and PFK's customers, including the possibility of borrowing and trading in options, mutual funds and unlisted shares, which provides scope for additional sales. In addition, major cost synergies are generated in the form of savings in administration, systems development, IT operations, information and marketing. The total effects are estimated at MSEK 30–35 annually and are expected to be fully realised in the first half of 2001.

## **Capital structure and financial position**

HQ.SE works with a relatively large equity in relation to the balance sheet total, in order to ensure good financial preparedness, the means to finance major investments in technological developments and marketing, to enjoy a high degree of confidence among customers, financiers and counterparts in the market, and to avoid unilateral dependence on any single bank or other financier. However, the relationship between equity and external capital is carried out continuously to ensure that satisfactory return can be achieved on capital invested in the operations.

In accordance with the above, on 27 April 2000 the general meeting of shareholders adopted a resolution regarding the redemption of every tenth share, totalling 1,407,694 shares, with repayment to the shareholders of MSEK 202, after which the Group's capital structure was suitable for the operations conducted.

Following the completion of the redemption, the acquisition of Aktiespar was carried out. In order to finance the acquisition, an extraordinary general meeting of shareholders



in HQ.SE Holding AB adopted a resolution to carry out a new issue amounting to MSEK 221, of which MSEK 161 consisted of a rights issue for shareholders and MSEK 60 consisted of a non-cash issue of 1,715,000 shares to Aktiesparinvest AB, the seller of Aktiespar Fondkommission.

The 1:2 rights issue was carried out at SEK 25 per share, and accordingly 6,424,857 shares were newly issued at MSEK 25 per share and HQ.SE raised MSEK 161 before expenses.

#### **Personnel ownership**

In conjunction with the aforementioned new issue, a decision was taken in respect of a warrant program directed to all employees in the HQ.SE Group. The program was carried out on market terms and conditions and involves warrants carrying total rights to subscribe for 1,528,470 shares, equal to a dilution of 6.8 percent after exercise of the warrants. The term of the warrants extends until February 2003 and the exercise price is SEK 43.23 per share.

#### **Change of name**

In conjunction with the spin-off of Hagströmer & Qviberg, the general meeting of shareholders adopted a resolution to change the name of the parent company from Hagströmer & Qviberg AB to HQ.SE Holding AB.

## **HQ.SE in 2001**

#### **Operations**

HQ.SE's success is dependent on the performance of the stock market, since both activity among present customers and inflows of new customers and capital are affected by the stock market climate. The effect on results is particularly noticeable since operating income is largely related to customer activity and the value of managed assets, while operating expenses are primarily fixed expenses.

The integration of Aktiespar has resulted in major savings in administration, system development, IT operations and information. Marketing expenses will also be significantly

lower in 2001 compared with 2000, since resources will be directed primarily to focused sales activities rather than broad, brand-building campaigns.

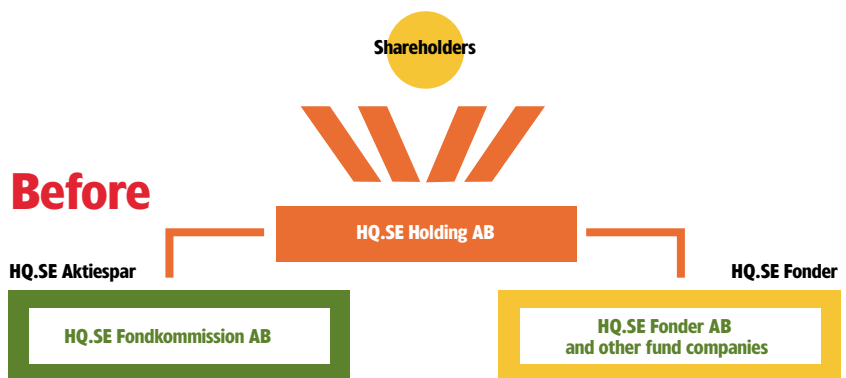
Provided that stock market development is normal in 2001, both HQ.SE Aktiespar and HQ.SE Fonder will report positive results before amortisation of goodwill for the coming year.

### Spin-off of HQ.SE Fonder

The Board of Directors proposed that the annual general meeting of shareholders on 4 April 2001 adopt a resolution regarding the spin-off of operations in the HQ.SE Fonder business area to the shareholders of HQ.SE Holding in accordance with Lex Asea. This means that shareholders in HQ.SE Holding will receive shares in HQ.SE Fonder in proportion to their holdings of shares in HQ.SE Holding. For each share held in HQ.SE Holding, the owners will receive one share in HQ.SE Fonder. HQ.SE Fonder will apply for a listing on a Swedish securities exchange or market place and it is estimated that the first listing day will be in May 2001.

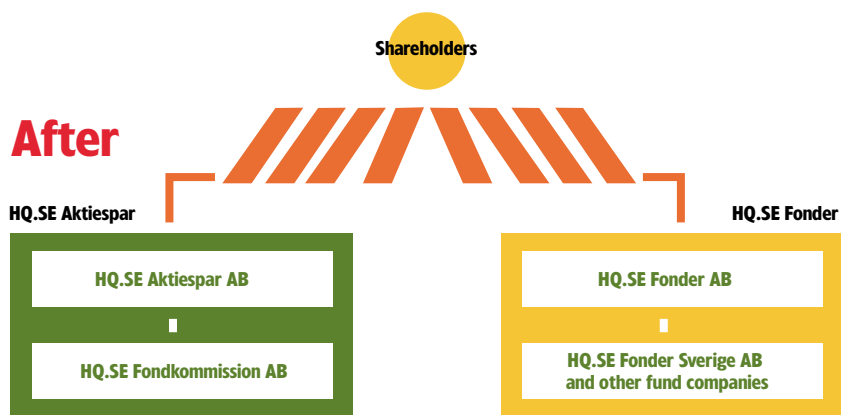
### Change of name

As a result of the completed acquisition of Aktiespar Fondkommission, it is proposed that HQ.SE Holding AB change its name to HQ.SE Aktiespar AB. It is estimated that the change of name will be completed in April 2001.



HQ.SE Group's legal structure before and after the spin-off of HQ.SE Fonder and change of name.

1. HQ.SE Holding will change name to HQ.SE Aktiespar.
2. For each share in HQ.SE Aktiespar, the shareholders receive one share in HQ.SE Fonder.



## HQ.SE Group

31 Dec. 2000 30 Sept. 2000 30 June 2000 31 Mar. 2000 31 Dec. 1999

Number of active customers	65,200	35,000	33,700	31,500	26,200
Average number of employees	52	45	53	41	30

### Group development per quarter

MSEK	Q4	Q3	Q2	Q1
<i>Commission income</i>				
HQ.SE Aktiespar	10.0	4.9	3.0	2.2
HQ.SE Fonder	26.8	27.0	27.3	27.9*
Total commission income	36.8	31.9	30.3	30.1*
Operating income	27.4	28.6	23.7	27.5
Operating expenses	-53.6	-22.6	-34.9	-31.0
Profit/loss before tax	-26.2	6.0	-11.2	-3.5

\*Relates to pro forma figures.

### Profit/loss per business area

MSEK	HQ.SE Aktiespar	HQ.SE Fonder	Over-head and other	Group
Operating income*	16.7	80.6	9.9	107.2
Operating expenses	-60.1	-47.1	-11.6	-118.8
Operating profit/loss before restructuring expenses	-43.4	33.5	-1.7	-11.6
Restructuring expenses	-8.7	-	-11.0	-19.7
Profit/loss before amortisation of goodwill	-52.1	33.5	-12.7	-31.3
Amortisation of goodwill	-3.6	-	-	-3.6
Profit/loss before tax	-55.7	33.5	-12.7	-34.9

\*Commission income less commission expenses, net interest income and net profit/loss from financial transactions.

### Consolidated income statement

MSEK	2000	1999 Pro forma
<i>Operating income</i>		
Commission income	129.1	65.1
Commission expenses	-37.4	-13.2
Interest income	22.0	2.4
Interest expenses	-6.5	-0.2
Dividends received	0.0	8.2
Net profit/loss from financial transactions	-0.1	5.0
Other operating income	0.1	-
Total operating income	107.2	67.3
<i>Operating expenses</i>		
General administrative expenses	-71.7	-41.5
Depreciation of tangible and intangible assets and amortisation of goodwill	-7.4	-0.4
Other operating expenses	-63.0	-8.1
Credit losses, net	-	-
Total operating expenses	-142.1	-50.0
Operating profit/loss	-34.9	17.3



# Risks and risk management

HQ.SE's operations entail daily risks that must be assessed, measured, controlled, evaluated and, where required, rectified in order to protect the operation's customers, capital and reputation. The manner in which HQ.SE identifies, follows up and manages these risks constitutes essential parts of the operation. The main risks the operations are exposed to are stated below.

The Board of Directors of HQ.SE has overall responsibility for evaluation of risks and ensuring that the monitoring of these risks is satisfactory. The Board of Directors establishes risk limits and routines for follow-up and monitoring of compliance.

HQ.SE's internal auditor audits the company's risk management based on the general guidelines issued by the Swedish Financial Supervisory Authority (FFFS 1999:12) regarding management, internal information and internal controls.

## Risks

### **Market growth**

HQ.SE is active on markets which are expected to undergo substantial growth in the next few years. Slower market growth than expected, for example as a consequence of extended falls in the price of shares, may negatively affect the company's results and financial position. Competition on the market may become more intense than can be foreseen, with respect to both prices and new services and marketing.

### **Information technology**

Rapid technological development in the industry imposes demands on changes in the company's IT structure. In conjunction with these changes, a dependency arises on individual suppliers to fulfill their obligations. HQ.SE has built up its own technical expertise, among other things in order to minimise this risk.

#### *Disruptions in operations*

The company's strategy is based on the services being characterised by high quality, service and accessibility. The company's ability to provide such services is largely dependent on how well the infrastructure behind the network is functioning. This relates to servers, other hardware and software.

Disruptions in the company's system that result in a stoppage in operations or undermine the quality, service or accessibility of any function in the range of services, may result in a weakening of confidence among customers, lower revenues and damage to the company's reputation and trademark. The company's operations are also sensitive to disruptions on the Internet as a whole.

#### *Security problems on the Internet*

Secure information transfers are a prerequisite for confidential communication via the Internet. The customers' willingness to use HQ.SE's range of services depends, among other things, on their confidence in HQ.SE's security system and their confidence in security in conjunction with Internet communication in general.

The company's security system may prove to be insufficient, which might damage the company's operations and reduce customer confidence in HQ.SE. This might result in a reduction in user volumes and in customers abstaining from using HQ.SE's services, resulting in lower income for the company.

### **Key employees**

The operations are dependent on a number of key employees. HQ.SE has, among other things through a warrant program, tied key employees and other employees closer to the company, but there is no guarantee that HQ.SE will succeed in retaining and recruiting the employees the company desires in the future.

### **Market risks**

The direct market risks are minor, since HQ.SE conducts customer trading almost exclusively with non-institutional customers. No trading takes place on HQ.SE's own behalf. However, within the customer-driven operations there is the risk in all transactions with delivery versus payment, of market risks in the traded securities for transactions not yet settled. Lending and borrowing from custodian account customers is effected at a variable rate of interest which means that changes in the general interest rate only have a marginal effect on earnings.

### **Counterparty/credit risks**

Counterparty risks are limited by HQ.SE using recognised clearing organisations such as VPC and OM for settlement of executed transactions. OTC transactions with counterparties take place to only a very limited extent. This means that credit risks in lending to custodian account customers are primarily the counterparty risks. Most of the loans are secured by pledges in listed securities, which are valued to not more than the Swedish Bankers' Association's recommended collateral ratio. Total lending per 31 December 2000 amounted to MSEK 61.1. Lending beyond the established collateral ratios amounted to SEK 167,000 and lending beyond the net realisable value of the pledged assets amounted to SEK 0.

### **Liquidity/financing risks**

Liquidity and financing risks are related in that a high payment capability requires that the asset side of the balance sheet is liquid. At HQ.SE, assets consist primarily of liquid funds or lending against collateral in listed securities.

### **Legal/ethical risks**

Legal and ethical risks are related to the extensive external regulatory framework applicable to the operation, and society's requirement that operations be conducted in such a manner as to maintain confidence. The primary instrument for handling these risks, aside from the employees expertise, is HQ.SE's internal instructions, rules and regulations for the operation, which are established by the Board of Directors.

