



**ADMISSION TO TRADING OF THE
B SHARES IN ANNEHEM FASTIGHETER
AB (PUBL) ON NASDAQ STOCKHOLM**



Nordea

IMPORTANT INFORMATION TO INVESTORS

This prospectus (the "**Prospectus**") has been prepared by reason of the decision on Peab AB's (publ) ("**Peab**") extraordinary general meeting held on 12 November 2020 to distribute all shares in Annehem Fastigheter AB (publ) (a Swedish public limited liability company) ("**Annehem**" or the "**Company**") to Peab's shareholders as well as Annehem Fastigheter's board of directors' application for listing of Annehem Fastigheter's B shares on Nasdaq Stockholm. In the Prospectus, "**Annehem Fastigheter**", the "**Company**" or the "**Group**" refers to Annehem Fastigheter AB (publ), the group in which Annehem Fastigheter is the parent company or a subsidiary of the group, depending on the context. See section "**Definitions**" for the definitions of these and other terms in the Prospectus. "**Nordea**" refer to Nordea Bank Abp, branch in Sweden.

The figures included in the Prospectus have, in certain cases, been rounded off and, consequently, the tables contained in the Prospectus do not necessarily add up. Further, some percentages presented in this Prospectus has been calculated on the basis of underlying figures which has not been rounded off and, as a consequence, these can deviate from percentages calculated based on figures that has been rounded off. All financial amounts are in Swedish kronor ("**SEK**"), unless indicated otherwise, and "**MSEK**" indicates millions of SEK.

Except as expressly stated herein, no financial information in the Prospectus has been audited or reviewed by the Company's auditor. Financial information relating to the Company in the Prospectus that is not part of the information audited or reviewed by the Company's auditor as outlined herein originates from the Company's internal accounting and reporting systems.

This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with the Prospectus. A separate prospectus in Swedish has been prepared. In the event of discrepancies between the Prospectus and the Swedish Prospectus (as defined below), the Swedish prospectus shall prevail.

A Swedish language version of the prospectus (the "**Swedish Prospectus**") has been approved by and registered with the Swedish Financial Supervisory Authority (the "**SFSA**") as competent authority pursuant to the European Union Regulation (EU) 2017/1129. The SFSA only approves that the Swedish Prospectus meets the standards of completeness, comprehensibility and consistency imposed by the prospectus regulation. Further, this approval should not be considered as any endorsement, neither of the issuer referred to in the Swedish Prospectus nor of the quality of the securities that are the subject of the Swedish Prospectus, and investors should make their own assessment as to the suitability of investing in the securities.

INFORMATION TO INVESTORS IN THE UNITED STATES

The distribution of Annehem Fastigheter's shares has not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Annehem Fastigheter shares have not been approved or disapproved by the U.S. Securities and Exchange Commission ("**SEC**"), any state securities commission in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the distribution of the Annehem Fastigheter shares or the accuracy or the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Annehem Fastigheter will be relying on an exemption provided by Rule 12g3-2(b) under the United States Securities Exchange Act of 1934, as amended, and therefore will not be required to register its share with the SEC. In accordance with Rule 12g3-2(b), Annehem Fastigheter will make available certain documents on its website. These documents will consist primarily of English-language versions of the Group's annual reports, press releases and certain other information made public in Sweden. However, Annehem Fastigheter will not be required to file with the SEC annual reports on Form 20-F or furnish reports on Form 6-K.

The Annehem Fastigheter shares generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, and persons who receive securities as a result of the separation of Annehem Fastigheter from Peab (other than affiliates) may resell them without restriction under the Securities Act. A receiving shareholder who is an affiliate of Annehem Fastigheter as of the date and time at which the separation of Annehem Fastigheter and Peab becomes effective or who became affiliates thereafter will be subject to certain U.S. transfer restrictions relating to the shares received pursuant to the separation.

For the avoidance of doubt, Nordea is not registered as a broker or dealer in the United States of America and in its capacity as financial advisor will not be engaging in direct communications with shareholders located within the United States of America (whether on a reverse-inquiry basis or otherwise) relating to the distribution of the shares in Annehem Fastigheter and the listing of Annehem Fastigheter's B shares.

FORWARD-LOOKING STATEMENTS

The Prospectus contains certain forward-looking statements and opinions. Forward-looking statements are all statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as "believes", "estimates", "anticipates", "expects", "assumes", "forecasts", "intends", "could", "will", "should", "would", "according to estimates", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "to the knowledge of" or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Prospectus concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company's knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company's cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the Prospectus, including the following sections: "Summary", "Risk factors", "Business overview" and "Operating and financial review", which include more detailed descriptions of factors that might have an impact on the Company's business and the market in which it operates. None of the Company or Nordea can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic, lack of attractive products to sell, in particular economic conditions in the markets on which the Company operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or systemic delivery shortcomings.

After the date of this Prospectus, none of the Company or Nordea assume any obligation, except as required by law or Nasdaq Stockholm's Rule Book for Issuers, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

BUSINESS AND MARKET DATA

The Prospectus includes industry and market data pertaining to Annehem Fastigheter's business and markets. Such information is based on the Company's analysis of multiple sources, including JLL, Newsec and Svefa.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of industry and market data contained in the Prospectus that were extracted or derived from such industry publications or reports. Business and market data are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data is based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

Information obtained from third parties has been accurately reproduced and, as far as the Company is aware and can ascertain from information published by these third parties, no facts have been omitted that could render the reproduced information inaccurate or misleading.

TABLE OF CONTENTS

Summary	2
Risk factors	8
Background and reasons	18
Information about the distribution of the shares in Annehem Fastigheter	19
Market overview	20
Business overview	27
Selected financial information	40
Operating and financial review	47
Capitalisation, indebtedness and other financial information	52
Valuation reports	54
Current earnings capacity	61
Board of directors, senior executives and auditor	62
Corporate governance	67
Share capital and ownership structure	70
Articles of association	72
Legal considerations and supplementary information	74
Tax considerations in Sweden	77
Definitions	79
Historical financial information	80
Addresses	A-1

IMPORTANT DATES

Final day of trading in Peab's B shares, with right to distribution of B shares in Annehem Fastigheter	7 December 2020
Peab's B shares will be traded excluding the right to the distribution of B shares in Annehem Fastigheter	8 December 2020
Record date for receipt of B shares in Annehem Fastigheter	9 December 2020
Expected first day of trading in Annehem Fastigheter's B shares on Nasdaq Stockholm	11 December 2020

FINANCIAL CALENDAR

Year-end Report for January-December 2020	25 February 2021
2020 Annual Report	31 March 2021
Q1 Interim Report January-March 2021	28 April 2021
2021 Annual General Meeting	19 May 2021
Q2 Interim Report January-June 2021	22 July 2021

OTHER INFORMATION

Ticker B share	ANNE B
ISIN code the B shares	SE0015221684
LEI code	5493001IZXU12M8NYV95

CERTAIN DEFINITIONS

Annehem Fastigheter, the Company or the Group
Annehem Fastigheter AB (publ), the Group in which Annehem Fastigheter is the parent company or a subsidiary of the Group, depending on the context.