### **Operating risks**

Operating risks can be defined as the risk of losses due to inappropriate handling of transaction flows or deficient routines and security in the general sense of the term. Operating risks exist throughout operation and involve everything from protection against burglary to deficient executive information. Since HQ.SE is an Internet broker, work with the trading system is of great importance. Work with operating systems entails a continuous improvement in routines and technical systems, improvement in reporting to management and training of employees.

# Risk management

Decisions in matters of a general nature and/or critical significance are made by the Board of Directors. Through the company's risk and security policy, the Board of Directors has allocated responsibility and powers regarding risk management. This allocation creates a structure for decision-making in risk issues.

The company's Board of Directors and management actively participate in the production of guidelines for risk management. These guidelines are evaluated and constantly changed, among other things on initiatives from the risk management function. The risk management function is independent from the business operations and reports to the President. Risk management takes place within each division under the supervision of and in communication with the risk management functions and the President. The Board of Directors and the executive management are directly responsible for handling risks related to changes in market growth and technical development, and HQ.SE's ability to retain key employees.



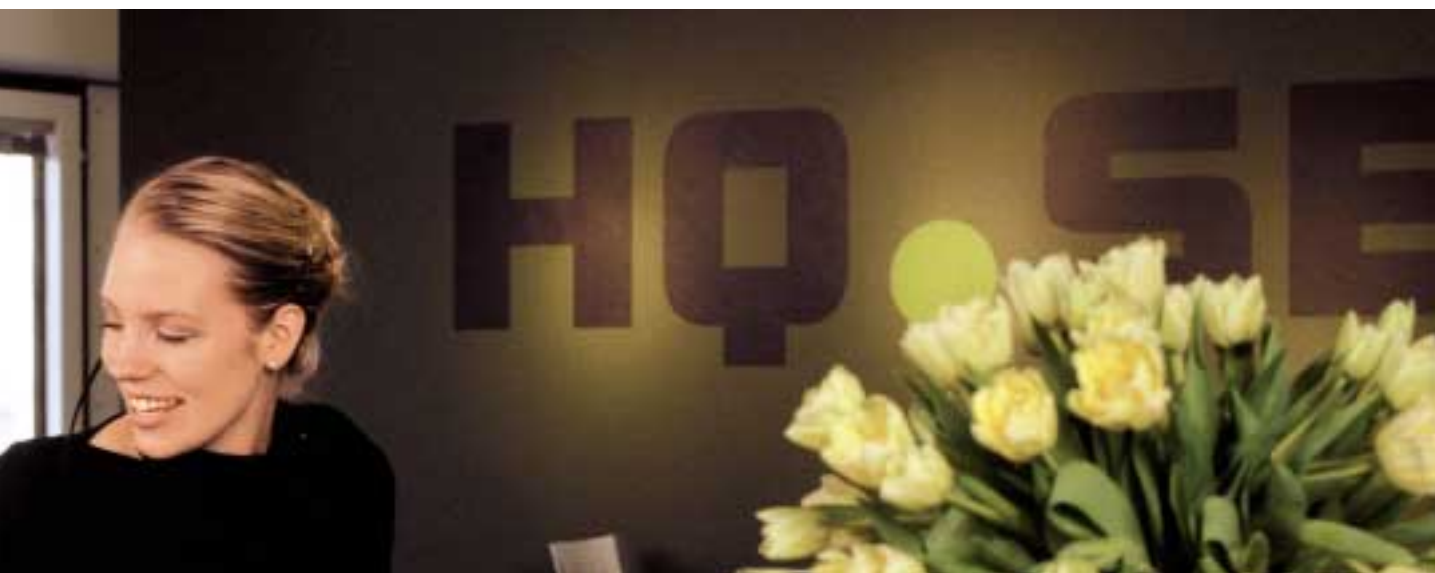
Operating responsibility for follow-up with respect to market risks, liquidity/financing risks and operating risks is borne by the risk management function. The credit function is responsible for counterparty/credit risks. Responsibility for legal risks lies with the compliance function, while ethical risks are divided between the compliance and risk management functions. Special review of routines, in addition to ordinary control, is carried out by external consultants directly appointed by the Board of Directors.

In addition to the quality of collateral, counterparty quality is of crucial significance for counterparty/credit risks. In order to ensure that HQ.SE's counterparties are of the desired quality, the Board of Directors has issued counterparty instructions. All decisions concerning major loans and important new counterparties are made by the Board of Directors or the company's credit committee.

The foremost risks for HQ.SE are deemed to be related to the trading system. The IT division has direct responsibility for the system's stability and accessibility. During the year, the risk management function has followed up all deficiencies in the validation of placed customer orders. In conclusion, validation has functioned satisfactorily.

Risk management also follows a number of variables in order to verify quality both in the flow transactions and in the subsequent administrative work.

# Human capital



**H**Q.SE IS A KNOW-HOW COMPANY, in which the employees' skills, experience and commitment are crucial for the success of the operations. Even the most sophisticated IT systems require highly qualified staff to develop, ensure and maintain routines and reconciliation.

HQ.SE's ability to recruit, maintain and offer leading individuals within the company's branches of operations development opportunities is therefore one of the company's most important competitive parameters.

The main areas of expertise among HQ.SE's employees are financial business, economy and information technology. HQ.SE has, during the year, established the operations by recruiting both new employees with prior experience in the industry and recent graduates from universities and colleges. HQ.SE has also participated in various recruitment activities at colleges and universities and was ranked among the twenty most attractive new employers for economic students in "Companies of the future 2000", Sweden's largest attitude survey on potential employers among students at colleges and universities.

The crucial argument for choosing HQ.SE over other companies is the chance to participate in the development of a company in a market characterised by a high pace of development, as well as the company's financial stability and well-known brand.

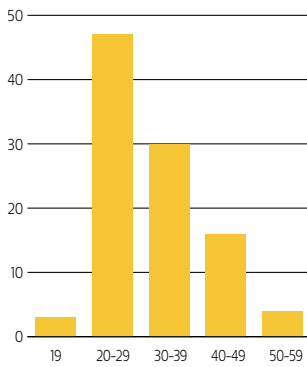
HQ.SE's attractiveness has been significantly enhanced by HQ.SE being able to offer all employees financial participation in the company's success. Through the company's ownership program, all current and future employees are invited to invest in warrants in HQ.SE. The ownership program corresponds to 6.8 percent of the total number of shares in the company after dilution.

It is of the utmost importance that the entire organisation and all work within the company are characterised by high ethical standards. Accordingly, HQ.SE has adopted an extensive ethical and legal framework which, among other things, deals with ethical

guidelines and confidentiality rules for employees and which is communicated continuously through internal training. During 2001, the HQ.SE Aktiespar business area will, in addition to regular training, invite employees to undergo extensive training programs to earn "the broker license." This license is new and is aimed at ensuring that employees who have contact with customers comply with the requirements imposed for the task. An employee manual containing an introduction program, a mentor program and various personnel instructions will be prepared in 2001.

As per 31 December 2000, HQ.SE had 74 (30) employees. The average age was 31 years. The division between women and men was 46 and 54 percent, respectively.

Age structure in the Group, %

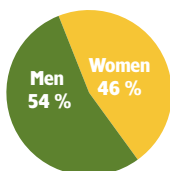


Average age of the employees

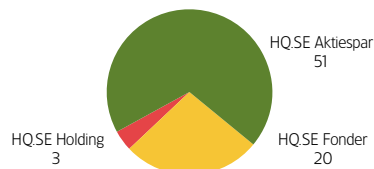
HQ.SE Aktiespar	29 years
HQ.SE Fonder	35 years
HQ.SE Holding	28 years



Breakdown by gender



Number of employees by business area







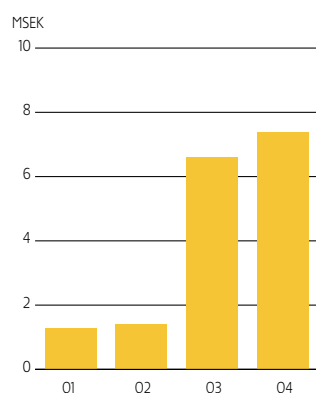


# HQ.SE Aktiespar

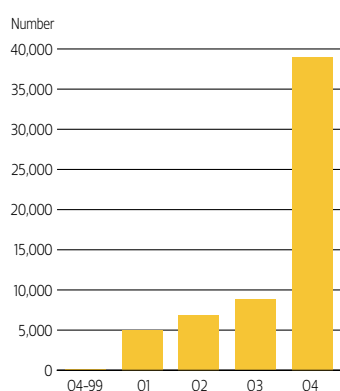


**ERIK SAERS**  
*Business Area Manager*  
*HQ.SE Aktiespar*  
**erik.saers@hq.se**

**Operating income by quarter**



**Active customers by quarter**



## Income and result

HQ.SE Aktiespar's operating income amounted to MSEK 16.7 in 2000, the company's first full year of operations. Commission income amounted to MSEK 20.1. Growth in income is closely tied to the inflow of new customers, which was particularly large during the first quarter as a result of the strong stock market. Although market development was considerably weaker during the rest of the year, HQ.SE Aktiespar was able to report a significant stream of new customers in total. This continuous growth in the number of customers meant that HQ.SE Aktiespar reported an average growth in commission income of 67 percent per quarter during the year.

However, customer activity negatively affected development during the year. The number of trades per customer fell as the stock market weakened. Customers carried out an average of 1.3 transactions per month during the final quarter of the year, compared with 1.6 transactions per month during the year as a whole.

Operating expenses during the year amounted to MSEK 60.1 excluding amortisation of goodwill and restructuring expenses. The largest fixed expenses consisted of personnel expenses and IT expenses. Since 2000 was HQ.SE Aktiespar's first full year of operations, major resources were devoted to advertising and marketing to establish the brand. During the year, marketing expenses amounted to MSEK 23.1, and primarily consisted of advertising on TV, in printed media, the Internet and direct advertising.

The operating result before restructuring expenses and amortisation of goodwill was MSEK -43.4. Restructuring expenses amounted to MSEK 8.7 and were primarily related to the integration of Aktiespar. Amortisation of goodwill amounted to MSEK 3.6.

HQ.SE Aktiespar	2000
Operating income, MSEK	16.7
Operating result, MSEK	-43.4*
Managed assets, MSEK	7,000**
Number of employees	51**

\* Before restructuring expenses and amortisation of goodwill.  
 \*\* As per 31 December 2000.

## Review of operations

HQ.SE Aktiespar engages in security trading over the Internet in the Swedish market. At the end of 2000, there were 39,000 (100) active customers. Of these customers, 29,000 had been taken over in conjunction with the acquisition of Aktiespar. The acquisition of PFK's stock of custodian account customers was taken over in mid-February 2001, for which reason these 13,000 customers are not included in the figures for 2000. Total managed assets in custodian accounts at HQ.SE Aktiespar amounted to just under SEK 7 billion at year-end.

Customers may choose between three different types of custodian accounts: HQ.SE Bas, HQ.SE Aktiespar and HQ.SE Guld, and all customers may place orders via the Internet, mobile Internet or telephone. At HQ.SE Aktiespar, customers can trade in a comprehensive range of securities: all Swedish listed and non-listed shares, options, foreign shares, funds, warrants and most other types of securities.

The majority of new customers choose the HQ.SE Bas custodian account. There is no minimum capital requirement in order to open an HQ.SE Bas custodian account. The customers pay no custodian account fee but only commission when transactions are carried out.



At present, a commission of SEK 89 is paid for stock trading on the OM Stockholm Exchange. With the HQ.SE Aktiespar custodian account, customers are given the possibility to trade in stocks at the lowest commission fee in Sweden, SEK 49 for stock trading on the OM Stockholm Exchange. HQ.SE Guld is a custodian account with a higher service level. It is directed to the most active customers who are provided with an opportunity to trade in stocks on the OM Stockholm Exchange at a commission rate of 0.05 percent.

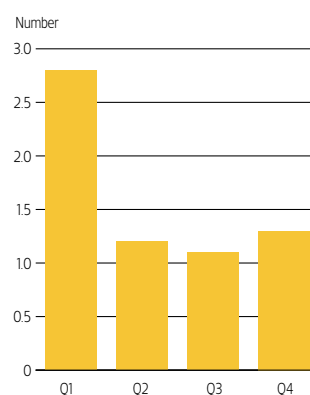
HQ.SE Aktiespar has three principle sources of income: commission, net interest and custodian account fees. Commission income represents the largest single source of income. The average commission per contract note during the year amounted to just over SEK 110. Since all of the customers that were taken over from Aktiespar Fondkommission have HQ.SE Aktiespar custodian accounts, it is anticipated that the average commission will decline in 2001.

During the year, the customers' demand for sound advice and high accessibility at competitive prices has increased. HQ.SE Aktiespar has developed Advice & Analysis, a cost-free service that is available for all customers. HQ.SE Aktiespar's own analysts publish daily buy and sell recommendations that cover companies in all industries. In total, over 1,000 analyses were conducted in 2000.

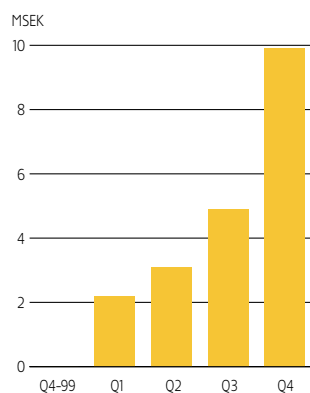
Accessibility to HQ.SE Aktiespar's Internet service has been very high during the year, with an accessibility rate of over 99.9 percent in the fourth quarter. However, the increasingly complicated systems environment, together with the increasing number of customers, has led to an increase in response time on the Internet. At the beginning of 2001, work was commenced to rectify this situation and the response time has gradually improved.

At year-end, there were 51 (9) persons employed within HQ.SE Aktiespar. The average age of the employees was 29 years. The breakdown between women and men was 49 and 51 percent, respectively.

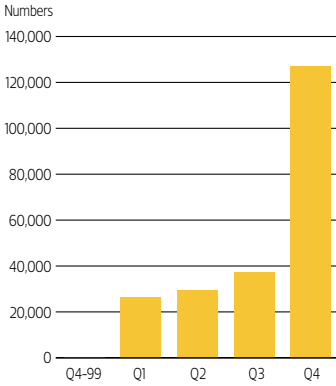
**Contract notes by customer and month**



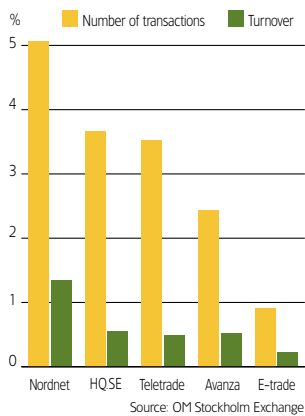
**Commission income by quarter**



### Number of transactions by quarter



### Market shares by Internet brokers OM Stockholm Exchange, Dec. 2000



### The market

Sweden is the second largest market in Europe, after Germany, for securities trading on the Internet. The Swedish market for Internet brokerage is estimated at 400,000 (200,000) custodian accounts on the Internet at the end of 2000, corresponding to approximately 11 percent of the European market. The independent Internet brokers together account for approximately 40 percent of the total market in Sweden, while commercial banks and traditional brokerage firms account for 60 percent. The number of custodian accounts on the Internet corresponds to approximately 6 percent of the total number of shareholders in Sweden. Measured in the number of customers, HQ,SE Aktiespar is the largest independent Internet broker in Sweden and the twelfth largest in Europe.

The share of trading on the OM Stockholm Exchange by independent Internet brokers in December 2000 amounted to 15.6 percent of the number of transactions and 3.1 percent of turnover. HQ,SE Aktiespar's market share was 3.7 percent of transactions and 0.6 percent of turnover during the same month. This made HQ,SE Aktiespar the second largest of the independent Internet brokers on the OM Stockholm Exchange.

During the year, the Swedish market for securities trading on the Internet has consolidated. As a result of the economies of scale offered by a merger, two companies were acquired, at the same time that no new companies entered the market. At year-end, there were five independent Internet brokers in Sweden.

Securities trading on the Internet is expected to increase significantly in Sweden over the next few years. Sweden's high proportion of shareholders and users of the Internet create favourable conditions for long-term high growth. Customer growth is strongly dependent on the performance of the stock market, but several other factors will create especially good conditions for growth in 2001, including the stock exchange's extended opening hours, increased trade in foreign stocks and the use of mobile telephones for securities trading.



# HQ.SE Fonder

## Income and result

In 2000, both income and result increased significantly for the HQ.SE Fonder business area. Operating income increased by 54 percent to MSEK 80.6. The increase is due to significant growth in managed assets during 2000 relative to 1999. This is a consequence of positive stock market development during 1999 and a very positive net inflow during 2000.

Operating profit amounted to MSEK 47.1 (36.2). The increase in expenses was largely due to marketing measures, MSEK 10.8 (1.1). Marketing was primarily concentrated on the launch of two new funds and the Premium Pension System (PPM) selection. The largest individual expense item was personnel expenses, which are largely fixed. Operating profit improved by 106 percent to MSEK 33.5 (16.3).



HANS HEDSTRÖM  
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HQ.SE Fonder

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## Review of operation

HQ.SE Fonder manages a total of twelve mutual funds, of which eight are equity funds, three are fixed-income funds and one is a mixed fund. At the end of the year, managed assets amounted to MSEK 8,270 (7,480), broken down into MSEK 7,860 in equity funds, MSEK 320 in fixed-income funds and MSEK 90 in the mixed fund.

At the end of the year, there were 26,200 (26,100) customers. However, the number of end customers is significantly higher. Distributors such as Skandia Link, Akelius Insurance and Hagströmer & Qviberg Fondkommission have for a long time successfully marketed HQ.SE funds to many customers. During the year, new distributors such as HQ.SE Aktiespar and PPM have added additional end customers.

Most stock exchanges experienced negative development during 2000 following a fantastic 1999. This is primarily due to a reassessment of the valuation of technology shares. This also very clearly affected the OM Stockholm Exchange, which declined by 12 percent. In addition, volatility was unusually high. As a consequence of the weak stock market, fixed-income funds were able to demonstrate relatively good performance. HQ.SE Obligationsfond performed best, +7.8 percent, followed by HQ.SE Swedish

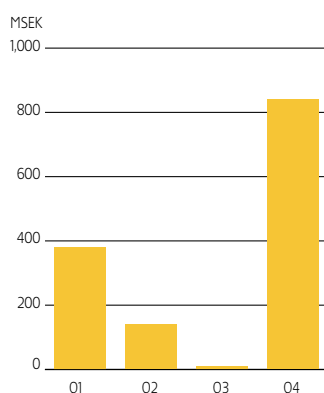
HQ.SE Fonder	2000
Operating income, MSEK	80.6
Operating profit, MSEK	33.5
Managed assets, MSEK	8,270*
Number of employees	20*

\* As per 31 December 2000.

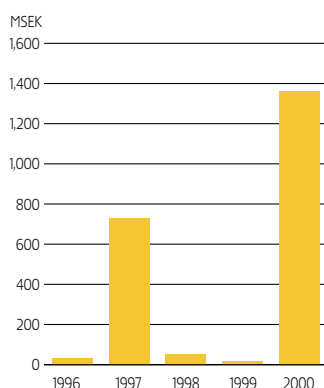


High Yield and HQ.SE Likviditetsfond. Among equity funds, HQ.SE Rysslandsfond performed best, +1.4 percent, at the same time that the comparison index declined by 18.1 percent. HQ.SE's largest funds, HQ.SE Strategifond and HQ.SE Sverigefond, which primarily invest in the Swedish stock market, declined during the year but nevertheless significantly outperformed the respective benchmark indexes.

Net flow by quarter



Net flow by year



#### Product range

	Management fee in %	Assets, MSEK
<b>Share Funds</b>		<b>7,859</b>
HQ.SE Strategifond	1.2	4,048
HQ.SE Sverigefond	1.2	2,166
HQ.SE Select Fund	1.0 <sup>1</sup>	549
HQ.SE Rysslandsfond	2.5 <sup>2</sup>	415
HQ.SE Utlandsfond	1.2	367
HQ.SE Tillväxtmarknadsfond	1.6	201
HQ.SE EuroGlobal Strategi	1.0 <sup>1</sup>	66
HQ.SE Gorilla	1.0 + result-based fee <sup>1</sup>	47
<b>Mixed Funds</b>		<b>87</b>
HQ.SE Absolut Strategi	0.75 + result-based fee <sup>1</sup>	87
<b>Interest Funds</b>		<b>318</b>
HQ.SE Likviditetsfond	0.6	152
HQ.SE Sw. High Yield Fund	0.5	119
HQ.SE Obligationsfond	0.8	47

<sup>1</sup> There is an additional fee for custodian institutions, reports and auditors.

<sup>2</sup> There is an additional entrance fee, 3.0%.

During 2000, HQ.SE Fonder began marketing two new funds in order to make the range of funds more attractive. HQ.SE Absolut Strategi, which was launched at the end of December 1999, is a global mixed fund that invests in both the equity and fixed-income markets. The risk level of the fund varies over time, among other things due to adjustment in the portion of fixed-income securities depending on market prospects. In April 2000, HQ.SE Gorilla was started, an equity fund that invests in the Internet, technology, telecommunications and media sectors.

A common feature of the two new funds is that the fee structure differs from HQ.SE's other funds. The fee consists of a fixed fee, which is lower than for the other funds, and a variable fee charged on any surplus yield. In the event of successful management, profitability can become significantly higher with the variable fee model, while income is lower if value development is weak.

In other regards, operational activities have been primarily focused on creating continued positive conditions for good fund management results, developing partnerships with the most important distributors, establishing collaboration with new distributors and developing new product concepts. In addition, work has commenced on improving

communications with holders of shares in mutual funds, primarily through the Group's Internet service. Since April, it has been possible to trade in HQ.SE's funds via the Internet.

Work in the above-mentioned areas will continue in 2001. This work together with a long-term increase in saving in shares, improved possibilities for private persons to affect the management of their pension assets, and a positive development on the world's exchanges will create positive conditions for favourable development for HQ.SE Fonder in the future.

At the end of the year, HQ.SE Fonder had 20 (20) persons employed. The average age of employees was 35 years. The break-down between women and men was 35 and 65 percent respectively.

## The market

2000 was a record year for savings in mutual funds in Sweden. Net savings, defined as deposits minus withdrawals, increased by 71 percent compared with 1999 to SEK 99 billion, including SEK 36 billion from the Premium Pension System. HQ.SE Fonder's share of the net savings amounted to MSEK 1,360, including MSEK 460 from the Premium Pension System compared with MSEK 20 in 1999. HQ.SE Fonder's market share of net flows increased to 1.38 (0.03) percent. HQ.SE Fonder's market share, in terms of managed assets, amounted at the end of the year to 0.92 (0.88) percent.

The most important event on the Swedish mutual fund market during the year was the Premium Pension System selection in the autumn, when 4.4 millions of Swedes selected funds for a total of SEK 56 billion. 70 percent made an active choice and thereby influenced the manner in which a portion of the general retirement pension would be managed. 1.2 percent of these funds went to HQ.SE Fonder, which is a higher portion than HQ.SE's share of the total Swedish mutual funds' market. The winners were institutions associated with the management of pension assets, primarily AMF, Alecta (formerly SPP), and Folksam. Several of the smaller fund managers also gained market shares at the expense of the banks, including HQ.SE. Thus, the banks' earlier near total dominance in the mutual funds' market was broken. Savers in mutual funds have found alternatives to the banks.

The profitability for HQ.SE Fonder in administering Premium Pension System funds is lower than other management. From a profitability perspective, it is important to note that the PPM electors who selected HQ.SE funds diversified investments between many funds. Compensation to HQ.SE Fonder from PPM will become higher than if the investment is concentrated in one fund.

Over half of the year's fund savings in 2000 came from various types of insurance solutions, e.g. (capital insurances) or unit link insurances. Through Skandia's and Akelius' Insurance product range, HQ.SE Fonder reaches this rapidly growing market segment. On the other hand, direct saving by households are modest. This development, in addition to the Premium Pension System, can assist fund managers outside the major banks in strengthening their positions.