Euroclear Sweden
Euroclear Sweden AB.

Nasdaq Stockholm
The regulated market operated by Nasdaq Stockholm AB.

Nordea
Nordea Bank Abp, branch in Sweden.

Peab
Peab AB (publ), the Group in which Peab AB (publ) is the parent company or a subsidiary of the Peab Group, depending on the context.

Peab Group
Peab AB (publ) and its subsidiaries.

SEK
Swedish krona.

SUMMARY

INTRODUCTION AND WARNINGS

Introduction and warnings	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor. Any decision to invest in securities entails risks and an investor may lose all or part of the invested capital. Where statements in respect of information contained in a Prospectus are challenged in a court of law, the plaintiff investor may, in accordance with member states' national legislation, be forced to pay the costs of translating the Prospectus before legal proceedings are initiated. Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not, together with other parts of the Prospectus, provide key information to help investors when considering whether to invest in the securities.</p>
The Issuer	<p>Annehem Fastigheter AB (publ) Reg. No. 559220-9083, Drottning Kristinas Esplanad 10, SE-170 67 Solna, Sweden. Telephone number: +46 010-456 18 00. LEI-code: 5493001IZXU12M8NYV95 Ticker: ANNE B ISIN code: SE0015221684</p>
Competent Authority	<p><i>Finansinspektionen</i> is the Swedish Financial Supervisory Authority (the "SFSA") and the competent authority responsible for approving the Swedish language version of the prospectus (the "Swedish Prospectus"). The SFSA's registered address is Finansinspektionen, Brunnsgratan 3 SE-111 38, Stockholm, Sweden. The SFSA may be contacted by phone, at +46 8 408 980 00 or by email at finansinspektionen@fi.se. The Swedish Prospectus was approved by the SFSA on 2 December 2020.</p>

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?																																					
Issuer information	<p>Issuer of the securities is Annehem Fastigheter AB (publ), Reg. No. 559220-9083. The Company's registered office is in Ängelholm. The Company is a Swedish public limited liability company founded in Sweden under Swedish law, incorporated in Sweden and operating under Swedish law. The Company's form of association is governed by the Swedish Companies Act (2005:551). The Company's LEI-code is 5493001IZXU12M8NYV95.</p>																																				
The issuer's principal activities	<p>Annehem Fastigheter is a growth-driven property company specialising in commercial, community service and residential properties in the Nordic growth regions of Stockholm, Skåne, Gothenburg, Helsinki and Oslo. The Company believes that these geographic markets are particularly attractive given the high demand for commercial, community service and residential properties in the regions. Demand is supported by the ongoing urbanisation, population growth and sustainability trend in the Nordics.</p> <p>As of the date of this Prospectus, Annehem Fastigheter's property portfolio consists of 22 investment properties with a value of SEK 3,281 million¹⁾ and a lettable area of 184 thousand sqm²⁾.</p> <p>¹⁾ Refers to fair value on 30 September 2020 for properties that the Company owned on 30 September 2020 and agreed underlying property value for the property that the Company acquired and took into possession after 30 September 2020.</p> <p>²⁾ Including parking spaces.</p>																																				
Major shareholders and control over the issuer	<p>As of the date of this Prospectus, Annehem Fastigheter is a wholly owned subsidiary of Peab. The table below shows Peab's shareholders who have a direct or indirect holding that corresponds to five percent or more of the shares or votes in Peab on 30 September 2020. If the record date for the distribution of Annehem Fastigheter had been 30 September 2020, the largest shareholders in Annehem Fastigheter would initially have been the ones shown in the table below. The ownership structure for Annehem Fastigheter will initially be the same as for Peab on the record date of the proposed distribution.</p> <table border="1"> <thead> <tr> <th>Shareholders</th> <th>Number of A shares</th> <th>Number of B shares</th> <th>Total number of shares</th> <th>Share of capital, %</th> <th>Share of votes, %</th> </tr> </thead> <tbody> <tr> <td>Ekhaga Utveckling AB</td> <td>25,563,264</td> <td>36,057,059</td> <td>61,620,323</td> <td>20.8</td> <td>48.2</td> </tr> <tr> <td>AB Axel Granlund</td> <td>1,500,000</td> <td>18,000,000</td> <td>19,500,000</td> <td>6.6</td> <td>5.5</td> </tr> <tr> <td>Mats Paulsson with family</td> <td>3,861,354</td> <td>8,109,175</td> <td>11,970,529</td> <td>4.0</td> <td>7.7</td> </tr> <tr> <td>Other shareholders</td> <td>3,395,339</td> <td>199,563,539</td> <td>202,958,878</td> <td>68.6</td> <td>38.6</td> </tr> <tr> <td>Total</td> <td>34,319,957</td> <td>261,729,773</td> <td>296,049,730</td> <td>100.0</td> <td>100.0</td> </tr> </tbody> </table>	Shareholders	Number of A shares	Number of B shares	Total number of shares	Share of capital, %	Share of votes, %	Ekhaga Utveckling AB	25,563,264	36,057,059	61,620,323	20.8	48.2	AB Axel Granlund	1,500,000	18,000,000	19,500,000	6.6	5.5	Mats Paulsson with family	3,861,354	8,109,175	11,970,529	4.0	7.7	Other shareholders	3,395,339	199,563,539	202,958,878	68.6	38.6	Total	34,319,957	261,729,773	296,049,730	100.0	100.0
Shareholders	Number of A shares	Number of B shares	Total number of shares	Share of capital, %	Share of votes, %																																
Ekhaga Utveckling AB	25,563,264	36,057,059	61,620,323	20.8	48.2																																
AB Axel Granlund	1,500,000	18,000,000	19,500,000	6.6	5.5																																
Mats Paulsson with family	3,861,354	8,109,175	11,970,529	4.0	7.7																																
Other shareholders	3,395,339	199,563,539	202,958,878	68.6	38.6																																
Total	34,319,957	261,729,773	296,049,730	100.0	100.0																																
Key managing directors	<p>The Company's board of directors consists of Göran Grosskopf (chairman), Pia Andersson, Karin Ebbinghaus, Jesper Göransson, Anders Hylén and Lars Ljungälv. The Company's executive management consists of Jörgen Lundgren (CEO), Jan Egenäs and Adela Colakovic¹⁾.</p> <p>¹⁾ From 1 March 2021, Viveka Frankendal assumes the position as COO and Head of Property. Viveka Frankendal will be part of the Company's executive management team.</p>																																				
Auditor	KPMG AB with auditor in charge Peter Dahllöf.																																				