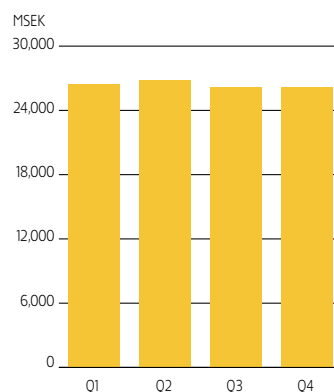
Net savings in 2000, total market in Sweden	
	%
Fund insurance	37
PPM	35
Swedish companies	14
Household, direct savings	5
IPS	4
Other	3
Household, non-profit organisations	2

Source: Swedish Mutual Fund Association

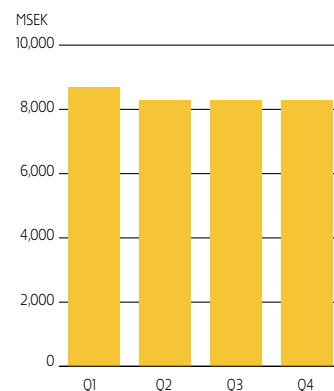
Fund assets in 2000, total market in Sweden	
	%
Household, direct savings	56
Fund insurance	20
Swedish companies	10
Household, non-profit organisations	5
PPM	4
IPS	3
Other	2

Source: Swedish Mutual Fund Association

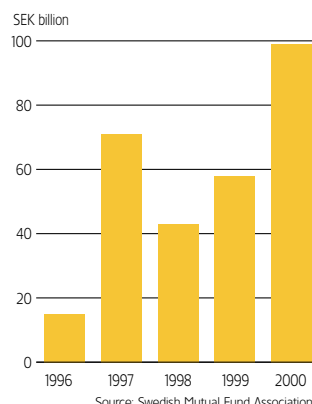
Number of directly registered customers by quarter



Managed assets by quarter



Net flows, Swedish fund market

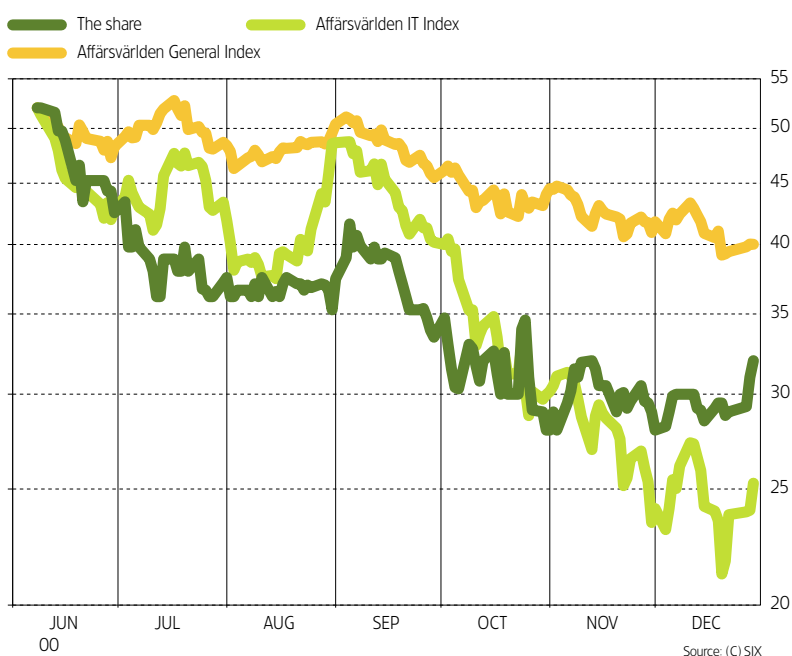


Source: Swedish Mutual Fund Association

# The HQ.SE share

## Price development

The price of the HQ.SE share, adjusted for new issues, on the OM Stockholm Exchange's O list since 8 June 2000, the first day after the spin-off of Hagströmer & Qviberg.



## Share facts

Number of shares	20,989,571
Number of warrants	1,377,000
Market value, 29 December 2000, MSEK	672.00
Share price, 29 December 2000, SEK	32.00
Highest price, 13 June 2000, SEK	56.50
Lowest price, 15 December 2000, SEK	28.00

1,377,000 warrants entitle the holders to subscribe for 1,528,470 shares at an exercise price of SEK 43.23 per share. The term extends until 24 February 2003. Dilution in the event of full exercise of the warrants will amount to 6.8 percent.

## Change of share capital

Year	Change	Change in number of shares	Total number of shares	Change in share capital, SEK	Total share capital, SEK
1992	New issue	2,481,750	3,533,000	24,817,500	35,330,000
1992	New issue	400,000	3,933,000	4,000,000	39,330,000
1993	Option exercise	9,759	3,942,759	97,590	39,427,590
1993	Split	11,828,277	15,771,036	–	39,427,590
1993	New issue	3,942,759	19,713,795	9,856,898	49,284,488
1994	Option exercise	80	19,713,875	200	49,284,688
1995	Redemption	-3,452,172	16,261,703	-8,630,430	40,654,258
1995	Option exercise	224	16,261,927	560	40,654,818
1996	Option exercise	468	16,262,395	1,170	40,655,988
1999	Redemption	-2,032,799	14,229,596	-5,081,997	35,573,990
1999	New issue	27,812	14,257,408	69,530	35,643,520
1999	New issue	2,032,799	16,290,207	5,081,997	40,725,518
2000	Redemption	-2,032,799	14,257,408	-5,081,997	35,643,520
2000	Redemption	-1,407,694	12,849,714	-3,519,235	32,124,285
2000	New issue	1,407,694	14,257,408	3,519,235	35,643,520
2000	New issue	6,424,857	20,682,265	16,062,143	51,705,663
2000	Non-cash issue	1,715,000	22,397,265	4,287,500	55,993,163
2000	Redemption	-1,407,694	20,989,571	-3,519,235	52,473,928

## Largest shareholders

According to the share register, at the end of 2000 the following companies and persons were the largest registered shareholders. The portion of shares owned by Swedish institutions is estimated at 52 percent and the portion owned by foreign shareholders is estimated at 8 percent. There were 6,804 shareholders.

<b>Ten largest owners</b>	Number of shares	Portion of share capital and votes, percentage
TMT One	8,063,944	38.4
Swedish Shareholders' Association	1,715,000	8.2
Mats Qviberg (incl. family)	829,250	4.0
Sten Dybeck (incl. family and companies)	809,692	3.9
Fidelity funds	588,000	2.8
HQ.SE funds	440,000	2.1
Stefan Dahlbo (incl. family and companies)	303,580	1.4
Öresund	246,862	1.2
Catella funds	230,000	1.1
Brideglen Impex	224,500	1.1
Other	7,538,743	35.8
Total	20,989,571	100.0

<b>Concentration, capital</b>	Portion of share capital and votes, percentage
10 largest owners	64.1
25 largest owners	69.4
100 largest owners	76.0

## Dividend policy

The Board of Directors of HQ.SE Holding AB has established a dividend policy whereby HQ.SE shall pay as dividends to shareholders that portion of profits that is not assessed to be required to consolidate or develop the operations. In the long term, not less than 50 percent of the profit shall be distributed as dividends.

## Dividend

The Board of Directors proposes that the general meeting of shareholders adopt a resolution regarding the spin-off of the HQ.SE Fonder business area. In addition, the Board of Directors proposes that no cash dividend be paid for the year 2000.

# Administration report

The Board of Directors and managing director of HQ.SE Holding AB (publ), company no. 556274-8458, hereby submits the annual report for the financial year 2000. HQ.SE Holding AB is the parent company in the HQ.SE Group.

During the year, the company changed its name from Hagströmer & Qviberg AB to HQ.SE Holding AB in conjunction with the spin-off of Hagströmer & Qviberg AB (formerly H&Q Holding AB) on 7 June 2000.

## Description of operations

Operations are conducted within two business areas, HQ.SE Aktiespar and HQ.SE Fonder, and consist of securities trading and fund management over the Internet. HQ.SE Aktiespar offers trading in a wide range of securities. HQ.SE Fonder engages in active management of twelve equity and fixed-income funds.

## Result trend

The Group reports a loss before tax of MSEK -35 (348) for the financial year 2000. Operating income amounted to MSEK 107 (1,140) of which commission income net of commission expenses amounted to MSEK 92 (510). Net interest during the year amounted to MSEK 16 (67). Operating expenses including restructuring expenses and amortisation of goodwill amounted to MSEK 142 (792).

The restructuring expenses totalled MSEK 20, of which MSEK 11 refer to the spin-off of Hagströmer & Qviberg and MSEK 9 to the integration of Aktiespar Fondkommission. The marketing expenses of the Group amounted to MSEK 35. Amortisation of goodwill was MSEK 4.

The number of employees increased to 74 (30) persons.

## Investments

The Group's investments in tangible and intangible assets during the year amounted to MSEK 11 (16) and MSEK 225 (9) respectively. In December, the subsidiary HQ.SE Fondkommission AB acquired the operations of Aktiespar Fondkommission from Aktiespar-invest AB for MSEK 220.

## Financial position and liquidity

The Group's liquid assets as per 31 December 2000 amounted to MSEK 211 (669). The Group's equity amounted to MSEK 346 (651), corresponding to SEK 16.49 (45.63) per share. The capital adequacy ratio for the financial corporate group amounted to 99 (27) percent on 31 December 2000, see Note 24.

### **Disputes and tax litigation**

During 2000, the subsidiaries HQ.SE Fonder AB and HQ.SE Fund Management Company S.A. were sued by V&S, Vin&Sprit AB, which requests compensation of MSEK 3 for infringement of the Absolut trademark. The case relates to the fund HQ.SE Absolut Strategi.

The subsidiary United Securities Holding AB, was the subject of a tax audit in 1997 with respect to the 1993 and 1994 financial years. The tax authority has questioned the company's reporting of value added tax. The matter is being investigated together with other securities institutions. For the company in question, the sum amounts to MSEK 1.4, including a tax surcharge.

In the company's opinion, no significant tax expense is expected as a consequence of the tax audit, and no provision has been made in the annual accounts.

### **Work of the Board of Directors**

The Board of Directors of HQ.SE Holding consists of six members elected by the general meeting of shareholders. Information regarding the directors can be found on page 54.

During the 2000 financial year, the Board of Directors held thirteen board meetings at which minutes were taken and one statutory meeting. The Board of Directors complies with the established work procedure, which specifies the issues to be presented and addressed. Two meetings of the Board of Directors have especially handled strategy, the operational plan and budget.

The company's auditors personally report to the Board of Directors on their observations from the audit work carried out. Employees in the company participate at meetings of the Board of Directors in the capacity of experts or secretaries.

### **Future development**

Under the prevailing circumstances, both areas of operations are expected to demonstrate positive results before amortisation of goodwill in 2001. The Board of Directors will propose to the annual general meeting of shareholders in HQ.SE Holding that the HQ.SE Fonder business area be spun off.

### **Parent company**

HQ.SE Holding AB reported a result before appropriations and tax of MSEK -10 (-37) for the financial year. The company's liquid assets on 31 December 2000 amounted to MSEK 5 (76).

The Board of Directors proposes that the general meeting of shareholders adopt a resolution that HQ.SE Holding AB change its name to HQ.SE Aktiespar AB.

# Proposed disposition of earnings

Amounts in SEK Thousands

## The Group

The Group's unrestricted equity amounts to 69,023. No allocation to fixed reserves is required.

## The Parent Company

The following funds are available for disposition by the General Meeting of the shareholders.

Retained earnings	105,146
Loss for the year	-9,754
	<hr/>
	95,392

The Board of Directors and CEO propose that the following amount be carried forward	<hr/>
	95,392
	95,392

The Board of Directors proposes that the funds available for disposition by the General Meeting of shareholders in the amount of SEK 69,023 be allocated such that not more than SEK 15,000 is allocated through the distribution of all shares in subsidiaries with sub-group, largely corresponding to the HQ.SE Fonder business area, to the shareholders in proportion to their shareholdings in HQ.SE Holding AB and that the remaining amount be carried forward.

The earnings and financial position of the Group and the Parent Company are otherwise described in the following income statements, balance sheets, cash flow statements and notes to the financial statements.

Stockholm, 6 March 2001

Sven Hagströmer  
*Chairman of the Board*

Christer Gardell                      Anders Högström

Kurt Malmgren                      Jonas Wahlström

Nicklas Storåkers  
*President and CEO*

Our audit report was presented on 7 March 2001  
KPMG

Caj Nackstad  
*Authorised Public Accountant*

# Audit report

To the Annual General Meeting of HQ.SE Holding AB,  
Corporate Registration Number 556274-8458.