Key financial information on the issuer						
Key financial information in summary	Consolidated income statement					
	SEK million, unless otherwise stated	1 Jan 2019 – 31 Dec 2019 ¹⁾	1 Jan 2018 – 31 Dec 2018 ¹⁾	1 Jan 2017 – 31 Dec 2017 ¹⁾	1 Jan 2020 – 30 Sep 2020 ²⁾	1 Jan 2019 – 30 Sep 2019 ²⁾
	Total income	109.7	97.8	100.5	127.3	74.8
	Income from property management	31.5	34.8	37.8	20.3	23.5
	Net income for the period attributable to the parent company's shareholders	102.7	56.6	42.7	27.6	14.5
	Earnings per share, before and after dilution, SEK ³⁾	1.74	0.96	0.72	0.47	0.25
	¹⁾ Derived from the Group's audited combined financial statements for the financial years ending 31 December 2017, 2018 and 2019. ²⁾ Derived from the Group's unaudited combined financial statements for the nine-month period ending 30 September 2020 with comparative figures for the nine-month period ending 30 September 2019. ³⁾ When calculating the period's earnings per share, the number of shares has been based on the number of shares that Annehem Fastigheter has as of the date of the Prospectus.					
Key financial information in summary	Consolidated balance sheet					
	SEK million	1 Jan 2019 – 31 Dec 2019 ¹⁾	1 Jan 2018 – 31 Dec 2018 ¹⁾	1 Jan 2017 – 31 Dec 2017 ¹⁾	1 Jan 2020 – 30 Sep 2020 ²⁾	1 Jan 2019 – 30 Sep 2019 ²⁾
	Total assets	2,563.7	1,013.4	928.8	3,230.9	1,622.3
	Equity attributable to the parent company's shareholders	955.5	389.3	321.2	2,022.8	517.5
	¹⁾ Derived from the Group's audited combined financial statements for the financial years ending 31 December 2017, 2018 and 2019. ²⁾ Derived from the Group's unaudited combined financial statements for the nine-month period ending 30 September 2020 with comparative figures for the nine-month period ending 30 September 2019.					
Key financial information in summary	Consolidated cash flow statement					
	SEK million	1 Jan 2019 – 31 Dec 2019 ¹⁾	1 Jan 2018 – 31 Dec 2018 ¹⁾	1 Jan 2017 – 31 Dec 2017 ¹⁾	1 Jan 2020 – 30 Sep 2020 ²⁾	1 Jan 2019 – 30 Sep 2019 ²⁾
	Cash flow from operating activities	41.9	21.5	30.3	-49.50	18.5
	Cash flow from investing activities	-1,401.4	-15.7	-8.9	-533.9	-577.7
	Cash flow from financing activities	893.1	-11.4	1.2	1,566.0	462.6
	¹⁾ Derived from the Group's audited combined financial statements for the financial years ending 31 December 2017, 2018 and 2019. ²⁾ Derived from the Group's unaudited combined financial statements for the nine-month period ending 30 September 2020 with comparative figures for the nine-month period ending 30 September 2019.					

What are the key risks that are specific to the issuer?	
Main risks related to the issuer	<ul style="list-style-type: none"> • Annehem Fastigheter is exposed to risks related to changes in the value of and incorrect valuations of the Company's properties. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's financial position and earnings. • Reduced or lost rent revenue, terminated or non-renewed leases and increased rental vacancies could have a negative impact on Annehem Fastigheter. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's operations and earnings. • Annehem Fastigheter is dependent on key individuals and a few senior executives. If one or more of these risks should materialise, if inter alia a key individual or a senior executive were to leave Annehem Fastigheter, it could have a material negative impact on Annehem Fastigheter's operations and earnings. • Annehem Fastigheter is exposed to risks related to macroeconomic factors. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's operations and earnings. • Changed behavioural patterns could affect demand for the Company's properties. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's operations and earnings. • The corona pandemic could have a negative impact on Annehem Fastigheter and it is difficult to predict the effects of the corona pandemic. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's operations, financial position and earnings. • Annehem Fastigheter operates in a highly competitive sector and intensified competition could have a negative impact on Annehem Fastigheter. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's financial position and earnings. • The Company is exposed to liquidity, financing and refinancing risks. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's operations and financial position. • Political decisions and legislation could be changed and have a negative impact on Annehem Fastigheter. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's operations and financial position. • Changes in interest rates may negatively impact the Company. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's cash flow and may lead to fluctuations in Annehem Fastigheter's earnings. • Annehem Fastigheter could be subject to legal or administrative processes that could have a negative impact on Annehem Fastigheter, regardless of their outcome. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's operations and financial position. • There is a risk that the anticipated benefits of the distribution of Annehem Fastigheter may not be realised. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's operations and financial position. • Annehem Fastigheter is smaller and more specialised after the distribution, which means that there is no possibility of offsetting effects. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's operations and financial position. • Annehem Fastigheter is exposed to risks attributable to the implementation of acquisitions and divestments, as well as other transaction-related risks and there is a risk that Annehem Fastigheter will not be able to fulfil its growth strategy. If one or more of these risks should materialise, it could have a material negative impact on Annehem Fastigheter's earnings and it could mean that the Company would be unable to fulfil its strategy.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?	
Securities subject to admission to trading	B shares in Annehem Fastigheter. ISIN code SE0015221684. The shares are denominated in SEK. The quotient value of the shares is approximately SEK 0.00848.
Number of securities issued	As of the date of this Prospectus there are 6,863,991 A shares and 52,128,557 B shares in Annehem Fastigheter.
Rights associated with the securities	Each B share in the Company entitles the holder to one vote at shareholders' meetings, while each A share in the Company entitles the holder to ten votes and every shareholder has the right to cast votes according to the total number of shares they hold in the Company. All shares in the Company carry equal rights to distributions and the Company's assets and any surpluses in the event of liquidation. The rights associated with the shares issued by the Company, including rights under the Articles of Association, may only be amended in accordance with the procedures set out in the Swedish Companies Act (2005:551).
Restrictions on free transferability	The shares in the Company are not subject to any restrictions on transferability.
Distribution and distribution policy	The profits shall essentially be reinvested in order to utilise business opportunities and achieve Annehem Fastigheter's growth targets.
Where will the securities be traded?	
Admission to trading	Annehem Fastigheter's B shares will be traded on Nasdaq Stockholm, provided that certain customary conditions, as decided by the Nasdaq's Listing Committee, are met. The ticker for the B shares will be ANNE B.
What are the key risks that are specific to the securities?	
Main risks related to the securities	<ul style="list-style-type: none"> An active, liquid and orderly market may not develop for the trading of Annehem Fastigheter's B shares, the price of the B shares could become volatile and potential investors could lose part or all of their investment. If one or more of these risks should materialise, it could create difficulties in selling B shares at the time chosen by the shareholder or at a price that could be obtained if there were more favourable liquidity.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?	
General conditions	The prospectus is not ascribable to any offer. The shares in Annehem Fastigheter are distributed in proportion to each shareholder's holdings of shares in Peab on the record date for distribution as determined by the board of directors of Peab.
Information about admission to trading on Nasdaq Stockholm	The board of directors of Annehem Fastigheter has applied for Annehem Fastigheter's B shares to be admitted to trading on Nasdaq Stockholm. On 25 November 2020, Nasdaq Stockholm's Listing Committee decided to approve Annehem Fastigheter's application for admission to trading of the Company's shares on Nasdaq Stockholm provided that certain customary conditions are met. The first day of trading is expected to be 11 December 2020.
Issue costs	The total costs for the proposed demerger of the Peab Group is estimated to amount to approximately SEK 50 million. As of 30 September 2020, Annehem Fastigheter has reported SEK 7.7 million in costs and it is estimated that Annehem Fastigheter will be charged with an additional SEK 12.3 million after 30 September 2020. Annehem Fastigheter's costs primarily relate to costs for auditors, attorneys, printing of the Prospectus, costs related to management presentations, etc. The Company estimates that Peab will be charged for the remaining costs.
Why is this prospectus being produced?	
Background and motives	<p>On 27 August 2020, the board of Peab announced its intention to propose to the extraordinary general meeting to resolve on a distribution of all of Peab's shares in Annehem Fastigheter to Peab's shareholders and to list Annehem Fastigheter's B shares on Nasdaq Stockholm. On 12 November 2020, Peab's extraordinary general meeting resolved in accordance with the board's proposal. The first day of trading in Annehem Fastigheter's B shares on Nasdaq Stockholm is expected to be 11 December 2020.</p> <p>The boards of Peab and Annehem Fastigheter believe the separation of the business, and in accordance with Lex Asea distribute and separately list Annehem Fastigheter, provides the conditions for each company to focus on its core operations and thereby offers the best alternative to achieve long-term value growth. Peab will then be able to focus its operations on building and developing properties, while Annehem Fastigheter can concentrate on owning and managing fully developed properties.</p>
Interests and conflict of interests	<p>In connection with the admission of the B shares to trading on Nasdaq Stockholm, Nordea will provide financial advisory and other services to the Company, for which Nordea will receive customary remuneration. As of the date of this Prospectus, Nordea is lender to Annehem Fastigheter.</p> <p>Advokatfirman Vinge KB has acted as legal advisor in connection with admission to trading of the B shares on Nasdaq Stockholm. Advokatfirman Vinge KB may provide additional legal advice to the Company.</p>

RISK FACTORS

This section contains the risk factors and significant circumstances considered to be material to the Group's business and future development. The risk factors relate to the Group's business, industry and markets, as well as include further operational risks, legal risks, regulatory risks, risks related to governance, tax risks, financial risk, distribution of the shares and risk factors related to the securities. The assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. In accordance with the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), the risk factors mentioned below are limited to risks which are specific to the Company and/or to the securities and which are material for taking an informed investment decision.

The description below is based on information available as of the date of this Prospectus. The risk factors that are currently considered to be the most material are presented first in each category and the subsequent risk factors are presented in no particular order.

The risks and uncertainties described below could have a material adverse effect on the Group's operations, financial position and/or earnings. They could also cause the value of Company's shares to decrease, which could entail that shareholders in the Company lose all or part of their invested capital.

RISKS RELATED TO ANNEHEM FASTIGHETER'S OPERATIONS

Annehem Fastigheter is exposed to risks related to changes in the value of and incorrect valuations of the Company's properties

Annehem Fastigheter is exposed to risks related to changes in the value of and incorrect valuations of its properties. Annehem Fastigheter's investment properties are measured at fair value in the balance sheet and realised and unrealised changes in value are recognised in profit or loss. According to Annehem Fastigheter's valuation policy, external valuation reports are to be obtained at least once each year. The fair value of the Company's investment properties amounted to SEK 3,003.1 million on 30 September 2020, while Annehem Fastigheter's total recognised assets amounted to SEK 3,230.9 million. This entails that approximately 93 percent of Annehem Fastigheter's total recognised assets comprised investment properties.

Property-specific factors that could lead to a decline in the value of the Company's properties include lower rent levels, higher vacancy levels and higher property expenses (refer to the risk factors "*– Reduced or lost rent revenue, terminated or non-renewed leases and increased rental vacancies could have a negative impact on Annehem Fastigheter*" and "*– Annehem Fastigheter is exposed to increased property and operating costs*"). In addition, market-specific factors, such as higher interest rates and higher return requirements could lead to a reduction in the value of the Company's properties (refer to the risk factors "*Risks related to Annehem Fastigheter's industry and market – Annehem Fastigheter is exposed to risks related to macroeconomic factors*") and the corona pandemic may cause uncertainties that may entail a reduction in the value of the Company's properties (refer to the risk factor "*Risks related to Annehem Fastigheter's financial*

position – The corona pandemic could have a negative impact on Annehem Fastigheter and it is difficult to predict the effects of the corona pandemic").

Moreover, property valuations are based on a number of assumptions that could prove incorrect. Such assumptions include property-specific assumptions on, for example, rent levels, occupancy rate and operating costs, as well as market-specific assumptions regarding macroeconomic performance, general economic trends, regional economic development, employment levels, rates of production of new properties, changes in infrastructure, inflation and interest rates in Sweden, Norway and Finland. Accordingly, there is a risk that Annehem Fastigheter's valuations will not correspond to the current value of its properties or reflect the amounts for which the properties can be sold. The valuation methods that are currently generally accepted and have been applied in compiling valuation reports for the Company's property portfolio could subsequently prove inappropriate. Further, it cannot be ruled out that the underlying assumptions in earlier or future valuations of properties could prove incorrect. Accordingly, there is a risk that the fair value of the Company's properties as recognised in the balance sheet is incorrect or that it could decline in the future.

Large decreases in its property values could affect Annehem Fastigheter's ability to maintain its financing and secure new financing on satisfactory terms, especially since nearly all of Annehem Fastigheter's recognised assets comprise investment properties. Furthermore, a decrease in value could result in the Company breaching certain covenants of Annehem Fastigheter's credit agreements, which, in turn, could lead to this financing having to be repaid before the end of the term, thereby impacting Annehem Fastigheter's financial position. This could force the Company to seek funding from other

sources, for example, through new share issues or by divesting the Company's properties at unfavourable prices. Accordingly, a decline in value of or incorrect valuations of the Company's properties could have a material negative impact on the Company's financial position and earnings.

Reduced or lost rent revenue, terminated or non-renewed leases and increased rental vacancies could have a negative impact on Annehem Fastigheter

Rent revenue comprises Annehem Fastigheter's main source of income and amounted to SEK 108.4 million for January-September 2020. This rent revenue must cover property expenses, comprising, for example, operating costs and maintenance costs. In the event that tenants do not pay their rent on time, or at all, or otherwise do not fulfil their obligations in accordance with leases in effect, this could lead to rent revenue decreasing or failing to materialise at all, and would thus have a material negative impact on the Company's earnings.