We have examined the annual report, the consolidated financial statements and the accounting records, as well as the administration by the Board of Directors and the Chief Executive Officer of HQ.SE Holding AB for 2000. The accounting documents and the administration of the company are the responsibility of the Board of Directors and the Chief Executive Officer. Our responsibility is to issue an opinion, based on our audit, in respect of the annual report, the consolidated financial statements, and the administration.

The audit has been performed in accordance with generally accepted auditing standards in Sweden. This means that we have planned and carried out the audit to provide reasonable assurance that the annual report and the consolidated financial statements do not contain any significant errors. An audit includes an examination of a sample of the basis for amounts and other information contained in the accounting records. An audit also includes a test of the accounting principles and the Board of Directors' and the Chief Executive Officer's application thereof, as well as an evaluation of the aggregate information contained in the annual report and the consolidated financial statement. As a basis for our opinion regarding this discharge from liability, we have examined significant decisions, measures, and circumstances in the company in order to evaluate whether any member of the Board of Directors or the Chief Executive Officer is liable in damages to the company. We have also reviewed whether any member of the Board of Directors or the Chief Executive Officer has in any other manner acted in breach of the Swedish Companies Act, the Annual Reports Act, or the Articles of Association. We are of the opinion that our audit provides us with reasonable grounds for our statement below.

The annual report has been prepared in accordance with the Annual Reports Act. The consolidated financial statements have been prepared in accordance with the Annual Reports (Credit Institutions and Securities Companies) Act. The annual report and the consolidated financial statements thereby accurately reflect the results and financial position of the company and the Group in accordance with generally accepted auditing standards in Sweden.

We propose that the Annual General Meeting adopt the income statement and balance sheet for the Parent Company and the Group, that the earnings of the Parent Company be allocated in accordance with the proposal contained in the administration report, and that the members of the Board of Directors and the Chief Executive Officer be granted a discharge from liability for the financial year.

Stockholm, 7 March 2001

KPMG  
Caj Nackstad  
*Authorised Public Accountant*

# Consolidated income statement

SEK Thousands	Note	2000	Pro forma 1999	1999
<b>Operating income</b>				
Commission income	1	129,095	65,065	565,768
Commission expenses	2	-37,460	-13,233	-55,295
Interest income	3	22,009	2,387	123,642
Interest expenses	3	-6,501	-175	-56,647
Dividends received		10	8,248	31,712
Net result of financial transactions	4	-132	5,070	527,848
Other operating income		147	-	84
Share in profit of affiliated companies		-	-	3,236
<b>Total operating income</b>		<b>107,168</b>	<b>67,362</b>	<b>1,140,348</b>
<b>Operating expenses</b>				
General administrative expenses	5	-71,725	-41,568	-672,443
Depreciation of tangible and intangible fixed assets	6	-7,403	-375	-49,332
Other operating expenses	7	-62,931	-8,139	-69,118
Net credit losses	8	-	-	-1,000
<b>Total operating expenses</b>		<b>-142,059</b>	<b>-50,082</b>	<b>-791,893</b>
<b>Operating profit/loss</b>		<b>-34,891</b>	<b>17,280</b>	<b>348,455</b>
Tax on profit/loss for the year	9	409	-2,842	-109,136
Profit/loss from spun-off business	10	82,500	-	-
<b>Profit for the year</b>		<b>48,018</b>	<b>14,438</b>	<b>239,319</b>

# Consolidated balance sheet

SEK Thousands

Note **31 Dec. 2000** Pro forma 31 Dec. 1999 31 Dec. 1999

<b>ASSETS</b>	21			
Cash and credit balances at central banks		–	–	5,011
Chargeable treasury obligations		–	–	3,789
Loans to credit institutions		210,970	158,438	669,659
Loans to the public	11	61,109	–	1,366,581
Shares and participations	12	1,509	2,481	2,328,168
Participations in affiliated companies		–	–	28,290
Intangible fixed assets	13	220,840	1,368	22,262
Tangible assets	14	9,002	93	26,253
Miscellaneous assets	15	66,714	520,725	552,848
Prepaid expenses and accrued income	16	12,691	2,973	25,415
<b>TOTAL ASSETS</b>		<b>582,835</b>	<b>686,078</b>	<b>5,028,276</b>
<b>LIABILITIES, PROVISIONS AND EQUITY</b>	21			
Liabilities to credit institutions		–	–	5,965
Borrowing from the public		139,467	–	2,142,030
Miscellaneous liabilities	17	74,098	208,987	1,882,888
Accrued expenses and prepaid income	18	23,074	13,081	322,831
Provisions	19	–	336	23,912
Share capital	20	52,474	40,726	40,726
Restricted reserves	20	224,699	197,791	242,600
Unrestricted reserves	20	21,005	210,719	128,005
Profit for the year	20	48,018	14,438	239,319
<b>TOTAL LIABILITIES, PROVISIONS AND EQUITY</b>		<b>582,835</b>	<b>686,078</b>	<b>5,028,276</b>

## MEMORANDUM ITEMS

SEK Thousands

### Pledges and comparable security pledged for own liabilities

Securities	–	1,134,219
Miscellaneous pledged assets	6,841	314,000
<b>Total</b>	<b>6,841</b>	<b>1,448,219</b>

### Other pledges and comparable security

Securities	–	345,492
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### Contingent liabilities

Miscellaneous contingent liabilities	18,177	236,578
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### Commitments

#### Commitments with respect to future payments

Agreements regarding the purchase and sale of securities futures	–	195,258
Options issued	–	325,546

#### Miscellaneous commitments

Funds managed on behalf of third parties (client funds account) (IPS 1999)	487,072	29,287
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# Income statement for the Parent Company

SEK Thousands	Note	2000	1999
Net sales of securities		4,584	32,173
Expenses for sold securities		-4,508	-28,080
<b>Gross profit</b>		<b>76</b>	<b>4,093</b>
Administrative expenses	5	-5,729	-11,633
Other operating income		19	
Other operating expenses	7	-16,909	-12,255
<b>Operating profit/loss</b>		<b>-22,543</b>	<b>-19,795</b>
<b>Profit from financial investments</b>			
Profit from participations in Group companies		3,019	200
Profit from participations in affiliated companies		-	7,292
Write-down of shares in subsidiaries		-	-28,199
Interest income and similar income statement items	3	12,199	3,634
Interest expenses and similar income statement items		-2,607	-229
<b>Loss after financial items</b>		<b>-9,932</b>	<b>-37,097</b>
<b>Appropriations</b>			
Change in tax equalisation reserve		-	4,354
Change in tax allocation reserve		-	149,386
Change in currency reserve		-	340
<b>Profit/loss before tax</b>		<b>-9,932</b>	<b>116,983</b>
Tax on profit/loss for the year		178	-38,692
<b>Profit/loss for the year</b>		<b>-9,754</b>	<b>78,291</b>

# Balance sheet for the Parent Company

SEK Thousands	Note	31 Dec. 2000	31 Dec. 1999
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Tangible fixed assets</i>			
Equipment	14	45	–
<i>Financial fixed assets</i>			
Shares and participations in subsidiaries	22	340,535	304,056
<b>Total fixed assets</b>		<b>340,580</b>	<b>304,056</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Receivables from Group companies		96,320	471,230
Other receivables		1,862	10,420
Prepaid expenses and accrued income		122	855
<i>Short-term investments</i>		1,453	2,481
<i>Cash and bank balances</i>		4,521	76,398
<b>Total current assets</b>		<b>104,278</b>	<b>561,384</b>
<b>TOTAL ASSETS</b>		<b>444,858</b>	<b>865,440</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	23	52,474	40,726
Share premium reserve		200,272	–
Statutory reserve		24,264	197,517
<b>Total restricted equity</b>		<b>277,010</b>	<b>238,243</b>
<i>Unrestricted equity</i>			
Retained earnings		105,146	328,845
Profit/loss for the year		-9,754	78,291
<b>Total unrestricted equity</b>		<b>95,392</b>	<b>407,136</b>
<b>Total equity</b>		<b>372,402</b>	<b>645,379</b>
<b>Current liabilities</b>			
Liabilities to Group companies		68,410	81,130
Tax liabilities		–	132,206
Miscellaneous liabilities		2,367	3,234
Accrued expenses and deferred income		1,679	3,491
<b>Total current liabilities</b>		<b>72,456</b>	<b>220,061</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>444,858</b>	<b>865,440</b>
<b>MEMORANDUM ITEMS</b>			
SEK Thousands			
<b>Security provided</b>		None	None
<b>Contingent liabilities</b>			
Guarantees for subsidiaries		None	1,011

# Cash flow statements

SEK Thousands	Group		Parent Company	
	2000	1999	2000	1999
<b>Ongoing operations</b>				
Operating profit/loss	-34,891	348,455	-9,932	-37,097
<i>Adjustment for items not included in cash flow</i>				
Depreciation/write-down	7,403	49,332	–	28,199
Change in provisions	-428	–	–	–
Other items not effecting cash flow	–	11,605	-78	–
Paid income tax	-134,420	-30,586	-132,028	-21,588
<b>Ongoing operations</b>	<b>-162,336</b>	<b>378,806</b>	<b>-142,038</b>	<b>-30,486</b>
<b>Change in ongoing operations/assets and liabilities</b>				
Increase/decrease in loans to the public	-61,109	-158,947	–	–
Increase/decrease in securities, current assets	1,299	-1,557,220	1,028	16,978
Increase/decrease in miscellaneous assets	-69,806	-291,052	428,618	-164,731
Increase/decrease in deposits and borrowing from the public	139,467	1,047,332	–	–
Increase/decrease in miscellaneous liabilities	568,689	1,420,219	-15,398	66,034
<b>Cash flow from assets and liabilities in ongoing operations</b>	<b>578,540</b>	<b>460,332</b>	<b>414,248</b>	<b>-81,719</b>
<b>Cash flow from ongoing operations</b>	<b>416,204</b>	<b>839,138</b>	<b>272,210</b>	<b>-112,205</b>
<b>Investing operations</b>				
Investments in subsidiaries	–	–	-265,160	–
Non-cash issue	–	–	60,000	–
Sale of shares in subsidiaries	–	–	319	416,122
Acquisition of shares	–	–	–	-300,947
Acquisition/sale of participations in affiliated companies	–	–	–	35,977
Investments in subordinated debentures	–	–	–	-100,000
Acquisition of intangible fixed assets	-8,563	-9,536	–	–
Acquisition of Aktiespar <sup>1</sup>	-160,000	–	–	–
Sale of tangible assets	–	38	–	–
Acquisition of tangible assets	-7,240	-15,667	-45	–
<b>Cash flow from investing operations</b>	<b>-175,803</b>	<b>-25,165</b>	<b>-204,886</b>	<b>51,152</b>
<b>Financing operations</b>				
Dividend, cash	-99,802	-73,181	-99,802	-73,181
Spin-off, Hagströmer & Qviberg AB (H&Q Holding AB) <sup>2</sup>	-554,768	–	–	–
Redemption	-202,321	-150,374	-202,321	-150,374
New issues	164,140	5,083	164,140	5,083
Warrants	3,216	–	6,747	–
Reduction in share capital	-8,601	–	-8,601	–
Group contributions	–	–	636	333,978
<b>Cash flow from financing operations</b>	<b>-698,136</b>	<b>-218,472</b>	<b>-139,201</b>	<b>115,506</b>
<b>Cash flow for the year</b>	<b>-457,735</b>	<b>595,501</b>	<b>-71,877</b>	<b>54,453</b>
<b>Opening liquid funds<sup>3</sup></b>	<b>668,705</b>	<b>73,204</b>	<b>76,398</b>	<b>21,945</b>
<b>Closing liquid funds<sup>3</sup></b>	<b>210,970</b>	<b>668,705</b>	<b>4,521</b>	<b>76,398</b>
<b>Cash flow for the year</b>	<b>-457,735</b>	<b>595,501</b>	<b>-71,877</b>	<b>54,453</b>

Notes to the cash flow statements  
SEK Thousands

Group  
**2000**

**<sup>1</sup>Investment in Aktiespar**

Intangible fixed assets	216,500
Tangible fixed assets	3,500
Total assets	220,000

Paid through non-cash issue	-60,000
Total	160,000

**<sup>2</sup>Spin-off of Hagströmer & Qviberg AB**

Cash flow from ongoing operations	146,977
Cash flow changes in assets and liabilities of ongoing operations	44,048
Cash flow from investing operations	-1,491
Cash flow from financing operations	95,890

	285,424
Closing liquid assets	-840,192
Opening liquid assets	554,768

**<sup>3</sup>Definitions**

Liquid funds consist of cash, loans to credit institutions and liabilities to credit institutions.