A recurring reason for lost rent revenue is a higher vacancy rate. The vacancy rate could increase through tenants moving out, and due to these premises being difficult to lease immediately or within a reasonable period of time. In addition, a lengthy economic downturn could lead to an increased vacancy rate, which could result in rent revenue decreasing or failing to materialise at all. The risk of fluctuations in the vacancy rate increases with the prevalence of individual large tenants. On 30 September 2020, the rent value attributable to Peab related leases amounted to SEK 83 million, which corresponds to approximately 42 percent of the total rental value on 30 September 2020 and the ten largest tenants corresponded to approximately 66 percent of the total rent value as of 30 September 2020. The average weighted remaining contract period on 30 September 2020 amounted to 7.2 years for the ten largest tenants in terms of rental value and 4.7 years in total. In addition, Annehem Fastigheter has several leases with a term of more than five years. This entails an increased risk of a higher vacancy rate if these tenants do not renew their respective leases or if Annehem Fastigheter does not succeed in renting these properties. There is a risk that Annehem Fastigheter will be negatively impacted if one or more of these does not renew or complete its respective lease. Annehem Fastigheter had as on 30 September 2020 received rental guarantees for vacant spaces from Peab regarding three properties. The rental guarantees are valid for 36 months from certain given times. There is a risk that Annehem Fastigheter will not succeed renting out properties prior to any rental guarantees expire, which thus would have a negative impact on Annehem Fastigheter's operations and earnings. Annehem Fastigheter has also entered leases for properties that are under construction. If the construction is delayed, the future tenant may be entitled to terminate the lease which could increase the vacancy rate and thus have a negative impact on Annehem Fastigheter's operations and earnings.

If the major tenants encounter financial difficulties or are otherwise unable to fulfil their contractual obligations, this could result in significant consequences for Annehem Fastigheter in the form of substantially lower rent revenue than estimated.

In the event that Annehem Fastigheter does not succeed in achieving, or maintaining, its planned occupancy rate in its investment properties or if Annehem Fastigheter's vacancies increase to a large extent and the Company fails to replace such vacancies, this could have a material negative impact on Annehem Fastigheter's operations and earnings.

Annehem Fastigheter is dependent on key individuals and a few senior executives

Annehem Fastigheter's operations comprise a small organisation with a limited number of key persons and a limited number of senior executives, who comprise the executive management team. This small number of individuals has many years of experience of areas that include property management, property acquisitions and financing. Annehem Fastigheter's executive management team, which is made up of the senior executives, comprised three persons on 30 September 2020 and on the date of this Prospectus, while the number of employees of Annehem Fastigheter on 30 September 2020 was 15 persons.¹⁾ Accordingly, there is a risk of a material negative impact on Annehem Fastigheter if several employees or a member of the executive management team or a key person were to leave Annehem Fastigheter. In addition, Annehem Fastigheter's success is also dependent on the Company's ability to attract, retain and motivate appropriate personnel. This is dependent on several factors, including the recruitment process, culture and leadership, salaries and other remuneration, benefits and the location of the workplace. Additionally, Annehem Fastigheter's capacity is complemented by purchased services from consultants, for example, for the purpose of lending the Company flexibility and capacity.

If several employees leave Annehem Fastigheter, regardless of the reason, or if Annehem Fastigheter does not succeed in attracting, retaining and motivating new employees as required, there is a risk that Annehem Fastigheter will not be able to conduct its operations as planned. This risk is particularly apparent in relation to Annehem Fastigheter's senior executives. In the event that any of these risks should materialise, this could thus have a material negative impact on Annehem Fastigheter's operations and earnings.

Administrative processes and inadequate and/or non-functioning IT and finance systems could have a negative impact on Annehem Fastigheter

As part of its work on the separation from Peab, Annehem Fastigheter has established a new finance department. Several employees who were formerly employed by Peab have been employed by Annehem Fastigheter, but additions have been made to the organisation through new recruitment. Annehem Fastigheter's finance department is responsible for several processes, including rent invoicing for tenants, financial reporting and liquidity management. In addition, Annehem Fastigheter has assigned external service providers to execute payroll management and to take responsibility for IT operation. Inadequate procedures or deficient efforts by Annehem Fastigheter's employees or external suppliers could lead to operational disruptions and incorrect or delayed reporting of, for example, covenants in financial agreements, which could have a material negative impact on Annehem Fastigheter's operations and earnings.

Annehem Fastigheter has, as part of its work on the separation from Peab, also established its own IT infrastructure and installed new accounting and consolidation systems. These systems are used for such activities as rent invoicing for the Company's tenants and for continuous bookkeeping and to prepare financial statements in the form of monthly, quarterly and annual accounts. In the event that these systems function incorrectly, or if they do not function at all, it could inter alia entail increased costs for repair, and risks of disruption and deficiencies

¹⁾ From 1 March 2021, Viveka Frankendal assumes the position as COO and Head of Property. Viveka Frankendal will be part of the Company's executive management team.

in monitoring and internal control, which is why this could have a material negative impact on Annehem Fastigheter's operations and earnings. In addition to the fact that Annehem Fastigheter's IT and finance system could function poorly or cease functioning in its entirety, there is a risk that these systems could be found to be obsolete earlier than planned. If this were to happen, there is a risk that Annehem Fastigheter would need to replace these systems earlier than planned. The replacement of IT and finance systems could be costly and time-consuming and there is also the risk that new systems may not function as planned. There is a risk that Annehem Fastigheter's operations and earnings will be negatively impacted if these systems are found to be obsolete earlier than planned.

Incorrect or inadequate processing of sensitive information could have a negative impact on Annehem Fastigheter

Annehem Fastigheter processes and stores different types of information and data in both electronic and physical form, including data on tenants and, to the extent that it occurs, inside information. Annehem Fastigheter processes, for example, personal data relating to employees, consultants and tenants. When Annehem Fastigheter processes such data, it is very important that the processing is conducted pursuant to, inter alia, Swedish legislation and EU regulations, such as the General Data Protection Regulation (EU) 2016/679 ("GDPR"). There are, for example, strict requirements on informing people about which personal data Annehem Fastigheter processes and that this processing is conducted in a manner commensurate with the purpose for which the personal data was collected. In the case that Annehem Fastigheter's processing of these personal data is deficient, there is a risk that Annehem Fastigheter will need to pay penalties for breach of the GDPR, for example, caused by such events. There is also a risk that Annehem Fastigheter is deficient in its management of confidential or sensitive data or such data is published or becomes available to other parties due to, for example, hacking or ransomware. If Annehem Fastigheter is deficient in its processing of personal data, is subject to breaches of law, does not meet the provisions of signed agreements or if confidential or sensitive data is published or becomes available to other parties, this could have a material negative impact on Annehem Fastigheter's reputation and earnings.

The Company is subject to risks related to maintenance, repairs, damage and defects in properties

Properties require repair and maintenance to varying degrees for the duration of the lease or after the existing lease has expired. Regular property maintenance is necessary to maintain the market value and rent levels in the Company's property portfolio. However, the scope of necessary maintenance and repair work could increase, for example, owing to changed energy efficiency regulations or as a consequence of damage caused by tenants or other parties. In addition, there is a risk that the maintenance costs will increase more than the Company anticipated due to, for example, cost increases for maintenance services and products, or the fact that the Company may need to invest more in property maintenance than it had foreseen and/or budgeted for. If some maintenance needs are not identified in time or the level of maintenance is insufficient, it could lead to lower values in these properties and the Company may also need to lower the rent levels for these properties.