# Accounting and valuation principles

The annual report of the HQ.SE Group has been prepared in accordance with generally accepted accounting principles in Sweden applying the recommendations of the Swedish Financial Accounting Standards Council, the Annual Reports (Credit Institutions and Securities Companies) Act (SFS 1995:1559) and the rules and general guidelines of the Swedish Financial Supervisory Authority (FFFS 1999:14). The accounts of the Parent Company have been prepared in accordance with the Annual Reports Act (SFS 1995:1554).

The Group has applied unchanged accounting principles compared with the reported comparison years.

## **Consolidated financial statements**

The consolidated financial statements have been prepared in accordance with recommendation RRI:96 of the Swedish Financial Accounting Standards Council.

The consolidated financial statements cover the Parent Company and all companies in which the Parent Company, directly or through indirect ownership via subsidiaries, controls more than 50 percent of the voting rights. The consolidated financial statements have been prepared in accordance with the purchase method. Through the application of the purchase method, the Group's equity consists of the Parent Company's equity and that part of the subsidiary's equity earned after the date of acquisition.

## **Translation of foreign subsidiaries**

The accounts of foreign subsidiaries into SEK according to the current method, whereby all items in the balance sheet are translated at the closing day rate and all items in the income statement are translated at the average rate. The translation differences that arise are transferred directly to equity.

## **Shares and participations**

Shares and participations are valued at actual value. Purchases and sales of shares and participations are reported in the balance sheet as per the day of the transaction.

## **Valuation of financial fixed assets**

Shares intended to constitute permanent holdings have been classified as financial fixed assets and valued at the acquisition value. Depreciation is carried out in the event of permanent decline in value.

## **Valuation of loans to the public**

Loans to the public are secured by collateral in the form of securities in custodian accounts. The collateral is valued at not more than a determined lending value. Loan claims are reported in the balance sheet after deduction of realised and probable loan losses. Realised losses are those where amount is deemed to be finally established. Probable loan losses refer to the difference between the loan amount and the amount which is expected to be received taking into consideration the borrower's payment ability and the value of the collateral.

## **Valuation of other claims and liabilities**

Claims have been reported at the amount at which they are expected to be received. Claims and liabilities in foreign currencies have been translated at the closing date rate.

**Intangible and tangible assets**

Intangible and tangible assets are reported at acquisition value less accumulated depreciation. Depreciation has been carried out in the amount of 20–33 percent of the acquisition value. Goodwill is amortised over a five-year period.

**Business spin-off**

The spin-off of Hagströmer & Qviberg AB is reported in the income statement and the cash flow statement in accordance with the guidelines of the Swedish Financial Accounting Standards Council regarding the winding up of a business, RR19.

**Miscellaneous**

Securities trading claims and liabilities settled through an approved clearing organisation such as VPC and OM have been netted in the balance sheet.

## Definitions

**Earnings per share after tax**

Profit/loss after tax in proportion to the average number of shares during the period (15,001,903) and after dilution through the exercise of warrants (15,170,837).

**Equity per share**

Equity in proportion to the number of ordinary shares at the end of the period, 20,989,571 (14,257,408) shares.

**Return on equity**

Profit/loss after tax but before profit/loss in the spun-off business, in proportion to the average equity during the period.

**Capital adequacy ratio**

Capital base in proportion to risk-weighted capital.

**Operating margin**

Operating profit/loss as a percentage of operating income.

**Equity ratio**

Equity including minority interest as a percentage of the balance sheet total.

# Notes

Unless otherwise stated, amounts are set forth in SEK Thousands

## Note 1 Commission income

	2000	1999
Commission	20,078	427,929
Fund management fees	97,135	58,808
Asset management fees	11,882	37,295
Miscellaneous commissions	–	41,736
<b>Total</b>	<b>129,095</b>	<b>565,768</b>

## Note 2 Commission expenses

	2000	1999
Securities commissions	-26,293	-20,455
Transaction expenses	-7,807	-33,434
Payment transfer commissions	-394	-1,406
Miscellaneous commissions	-2,966	–
<b>Total</b>	<b>-37,460</b>	<b>-55,295</b>

## Note 3 Net interest income/expenses

	2000	1999
<i>Interest income</i>		
Interest income on loans to credit institutions	10,811	25,975
Interest income on loans to the public	2,949	95,322
Interest income on interest-bearing securities	5,349	1,372
Miscellaneous interest income	2,900	973
<b>Total</b>	<b>22,009</b>	<b>123,642</b>
<i>Interest expenses</i>		
Interest expenses on liabilities to credit institutions	-113	-2,393
Interest expenses on loans and deposits from the public	-3,198	-40,230
Miscellaneous interest expenses	-3,190	-14,024
<b>Total</b>	<b>-6,501</b>	<b>-56,647</b>
<b>Net interest income/expenses</b>	<b>15,508</b>	<b>66,995</b>

The average lending rate to custodian account customers during the year was 7.42 (6.75)%. The average borrowing rate from custodian accounts with liquidity surpluses during the year was 2.92 (2.38)%. Of the Parent Company's interest income, 1,845 relates to income from Group companies.

## Note 4 Net profit/loss from financial transactions

	2000	1999
Realised profit from shares and share derivatives	-135	462,769
Unrealised changes in value with respect to shares and share derivatives	–	60,772
Realised profit with respect to interest-bearing securities	–	103
Exchange rate fluctuations	3	4,204
<b>Total</b>	<b>-132</b>	<b>527,848</b>

## Note 5 General administrative expenses

	2000	1999
Wages, salaries, and other remuneration	-27,863	-374,935
Pension expenses, premiums paid	-2,755	-15,367
Social insurance fees	-9,277	-116,476
Other personnel expenses	-1,238	-16,898
Purchased consultancy services	-4,834	-41,509
Marketing information expenses	-5,440	-22,804
Miscellaneous general administrative expenses	-20,318	-84,454
<b>Total</b>	<b>-71,725</b>	<b>-672,443</b>

Note 5, continued

Wages, salaries, other remuneration, and social expenses

	2000		1999	
	Wages, salaries, and other remuneration	Social expenses, (of which pension expenses)	Wages, salaries, and other remuneration	Social expenses, (of which pension expenses)
<i>The Group</i>				
<b>Sweden</b>	27,863	12,032 (2,755)	311,876	121,876 (13,249)
of which the Board of Directors, President and Vice President	4,107	1,946 (592)	90,454	31,202 (1,105)
<b>Other countries</b>	–	–	63,059	9,967 (2,118)
of which the Board of Directors, President and Vice President	–	–	18,195	10,877 (97)
<b>Total</b>	<b>27,863</b>	<b>12,032</b> (2,755)	<b>374,935</b>	<b>131,843</b> (15,367)
of which the Board of Directors President and Vice President	4,107	1,946 (592)	108,649	32,079 (1,202)
<i>Parent Company</i>				
<b>Sweden</b>	<b>2,628</b>	<b>1,294</b> (337)	<b>6,325</b>	<b>2,400</b> (309)
of which the Board of Directors, President and Vice President	1,570	744 (226)	4,040	1,376 (309)
Average number of employees	Number of employees	Of whom men	Number of employees	Of whom men
<i>Parent Company</i>				
Sweden	3	2	3	2
<i>Subsidiary</i>				
Sweden	49	30	266	180
Other countries			53	31
<b>Total</b>	<b>52</b>	<b>32</b>	<b>322</b>	<b>213</b>

At year-end, there were 74 persons employed in the Group. The normal employment terms and conditions are comprised of wages, salaries, benefits, and pensions.

Pension benefits for employees correspond, in principle, to the ITP Plan (supplementary pensions for salaried employees). An exception consists of the pension benefits to the Chief Executive Officer which, according to agreement, amount to SEK 120,000 per annum. The pension undertakings for all employees is covered through pension premiums booked directly as costs, and consequently no allocations to pension reserves are made.

The Group's profit-sharing program is described on page 9.

#### Compensation to senior management

Salaries and compensation to the Chief Executive Officer have been paid in the amount of SEK 1,570,000 (3,060,000) of which SEK 856,000 was paid to the previous Chief Executive Officer. Compensation to the Chairman of the Board was paid in the amount of SEK 100,000 (SEK 480,000) and to other members of the Board in a total amount of SEK 200,000 (500,000). No bonuses have been paid to the Board of Directors or the Chief Executive Officer for the year 2000 (SEK 81,938 for 1999).

The Chief Executive Officer's employment contract includes a notice of termination clause of six months by the Chief Executive Officer and twelve months by the company. In the event of termination by the company, pursuant to the agreement, one year's salary including benefits and pension is payable to the Chief Executive Officer.

#### Audit fees

##### *The Group*

During the financial year, audit fees of SEK 492,000 (2,842,000) were paid to KPMG and fees totalling SEK 1,840,000 (4,669,000) were paid in respect of other engagements.

##### *Parent Company*

During the financial year, audit fees of SEK 393,000 (656,000) were paid to KPMG and fees of 1,751,000 (2,055,000) were paid in respect of other engagements.

#### Note 6 Depreciation of tangible and intangible assets

	2000	1999
Depreciation of tangible assets	-1,779	-26,006
Depreciation of intangible assets	-5,624	-23,326
<b>Total</b>	<b>-7,403</b>	<b>-49,332</b>

Depreciation has been carried out in the amount of 20–33 percent of the acquisition value.

Goodwill from the acquisition of Aktiespar is amortised over a five-year period.

**Note 7 Miscellaneous operating expenses**

	2000	1999
<i>The Group</i>		
Sales expenses	-35,130	-21,127
Miscellaneous operating expenses	-27,801	-47,991
<b>Total</b>	<b>-62,931</b>	<b>-69,118</b>

Of miscellaneous operating expenses, SEK 19,693,000 relates to restructuring costs.

*Parent Company*

Of miscellaneous operating expenses, SEK 1,239,000 relates to sales costs and SEK 10,981,000 restructuring costs.

**Note 8 Loan losses**

	2000	1999
Write-down of realised loan losses during the year	–	-1,207
Reversal of prior provisions for probable loan losses, reported at year-end as realised losses	–	273
The year's write-down of probable loan losses	–	-114
Reversal of provisions for loan losses no longer required	–	48
<b>Net expenses for the year's loan losses</b>	<b>–</b>	<b>-1,000</b>

**Note 9 Taxes on profit/loss for the year**

	2000	1999
Income tax	-19	-136,287
Deferred tax	428	27,151
<b>Total</b>	<b>409</b>	<b>-109,136</b>

**Note 10 Profit from spun-off business**

	2000	1999
Net commission income	218,390	–
Net interest income	8,097	–
Net profit from financial transactions	101,272	–
Share in profit of affiliated companies	793	–
<b>Total operating income</b>	<b>328,552</b>	<b>–</b>
Operating expenses	-185,406	–
<b>Operating profit/loss</b>	<b>143,146</b>	<b>–</b>
Tax	-30,800	–
Minority share	-29,846	–
<b>Profit for the period</b>	<b>82,500</b>	<b>–</b>

In accordance with a resolution adopted by the general meeting of shareholders, the Parent Company distributed all of the shares in Hagströmer & Qviberg AB in June 2000.

**Note 11 Loans to the public**

	31 Dec. 2000	31 Dec. 1999
Loans to the public	61,109	1,368,125
Reserves for probable loan losses	–	-1,544
<b>Total</b>	<b>61,109</b>	<b>1,366,581</b>

Loans to the public are reported after deduction of realised and probable loan losses. As per 31 December 2000, the company reported no doubtful loans. All loans, commonly referred to as custodian account loans, have collateral in the form of securities up to a determined lending value.

**Loans to senior executives**

	31 Dec. 2000	31 Dec. 1999
President and Vice President	–	4,513
Members of the Board of Directors	–	61,344
<b>Total</b>	<b>–</b>	<b>65,857</b>

**Note 12 Shares and participations**

	31 Dec. 2000	31 Dec. 1999
Shares, etc. listed, market value	1,298	2,178,214
Shares, etc. unlisted, market value	211	149,954
<b>Total</b>	<b>1,509</b>	<b>2,328,168</b>

Holdings of foreign shares amount to 211 (591,029).  
Shares classified as fixed assets amount to 0 (244).