Operating in the property sector also entails technical risks. Annehem Fastigheter follows a maintenance plan to manage its planned maintenance, which the Company believes reduces the

risk of emergency breakdown maintenance, but the Company is exposed to technical risks nonetheless. Technical risks refers to risks associated with the technical operation of properties, for example, neglecting to conduct compulsory ventilation checks (also referred to as OVK) and lift inspections, faulty drains or non-functioning cooling and heating installations. In the event that Annehem Fastigheter's costs increase due to technical risks that have materialised, these can lead to reduced rent revenue, lost growth opportunities and/or a cost increase for the Company, which could have a material negative impact on Annehem Fastigheter's operations and earnings.

Annehem Fastigheter is exposed to increased property and operating costs

Annehem Fastigheter is responsible for the operating and maintenance costs for most of its properties. Annehem Fastigheter's operating costs primarily comprise expenses for electricity, heating and property maintenance and Annehem Fastigheter's operating costs amounted to SEK 27.9 million for January-September 2020. Annehem Fastigheter has limited or no control over these costs and the extent to which these cost increases are directly or indirectly offset in accordance with the terms and conditions of each lease, or offset through renegotiation of the lease, this could have a material negative impact on Annehem Fastigheter's financial position and earnings.

Annehem Fastigheter is exposed to risks in relation to the external management of its properties

Management of the Company's properties in Sweden is mainly carried out by the Company's employees. The Company has an employee who is property manager in the Capital Region, but management in Oslo and Helsinki is carried out by external parties until a critical mass of properties has been accumulated in each city. The external service suppliers are engaged for property management services including operation and maintenance. Annehem Fastigheter had external managers for properties with a fair value amounting to SEK 913.1 million on 30 September 2020, after which a property in Oslo, with an agreed underlying property value of NOK 293 million was acquired. Despite Annehem Fastigheter's careful monitoring, there is a risk that the Company's external property managers cannot fulfil their obligations in a satisfactory manner or that these external property managers do not meet Annehem Fastigheter's quality and customer service requirements, which could lead to delayed, reduced or lost rent revenue or other negative consequences that could have an effect on confidence in Annehem Fastigheter.

Annehem Fastigheter is exposed to risks attributable to the implementation of acquisitions and divestments, as well as other transaction-related risks and there is a risk that Annehem Fastigheter will not be able to fulfil its growth strategy

Annehem Fastigheter is a growth-driven property company with a well-defined strategy for growing and developing its portfolio. Part of this strategy is property acquisition and Annehem Fastigheter may acquire or divest investment properties from time to time. For example, the Company has acquired but not taken into possession four properties from Peab, which will be fully developed between 2021 and 2024. The agreed underlying property value for these properties is SEK 791 million. In addition, Annehem Fastigheter has identified several development rights owned by Peab pertaining to future properties deemed highly suited to

the Company's property portfolio and strategy and which are scheduled to be fully developed after 2021. Annehem Fastigheter has signed letters of intent with Peab to acquire these properties on market terms.¹⁾ When completed, the properties will comprise 86 thousand sqm and Annehem Fastigheter has assigned them a total estimated underlying property value at completion of SEK 4,900 million.²⁾

Acquisitions expose Annehem Fastigheter to several risks. For example, the Company makes certain assumptions and takes certain positions in connection with an acquisition, based on its due diligence on the properties to be acquired and other information available at the time of acquisition, including assumptions about future rent revenue and operating costs. These assumptions and positions involve risks and uncertainties that could lead to them being proven incorrect, and that the Company thus cannot achieve all or any of the expected advantages of the acquisition. The risks in connection with a property acquisition include risks linked to future loss of tenants, environmental conditions and technical deficiencies, environmental rehabilitation, remodelling and management of technical problems, official decisions and the occurrence of disputes related to the acquisition or the condition of the property. In addition, there are risks, for example, of increased taxes, disputes, increased indebtedness and increased interest expenses. Such risks could result in delays or increased or unexpected costs related to the transaction. Moreover, the expected economies of scale and cost savings could fail to materialise, either in part or completely, or be achieved later than estimated, which could result in higher costs than planned.

In the acquisition agreements, the seller normally furnishes limited-time guarantees for the property and the company acquired. There is a risk that these guarantees will not sufficiently or completely cover all deficiencies that could arise. Moreover, there is a risk that a guarantee from the seller's side cannot be accomplished owing to the seller being insolvent. Accordingly, there is a risk that any guarantees from a seller to Annehem Fastigheter may not be fulfilled.

Furthermore, there is a risk that Annehem Fastigheter will be unable to fulfil its intended strategy, which partly comprises property acquisitions, if Annehem Fastigheter's systems, measures or checks required to support Annehem Fastigheter's expansion are insufficient, and they may require further development. Annehem Fastigheter also intends to, in the long-term, further diversify its property portfolio by acquisition of community service and residential properties and if Annehem Fastigheter does not carry through the acquisitions of community service or residential properties, the Company's property portfolio mainly will comprise of commercial properties. Acquisitions of community- and residential properties may also entail other requirements on the property management, which may imply challenges for Annehem Fastigheter. In addition, Annehem Fastigheter is dependent on identifying appropriate acquisition candidates and securing the necessary financing, which could entail that Annehem Fastigheter cannot acquire properties at all. There is also a risk that competition leads

to lower required rate of return which implies that Annehem Fastigheter will not be able to carry through acquisitions at satisfactory or acceptable return levels, refer to the risk factor "Risks related to Annehem Fastigheter's industry and market – Annehem Fastigheter operates in a highly competitive sector and intensified competition could have a negative impact on Annehem Fastigheter" for more information about risks related to competition. Annehem Fastigheter has entered into letters of intent with Peab regarding acquisition of properties on market terms.³⁾ Upon completion, the properties will amount to a total area of 86 thousand sqm and Annehem Fastigheter estimates the total underlying property value to be SEK 4,900 million by time of completion.⁴⁾ These letters of intent are non-binding and there is thus a risk that Annehem Fastigheter will not be able to carry out these acquisitions. If Annehem Fastigheter's intended strategy is not fulfilled, there is a risk that Annehem Fastigheter will not succeed in fulfilling its intended strategy or diversify the composition of its property portfolio.

Since Annehem Fastigheter routinely evaluates the possibility of acquiring properties, the above risks are recurring and Annehem Fastigheter is thereby exposed to the risk of unexpected increases in transaction costs or cancelled acquisitions. In addition to the risks associated with the acquired properties themselves, some acquisitions may be very complex or difficult to integrate, thereby requiring a great deal of time and resources from management, and being associated with significant acquisition costs.

If Annehem Fastigheter does not succeed in identifying appropriate acquisition objects or securing the necessary financing for such acquisitions, or if negative risks in an acquisition materialise, there would be a material negative impact on Annehem Fastigheter's earnings and it could mean that the Company could be unable to fulfil its strategy.