**Note 13 Intangible fixed assets**

	31 Dec. 2000	31 Dec. 1999
Opening acquisition value	34,807	68,685
Investments	225,093	9,568
Winding up of operations	-33,082	-42,090
Translation difference	-	-1,356
<b>Closing accumulated acquisition value</b>	<b>226,818</b>	<b>34,807</b>
Opening depreciation	-12,545	-30,920
Winding up of operations	12,191	25,944
Translation difference	-	-382
The year's amortisation	-5,624	-7,187
<b>Closing accumulated amortisation</b>	<b>-5,978</b>	<b>-12,545</b>
<b>Closing residual value according to plan</b>	<b>220,840</b>	<b>22,262</b>

**Note 14 Tangible assets**

	31 Dec. 2000	31 Dec. 1999
<i>The Group</i>		
Opening acquisition value	85,892	70,214
Purchases	10,689	16,226
Winding up of operations	-85,770	-
Sales and disposals	-	-548
<b>Closing accumulated acquisition value</b>	<b>10,811</b>	<b>85,892</b>
Opening depreciation	-59,639	-33,169
Winding up of operations	59,609	-
Sales and disposals	-	-464
The year's depreciation	-1,779	-26,006
<b>Closing accumulated depreciation</b>	<b>-1,809</b>	<b>-59,639</b>
<b>Closing residual value according to plan</b>	<b>9,002</b>	<b>26,253</b>
<i>Parent Company</i>		
Purchases	47	-
<b>Closing accumulated acquisition value</b>	<b>47</b>	<b>-</b>
The year's depreciation	-2	-
<b>Closing accumulated depreciation</b>	<b>-2</b>	<b>-</b>
<b>Closing residual value according to plan</b>	<b>45</b>	<b>-</b>

**Note 15 Miscellaneous assets**

	31 Dec. 2000	31 Dec. 1999
Securities trading claims	62,992	105,639
Acquired options	-	400,931
Futures with a positive value	-	2,523
Miscellaneous	3,722	43,755
<b>Total</b>	<b>66,714</b>	<b>552,848</b>

As per 31 December 2000, the company held no derivative instruments. The nominal value of issued options as per 31 December 1999 was 228,601. At the same time, the nominal value of futures with a positive value was 13,449.

**Note 16 Prepaid expenses and accrued income**

	31 Dec. 2000	31 Dec. 1999
Prepaid expenses	3,979	24,486
Accrued income	8,712	929
<b>Total</b>	<b>12,691</b>	<b>25,415</b>

**Note 17 Miscellaneous liabilities**

	31 Dec. 2000	31 Dec. 1999
Securities trading liabilities	52,032	92,977
Options issued	–	617,962
Futures with a negative value	–	29,351
Short sales	–	906,296
Tax liability	–	134,829
Miscellaneous	22,066	101,473
<b>Total</b>	<b>74,098</b>	<b>1,882,888</b>

As per 31 December 2000, the company held no derivative instruments. The nominal value of acquired options as per 31 December 1999 was 325,546. At the same time, the nominal amount of futures with negative value was 181,809.

**Note 18 Accrued expenses and deferred income**

	31 Dec. 2000	31 Dec. 1999
Accrued bonuses	2,892	150,135
Holiday pay liabilities	1,914	8,364
Liabilities for social fees and special payroll tax	2,091	82,561
Liability, securities commissions	6,261	3,460
Miscellaneous	9,916	78,311
<b>Total</b>	<b>23,074</b>	<b>322,831</b>

**Note 19 Provisions**

	31 Dec. 2000	31 Dec. 1999
Deferred tax	–	23,912

**Note 20 Equity**

The Group	Share capital	Restricted reserves	Unrestricted reserves	Profit for the year	Total
Opening amount	40,726	242,600	128,005	239,319	650,650
Disposition of earnings	–	–	239,319	-239,319	0
Dividend, cash	–	–	-99,802	–	-99,802
Spin-off, Hagströmer & Qviberg	–	–	-269,207	–	-269,207
Reduction of share capital	-5,082	–	–	–	-5,082
Reduction of statutory reserve	–	-180,000	180,000	–	0
Redemption	-3,519	–	-198,800	–	-202,319
New issue, subordinated shares	3,519	–	–	–	3,519
Warrants	–	6,747	-3,531	–	3,216
New issue	16,062	144,559	–	–	160,621
Non-cash issue	4,287	55,713	–	–	60,000
Reduction of share capital	-3,519	–	–	–	-3,519
Translation difference	–	–	101	–	101
Transfer between unrestricted and restricted equity due to changed Group structure	–	-44,920	44,920	–	0
Profit for the year	–	–	–	48,018	48,018
<b>Closing amount</b>	<b>52,474</b>	<b>224,699</b>	<b>21,005</b>	<b>48,018</b>	<b>346,196</b>

**Note 21 Maturity of assets and liabilities, 31 December 2000**

Remaining term until maturity (book value)

	Upon demand	<3 months	3–12 months	1–10 years	Perpetual	Total
<i>Assets</i>						
Loans to credit institutions	210,970	–	–	–	–	210,970
Loans to the public	61,109	–	–	–	–	61,109
Shares and participations	–	–	–	–	1,509	1,509
Intangible assets	–	–	–	–	220,840	220,840
Tangible assets	–	–	–	–	9,002	9,002
Miscellaneous assets	–	66,714	–	–	–	66,714
Prepaid expenses and accrued income	–	12,691	–	–	–	12,691
<b>Total assets</b>	<b>272,079</b>	<b>79,405</b>	<b>–</b>	<b>–</b>	<b>231,351</b>	<b>582,835</b>
<i>Liabilities</i>						
Loans from the public	139,467	–	–	–	–	139,467
Miscellaneous expenses	–	74,098	–	–	–	74,098
Accrued expenses and prepaid income	–	23,074	–	–	–	23,074
Equity	–	–	–	–	346,196	346,196
<b>Total liabilities</b>	<b>139,467</b>	<b>97,172</b>	<b>0</b>	<b>0</b>	<b>346,196</b>	<b>582,835</b>

**Note 22 Shares and participations in subsidiaries**

	Company no.	Registered offic	Number of shares	% of share capital	book value opening balance	book value closing balance
HQ.SE Fondkommission AB	556573-5668	Stockholm	450,000	100	100	265,100
HQ.SE Fonder AB	556266-6049	Stockholm	10,000	100	6,396	6,556
United Securities Holding AB	556460-7009	Stockholm	200,000	100	33,082	33,082
Hagströmer & Qviberg Alle- mansfond Förvaltnings AB	556325-5305	Stockholm	10,000	100	1,200	1,200
HQ.SE International AB	556540-6179	Stockholm	999	99.90	0	0
Gadd Invest Management Ltd (Irland)		Dublin	1,428	100	33,368	33,368
HQ.SE Fund Management Company S.A.		Luxembourg	1,299	99.90	1,230	1,229
H&Q Holding AB	556573-5650	Stockholm	1,000	100	228,380	–
M-fonden AB (liquidation)	558205-2703	Stockholm	2,500	100	300	–
<b>Total</b>					<b>304,056</b>	<b>340,535</b>

**Note 23 Changes in equity**

Parent Company	Share capital	Other funds	Retained earnings	Profit for the year	Total
Opening amount	40,726	197,517	328,845	78,291	645,379
Disposition of earnings	–	–	78,291	-78,291	0
Dividend, cash	–	–	-99,802	–	-99,802
Spin-off, Hagströmer & Qviberg	–	–	-183,846	–	-183,846
Reduction of share capital	-5,082	–	–	–	-5,082
Reduction of statutory reserve	–	-180,000	180,000	–	0
Redemption	-3,519	–	-198,800	–	-202,319
New issue, subordinated shares	3,519	–	–	–	3,519
Warrants	–	6,747	–	–	6,747
New issue	16,062	144,559	–	–	160,621
Non-cash issue	4,287	55,713	–	–	60,000
Reduction of share capital	-3,519	–	–	–	-3,519
Group contributions	–	–	458	–	458
Profit/loss for the year	–	–	–	-9,754	-9,754
<b>Closing amount</b>	<b>52,474</b>	<b>224,536</b>	<b>105,146</b>	<b>-9,754</b>	<b>372,402</b>

There are 20,989,571 shares, each with a par value SEK 2.50.

The number of outstanding warrants is 1,377,000. Of these, the subsidiary HQ.SE Fonder AB holds 413,500.

## Note 24 Capital adequacy analysis

Calculation of capital adequacy requirement, 31 December 2000.

### 1. Calculation of total capital base

Primary capital (net)	190,483
<b>Total capital base</b>	<b>190,483</b>

### 2. Calculation of capital requirements for credit risks

#### Items on and off the balance sheet

Groups	Total investments	Risk-weighted amount
Group A (0%)	250,193	0
Group B (20%)	199,124	39,825
Group C (50%)	0	0
Group D (100%)	141,995	141,995
Total	591,312	181,820
<b>Total risk-weighted amount for credit risks</b>		<b>181,820</b>

### 3. Calculation of capital requirements for market risks

<b>Risk-weighted amount for interest rate risks</b>	0
of which, specific risks	0
of which, general risks	0
<b>Risk-weighted amount for share price risks</b>	<b>2,264</b>
of which, specific risks	755
of which, general risks	1,509
<b>Risk-weighted amount for winding up risks</b>	<b>7,528</b>
Risk-weighted amount for counterparty risks and other risks	0
Risk-weighted amount for currency exchange rate risks	0
<b>Total risk-weighted amount for market risks</b>	<b>9,792</b>

### 4. Calculation of total capital adequacy ratio

Total capital base	190,483
Total risk-weighted amount for credit risks and market risks	191,612
<b>Total capital adequacy ratio in %</b>	<b>99.41</b>

### 5. Cost risks

Total capital base	190,483
Deduction: 25% of fixed overheads	-17,931
<b>Surplus</b>	<b>172,552</b>

## Note 25 Items in balance sheet with counterparty risks

### Loans to credit institutions

Consist of receivables from Swedish credit institutions.

### Loans to the public

Consist of receivables from private persons and companies secured by securities, valued at not more than the lending value.

### Shares and participations

Consist essentially of Swedish listed securities.

### Interest rate risks

The financial assets and liabilities in the balance sheet are related to variable interest rates and therefore are not subject to fixed interest terms. There are no financial items off the balance sheet.

## Note 26 Miscellaneous information

### Actual value

Financial fixed assets and tangible assets have been booked at the acquisition value. Other balance sheet items are booked at a value which is deemed not to deviate significantly from the actual value.

# Five-year overview

## Group summary

The years 1996–1999 relate to the Group before the spin-off of Hagströmer & Qviberg.