Annehem Fastigheter and its property portfolio are exposed to a small number of geographic markets, which entails a concentration of the risks related to these markets

As of the date of this Prospectus, Annehem Fastigheter's property portfolio consists of 22 investment properties with a value of SEK 3,281 million⁵⁾ and a lettable area of 184 thousand sqm⁶⁾. In addition, the Company has acquired but not taken into possession four properties that will be taken into possession between 2021 and 2024. The agreed underlying property value for these properties is SEK 791 million and the lettable area is 16 thousand sqm. The Company's properties are organised into two geographic areas, Capital Region, comprising properties in Stockholm, Helsinki and Oslo, and South Region, which comprises properties in Skåne and Gothenburg. This entails that Annehem Fastigheter's portfolio is concentrated in, and that Annehem Fastigheter is exposed to, a limited number of geographic markets. The Company's property portfolio and portfolio structure entails that all risks described in this Prospectus are concentrated in the markets where Annehem Fastigheter operates, meaning that Annehem Fastigheter is particularly exposed to, for example, negative value changes of

¹⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

²⁾ The property value is based on Annehem Fastigheter's assessment on 30 September 2020 of the underlying property value of each property as per the date of completion.

³⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

⁴⁾ The property value is based on Annehem Fastigheter's assessment on 30 September 2020 of the underlying property value of each property as per the date of completion.

⁵⁾ Refers to fair value on 30 September 2020 for properties that the Company owned on 30 September 2020 and agreed underlying property value for the property that the Company acquired and took into possession after 30 September 2020.

⁶⁾ Including parking spaces.

properties and macroeconomic tendencies in these regions (see risk factors “ – *Annehem Fastigheter is exposed to risks related to changes in the value of and incorrect valuations of the Company's properties*” and “*Risks related to Annehem Fastigheter's industry and market – Annehem Fastigheter is exposed to risks related to macroeconomic factors*”).

Annehem Fastigheter could be subject to sanctions according to environmental legislation and regulations although Annehem Fastigheter did not own the property at the relevant point in time

Annehem Fastigheter's operations entail environmental risks and the Company is subject to environmental regulations that mean the Company could be liable to claims in the event of non-compliance. Even if Annehem Fastigheter will conduct inspections in conjunction with the acquisition of individual properties, there is a risk that the previous property owner, or Annehem Fastigheter, failed to comply with environmental regulations or that previous property owners or operators caused pollution.

Under the environmental legislation in force in Sweden, where Annehem Fastigheter owns properties with a fair value amounting to SEK 2,090 million on 30 September 2020, the operators of businesses that contributed to contaminating a property also have a responsibility for remediation. In Annehem Fastigheter's business parks, Perfluoroktansulfonate/Perfluoroktansulfonic acid (also known as “PFOS”) was discovered in the soil, but there is also a risk that remains could be present where the business parks were previously used for military activity. Some parts of the soil that contained PFOS were excavated and removed and some parts of the soil were remediated. If an operator is unable to carry out or pay for remediation of a property, the party that acquired the property and was aware of or should have discovered the contamination at the time of acquisition can be held responsible. This means that Annehem Fastigheter, under certain circumstances, could be ordered to restore a property to a state that meets the requirements according to relevant environmental legislation. A restoration of this kind could encompass remediation of land, water zones or groundwater. Annehem Fastigheter's costs for investigation and taking actions such as removing or restoring soil in accordance with applicable environmental legislation could be significant. Such obligations could therefore negatively impact the Company's operations, confidence and financial position. Any future changes to laws, provisions and requirements from government authorities in the environmental arena could lead to increased costs for the Company pertaining to remediation of properties that Annehem Fastigheter currently owns or could acquire in future.

Annehem Fastigheter is subject to regulation in areas such as work environment, including safety issues, and laws and ordinances regulating emissions of greenhouse gases, including energy and electricity consumption. These regulations could be changed and additional regulations could be introduced. Non-compliance with these laws and regulations could result in Annehem Fastigheter being compelled to pay fees and fines or being subjected to enforcement actions.

Moreover, contaminants that require action could be discovered on properties and in buildings. The discovery of contaminants or residual contaminants in connection with the lease of a property could trigger claims for rent reductions, damages or cancellation of leases. Actions to remove such contaminants or to deal with such contaminants may be required as part of Annehem Fastigheter's ongoing business

and, depending on the scope of the contaminant, could result in significant costs and have a material negative impact on Annehem Fastigheter's earnings and operations.

The environmental permit for the operations on Ljungbyhed Park is from 1996. In general, the permit may be considered as old and a supervisory authority could request and demand that the property-owning company applies for an updated permit. If such an application is required or if the current permit is requested to be reviewed, it is likely that stricter conditions for the operations will be introduced. Furthermore, there is a noise complaint from 2019 concerning the operations at Ljungbyhed Park. The matter is ongoing as of the date of the Prospectus. The company may entail that the Company in the future must take noise-limiting measures and that costs attributable to these measures may be added, which may affect Annehem Fastigheter's earnings and operations negative.

Annehem Fastigheter's brand, confidence and reputation could be damaged, which could have a negative impact on Annehem Fastigheter

Annehem Fastigheter depends on confidence in its operations, especially in relation to new and existing tenants. As an example, technical problems, maintenance problems, unfavourable media reporting or failures attributable to the Company's sustainability profile could damage Annehem Fastigheter's brand, confidence and reputation, which, for example, could entail difficulties in retaining existing tenants or attracting new ones. To ensure that the Company continuously maintains a strong brand, a high level of confidence and favourable reputation, the Company routinely conducts customer surveys. There is also a risk that it will take longer than expected to establish the brand Annehem Fastigheter as a separate company from Peab or that the costs for the establishment of Annehem Fastigheter as an own brand are more extensive than expected. If the brand, confidence and reputation of Annehem Fastigheter are damaged, it could lead to a lost rent revenue and a loss of opportunities for growth, and it could also affect opportunities for the Company to raise loans on favourable terms or at all, which could lead to a material negative impact on its operations and financial position.

RISKS RELATED TO ANNEHEM FASTIGHETER'S INDUSTRY AND MARKET

Annehem Fastigheter is exposed to risks related to macroeconomic factors

The Company's operations are affected by macroeconomic factors such as the overall economic trends, national and regional economic trends, employment, production of properties, infrastructure developments, population growth, inflation and interest rates. Annehem Fastigheter's existing property portfolio largely comprises commercial properties in Stockholm, Gothenburg, Malmö and the Ängelholm/Helsingborg area, as well as Helsinki and Oslo, which are geographic markets that the Company considers particularly attractive, based on historical data. Consequently, Annehem Fastigheter is primarily exposed to the regional economic development in these geographic markets and there is a risk that these geographic markets will not develop as anticipated by the Company or in the same way as the markets' historical development, which could have a material negative impact on Annehem Fastigheter's operations and financial position. There is also a risk that Annehem Fastigheter has misjudged historical data regarding the employment trend, the production of properties, infrastructure developments, population growth, inflation and interest rates,

which could have a negative impact on Annehem Fastigheter's operations and financial position. On 30 September 2020, the fair value of Annehem Fastigheter's investment properties amounted to SEK 2,107.1 million in the Capital Region and 896.0 in the South Region. For example, local economic growth affects employment levels and salary trends, and, accordingly, the demand for inter alia offices and housing. Reduced demand in one of Annehem Fastigheter's rental markets could entail difficulties in finding tenants, a decline in rent levels and ultimately, reduced income for Annehem Fastigheter. Annehem Fastigheter is particularly exposed to this as the Company has a limited number of properties and as the geographic location of these properties is limited.