<i>Income statement, MSEK</i>	2000	1999	1998	1997	1996
Commissions and other income	91.8	513.7	340.2	342.9	176.9
Net interest income	15.5	67.0	67.3	60.3	79.9
Net profit/loss from financial transactions including dividends received	-0.1	559.6	174.7	169.4	48.3
<b>Total income</b>	<b>107.2</b>	<b>1,140.3</b>	<b>582.2</b>	<b>572.6</b>	<b>305.1</b>
Operating expenses	-142.1	-791.9	-489.5	-398.8	-233.7
<b>Operating profit/loss</b>	<b>-34.9</b>	<b>348.4</b>	<b>92.7</b>	<b>173.8</b>	<b>71.4</b>
Tax	0.4	-109.1	-39.1	-43.6	-21.4
Profit/loss from spun-off business	82.5	–	–	–	–
<b>Profit for the year</b>	<b>48.0</b>	<b>239.3</b>	<b>53.6</b>	<b>130.2</b>	<b>50.0</b>

## *Balance sheet, MSEK*

Loans to public	61.1	1,366.6	1,209.0	1,271.2	956.1
Shares and participations	1.5	2,328.2	766.6	1,040.6	629.3
Other assets	520.3	1,333.5	529.0	255.1	406.1
<b>Total assets</b>	<b>582.9</b>	<b>5,028.3</b>	<b>2,504.6</b>	<b>2,566.9</b>	<b>1,991.5</b>
Loans and deposits from the public	139.5	2,142.0	1,094.7	1,087.8	1,110.1
Other liabilities and provisions	97.3	2,235.7	785.7	820.0	304.5
<b>Total liabilities</b>	<b>236.8</b>	<b>4,377.7</b>	<b>1,880.4</b>	<b>1,907.8</b>	<b>1,414.6</b>
Equity	346.1	650.6	624.2	659.1	576.9
<b>Total liabilities, provisions and equity</b>	<b>582.9</b>	<b>5,028.3</b>	<b>2,504.6</b>	<b>2,566.9</b>	<b>1,991.5</b>

## *Key ratios*

Earnings per share, SEK	-2.30	14.95	3.29	8.00	3.08
Equity per share, SEK	16.49	45.63	38.38	40.53	35.47
Return on equity, %	negative	38	8	21	9
Operating margin, %	negative	30.6	15.9	30.3	23.4
Equity ratio, %	59	13	25	26	29
Capital adequacy ratio, %	99	27	26	38	60
Cash dividend per share, SEK (2000, proposal)	0.00	7.00	4.50	4.50	3.00
Number of shares	20,989,571	14,257,408	16,262,395	16,262,395	16,262,395
Exchange value at year-end, MSEK	672	1,326	894	1,496	712
Average number of employees	52	322	292	216	177
Earnings per employee, SEK Thousands	-671	1,082	318	805	403

# Articles of Association

Articles of Association of HQ.SE Holding AB Corporate Registration Number 556274-8458  
Adopted at an extraordinary General Meeting of the shareholders on 22 August 2000.

## § 1 Name

The Company's name is HQ.SE Holding AB. The Company is a public company (publ).

## § 2 Registered office

The registered office of the Company shall be situated in Stockholm.

## § 3 Operations

The objects of the Company's operations shall be to own and manage shares and participations in companies that conduct financial operations such as securities operations, banking operations, or mutual funds operations, and to conduct activities compatible therewith.

The Company shall also be entitled to issue guarantees and pledge other security for the obligations of Group companies toward third parties. In addition, the Company shall be entitled to issue guarantees to third parties where such guarantees relate to operations conducted by Group companies.

## § 4 Share capital

The Company's share capital shall be not less than SEK 30,000,000 and not more than SEK 120,000,000.

## § 5 Shares

Each share shall have a par value of two kronor and fifty öre (SEK 2.50). Shares may be issued in two classes: ordinary shares and subordinated shares, which shall also be designated as class C. Ordinary shares may be issued in an amount not exceeding 48,000,000 and subordinated shares in an amount not exceeding 10,000,000. Each ordinary share shall entitle the holder thereof to one vote and each subordinated share shall entitle the holder thereof to one tenth of one vote.

Subordinated shares shall not entitle the holders to participate in dividends. In the event of the dissolution of the Company, subordinated shares shall entitle the holders thereof to participate in the assets of the Company equally with other shareholders, however in an amount not exceeding the par value of the subordinated shares calculated on the day of the dissolution plus an interest factor corresponding to STIBOR 180 days plus three percentage points. The interest factor shall be determined each year every six months and twelve months after the day on which the calculation commenced (or, where such day is not a bank day, on the immediately preceding bank day). The recalculation shall take place from the day payment was made for the subordinated shares.

Where the Company adopts a resolution in respect of cash issue of new ordinary shares and subordinated shares, holders of ordinary shares and subordinated shares shall have preferential rights to subscribe for new shares of the same class in relation to the number of shares held prior thereto (primary preferential rights). Shares that are not subscribed for pursuant to primary preferential rights shall be offered for subscription to all shareholders (secondary preferential rights). Where such offered shares are insufficient to meet subscriptions pursuant to secondary preferential rights, the shares shall be allotted between the subscribers in proportion to the number of shares held prior thereto and, where such cannot take place, through the drawing of lots.

Where the Company adopts a resolution to issue only ordinary shares or only subordinated shares through a cash issue, all shareholders shall be entitled to subscribe for new shares in proportion to the number of shares held prior thereto, irrespective of whether such shares are ordinary shares or subordinated shares.

Subordinated shares shall not entitle the holders to participate in bonus issues.

The above provisions shall not entail any restriction on the possibility to adopt resolutions in respect of cash issues by way of derogation from shareholders' preferential rights.

## **§ 6 The Board of Directors**

The Board of Directors, which shall be elected each year at the Annual General Meeting for a term until the close of the next Annual General Meeting, shall consist of not less than five and not more than eight members.

## **§ 7 Auditors**

One or two auditors and not more than two alternate auditors or a registered accounting firm shall be appointed by the Annual General Meeting.

## **§ 8 Notices to attend Annual General Meetings of shareholders**

Notices to attend Annual General Meetings of shareholders shall be given through notices in Post-och Inrikes Tidningar (the Official Gazette) and in Svenska Dagbladet or Dagens Nyheter.

## **§ 9 Applications to attend Annual General Meetings of shareholders**

In order to participate at an Annual General Meeting of shareholders, a shareholder must be included in a printout of the entire share register relating to circumstances pertaining ten days prior to such meeting, and must notify the Company not later than 4 p.m. on the day stated in the notice to attend the meeting. Such a day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve, or New Year's Eve, and may not occur less than five weekdays prior to the meeting.

Shareholders may be accompanied at Annual General Meetings of shareholders by one or two assistants, however only where the shareholder has notified the Company as to the number of assistants in the manner stated in the preceding paragraph.

## **§ 10 Annual General Meetings**

The following matters shall be addressed at Annual General Meetings of shareholders:

1. Election of a Chairman at the meeting
2. Preparation and approval of voting register
3. Approval of the agenda
4. Election of one or two persons to attest the minutes
5. Determination of whether the meeting has been duly convened
6. Presentation of the annual report and audit report and, where applicable, the consolidated financial statements and audit report for the Group
7. Resolutions relating to
  - a) the adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet
  - b) disposition of the Company's profit or loss in accordance with the adopted balance sheet
  - c) discharge from liability of members of the Board of Directors and the President
8. Resolutions regarding the number of members of the Board of Directors
9. Determination of fees for the Board of Directors
10. Where applicable, determination of auditors' fees
11. Election of the Board of Directors
12. Where applicable, election of auditors
13. Other matters duly brought before the General Meeting of shareholders

## **§ 11 Voting rights**

At Annual General Meetings of shareholders, each person shall be entitled to vote for the full number of shares owned and represented by him without any limitations as to the number of votes.

## **§ 12 Financial year**

The Company's financial year shall be the calendar year.

## **§ 13 Record date provision**

Persons who, on the adopted record date, are registered in the share register or in a list in accordance with Chapter 3, section 12 of the Swedish Companies Act (SFS 1975:1385) shall be deemed authorised to accept dividends and, in the event of bonus issues, new shares inuring to shareholders, and to exercise shareholders' preferential rights to participate in such issues.

# Board of Directors, management and auditors

## Board of Directors



### Chairman

**Sven Hagströmer**, born 1943.

Chairman of the Board of Directors of TMT One AB, Investment AB Öresund, AB Custos. Member of the Board of Directors of Celltribe AB, Acando AB, LGP Telecom Holding AB, Tele 2 AB, Protect Data AB.

Elected: 1997.

Holdings as per 31 December 2000 (including companies):  
Shares: 150,000.



### Board members

**Jonas Wahlström**, born 1958.

Chairman of the Board of Directors of Johnson Pump AB, Ad 2 You AB. Member of the Board of Directors of TMT One AB, Spray Ventures AB, Sälenstjärnan AB, B2 Xpress AB, AB Custos.

Elected: 1999.

Holdings as per 31 December 2000:  
Shares: –



**Christer Gardell**, born 1960.

Chairman of the Board of Directors of Acando AB, Perbio Science AB. Member of the Board of Directors of Bilia AB, Perstorp AB, SCA AB, Svedala Industri AB, AB Custos.

Elected: 2000.

Holdings as per 31 December 2000:  
Shares: –

Call options: equivalent to 36,150 shares.



**Anders Högström**, born 1943.

Member of the Board of Directors of Factor ASA, Biondi Industries.

Elected: 2000.

Holdings as per 31 December 2000:  
Shares: –

Call options: equivalent to 12,050 shares.



**Kurt Malmgren**, born 1928.

Elected: 2000.

Holdings as per 31 December 2000:  
Shares: –



**Nicklas Storåkers**, born 1974.

President.

Elected: 2000.

Holdings as per 31 December 2000:  
Shares: 25,935.

Call options: equivalent to 75,192 shares.  
Warrants: equivalent to 238,650 shares.



**From left:**

Ronnie Bodinger, Susan Lindkvist,  
Erik Saers, Nicklas Storåkers and  
Hans Hedström.

## Management

**Nicklas Storåkers**, born 1974.

President.

Holdings as per 31 December 2000:

Shares: 25,935.

Call options: equivalent to 75,192 shares.

Warrants: equivalent to 238,650 shares.

**Erik Saers**, born 1960.

Business Area Manager HQ,SE Aktiespar.

Holdings as per 31 December 2000:

Shares (including companies): 900

Call options: –

Warrants: equivalent to 177,600 shares.

**Hans Hedström**, born 1957.

Business Area Manager HQ,SE Fonder.

Holdings as per 31 December 2000:

Shares: –

Call options: –

Warrants: equivalent to 149,850 shares.

**Ronnie Bodinger**, born 1973.

IT Manager.

Holdings as per 31 December 2000:

Shares: –

Call options: equivalent to 60,250 shares.

Warrants: equivalent to 33,300 shares.

**Susan Lindkvist**, born 1960.

Chief Financial Officer.

Holdings as per 31 December 2000:

Shares: –

Call options: equivalent to 24,100 shares.

Warrants: equivalent to 66,600 shares.

## Auditors

KPMG

Principal auditor:

**Caj Nackstad**, born 1945.

Authorised Public Accountant.

# Annual General Meeting

## **Annual General Meeting**

The Annual General Meeting of shareholders of HQ.SE Holding will be held on Wednesday, 4 April 2001 at 5 p.m. at the Auditorium, Modern Museum, Skeppsholmen, in Stockholm.

## **Right to participate in the Annual General Meeting**

In order to participate in the Annual General Meeting of shareholders of HQ.SE Holding, shareholders must be registered in the share register on Friday, 23 March 2001 and must notify HQ.SE Holding of their intention to attend the meeting not later than 4 p.m. on Monday, 2 April 2001.

## **How does shareholder registration take place?**

HQ.SE Holding's share register is maintained by VPC AB (the Swedish Central Securities Depository and Clearing Organisation). Only owner-registered holdings are listed under the shareholder's own name in the share register.

In order for shareholders whose shares are nominee-registered to be entitled to participate at the Annual General Meeting, the shares must be registered in the shareholder's own name by 23 March 2001. The nominee can assist in the re-registration of the shares.

## **How are applications made?**

Applications to participate at the Annual General Meeting may be submitted by telephone on +46 8 562 250 00, by telefax to +46 8 562 250 81, by e-mail: [bolagsstamma@hq.se](mailto:bolagsstamma@hq.se), or by mail.

## Future reports

Annual General Meeting	4 April 2001
Interim report, January-March 2001	24 April 2001
Interim report, January-June 2001	August 2001
Interim report, January-September 2001	October 2001



**HQ.SE Holding AB**

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Internet [www.hq.se](http://www.hq.se)

## **HQ.SE in brief**

HQ.SE's operations are conducted within the two business areas of HQ.SE Aktiespar and HQ.SE Fonder and consist of securities trading and fund management over the Internet. HQ.SE Aktiespar is Sweden's largest Internet broker measured in number of customers. HQ.SE Aktiespar offers trading in a broad range of different securities. Customers have the options of placing orders via the Internet, mobile Internet and telephone. HQ.SE Fonder is Sweden's second largest independent fund company and engages in active management of twelve mutual funds. At year-end, managed assets in HQ.SE Fonder amounted to MSEK 8,270. HQ.SE's competitive advantages consist of high accessibility, active management and qualified advice. Through the use of the Internet as the primary channel of communication, cost efficient customer contact and administration can be achieved, a fact that ensures HQ.SE's ability to maintain competitive prices for the customers. Operating revenues in 2000 amounted to MSEK 107 and managed assets in the Group amounted to approximately SEK 15 billion.

At the end of the year there were 74 employees.

The HQ.SE share is listed on the O List of the OM Stockholm Exchange.