Inflation expectations affect interest rates, which is why they ultimately impact Annehem Fastigheter's income from property management, since interest expenses comprised one of the Company's largest single expenses in 2019. For example, interest expenses amounted to SEK 36.0 million for the period January-September 2020. Changes, and the anticipation of changes, to interest rates and inflation could impact the return requirement on properties and, subsequently, the fair value of Annehem Fastigheter's investment properties, which in turn, could lead to more negative consequences (see the risk factor "*Risks related to Annehem Fastigheter's operations – Annehem Fastigheter is exposed to risks related to changes in the value of and incorrect valuations of the Company's properties*"). In the event that any of the above risks should materialise, this could thus have a material negative impact on Annehem Fastigheter's operations and earnings.

Changed behavioural patterns could affect demand for the Company's properties

The market for commercial, community service and residential properties is continuously changing as needs and demand change. In addition, the corona pandemic has had an impact on social structures and behavioural patterns (refer to the risk factor "*Risks related to Annehem Fastigheter's financial position – The corona pandemic could have a negative impact on Annehem Fastigheter and it is difficult to predict the effects of the corona pandemic*"). During the corona pandemic, for example, several companies decided that their employees should work from home to a greater extent to reduce the spread of the corona. In the event that companies decide that employees are to work from home to a greater extent in future, this would have a negative effect on the demand for offices and in turn, would have a negative impact on, for example, rent levels, vacancy rates and property valuations. Other behavioural patterns could also change, such as companies displaying increased demand for flexible offices without fixed workplaces, while a higher amount of e-commerce and other changes in consumption patterns could reduce the demand for inter alia physical stores. In conjunction with changes in behavioural patterns, there is a risk that Annehem Fastigheter may not succeed at all, or inadequately, in adapting its properties to such changed behavioural patterns. In the event that any of these risks should materialise, it could thus have a material negative impact on Annehem Fastigheter's operations and financial position.

Annehem Fastigheter operates in a highly competitive sector and intensified competition could have a negative impact on Annehem Fastigheter

Annehem Fastigheter operates in the property sector, which is marked by significant competition. Annehem Fastigheter's existing property portfolio largely comprises commercial

properties in Stockholm, Gothenburg, Malmö and the Ängelholm/Helsingborg area, as well as Helsinki and Oslo. The Company has various competitors in each property category and region, which may be international property funds and listed and privately-owned property companies. Annehem Fastigheter's executive management team considers the main, listed players to be Castellum, Fabege, FastPartner, Klöver, Kungsleden, Nyfosa, Platzer and Wihlborgs. Annehem Fastigheter's competitiveness is due to such factors as its ability to acquire attractive properties in strategic locations, attracting and retaining tenants, anticipating changes and trends in the industry and rapidly adapting to current and future market needs, for example. Additionally, the Company competes for tenants through property locations, rents, size, accessibility, quality, tenant satisfaction, comfort and the Company's reputation.

Moreover, these competitors could have better financial resources than the Company and a better capacity to withstand downturns in the property market, better access to potential acquisition objects, could compete more efficiently and could be more capable of retaining highly skilled personnel and reacting more quickly to changes in the local markets. Additionally, competitors could have a higher tolerance of lower return requirements. In addition, the Company may need to incur additional investment costs to keep its properties competitive in relation to competitors' properties. If Annehem Fastigheter cannot successfully compete, this could have a material impact on rent levels and vacancy rates, and, ultimately, could have a material negative impact on Annehem Fastigheter's financial position and earnings.

Climate changes could make the Company's properties more difficult to lease and have a negative impact on the Company's properties

The Company's operations and earnings could be affected by climate changes, such as higher or lower temperatures and increased precipitation. If climate changes lead to colder and/or longer cold seasons, Annehem Fastigheter could be adversely affected, for example, if the Company's properties become more difficult to lease if it is not possible to heat parts of a property. In addition, properties that have no cooling systems could become difficult to lease during warmer and/or prolonged warm seasons. If the Company's properties prove to be more difficult to lease as a result of climate changes, it could have a material negative impact on the properties' fair value and thus a negative effect on Annehem Fastigheter's operations and financial position. In addition, climate changes could cause higher energy consumption, which could increase Annehem Fastigheter's operating costs and thus have a material negative impact on Annehem Fastigheter's earnings. Climate changes could also result in increased amounts of rain, which increases the risk of water penetration in the Company's properties and the Company may need to allocate time and capital in preventing water penetration in these properties. Accordingly, there is a risk that climate changes could have a material negative impact on Annehem Fastigheter's operations and earnings.

RISKS RELATED TO ANNEHEM FASTIGHETER'S FINANCIAL POSITION

The corona pandemic could have a negative impact on Annehem Fastigheter and it is difficult to predict the effects of the corona pandemic

The outbreak of the corona virus (SARS-CoV-2), which causes the COVID-19 disease, was classified as an international threat

to human health by the World Health Organisation (WHO) on 30 January 2020. The corona pandemic has generated, and continues to generate, a comprehensive impact on the areas and markets in which Annehem Fastigheter operates. The extent to which the corona pandemic will affect the Company's operations, financial position and earnings will depend, however, on several factors that the Company, as of the date of this Prospectus, cannot identify or assess with any precision or certainty. Factors that could impact the Company include the corona pandemic's duration, scope and negative effects on financial, political and market conditions (refer also to the risk factor "*Risks related to Annehem Fastigheter's industry and market – Annehem Fastigheter is exposed to risks related to macroeconomic factors*").

To date, Annehem Fastigheter has mainly been affected by the corona pandemic's direct and indirect impact on the Company's tenants. As Annehem Fastigheter's tenants are exposed to effects of the corona pandemic, the Company could be affected by demands for reduced rent levels and increased vacancy rates, as well as tenants not paying rent at all (refer also to the risk factor "*Risks related to Annehem Fastigheter's operations – Reduced or lost rent revenue, terminated or non-renewed leases and increased rental vacancies could have a negative impact on Annehem Fastigheter*"). To offset the negative effects of the corona pandemic, the Swedish government has taken measures by, for example, offering state aid for reduced rents in vulnerable industries, meaning that landlords who provide a discount on rent for tenants in vulnerable industries have been able to apply for financial aid. The Company deems that it is tenants in hotels, restaurants and shops that have mainly been impacted by the corona pandemic. During the three first quarters of 2020, rent reductions has amounted to less than SEK 250,000 and no customer has entered into bankruptcy due to the corona pandemic. In order to help its customers, the Company has in some cases changed from quarterly to monthly payments. On 30 September 2020, 56 percent of the tenants¹⁾ paid quarterly in advance, while 44 percent paid monthly in advance.

Annehem Fastigheter is also affected by the corona pandemic through its direct, and/or indirect, impact on the macroeconomy and behaviour patterns in society (refer also to the risk factors "*Risks related to Annehem Fastigheter's industry and market – Annehem Fastigheter is exposed to risks related to macroeconomic factors*" and "*Risks related to Annehem Fastigheter's industry and market – Changed behavioural patterns could affect demand for the Company's properties*"). For example, the property market could be impacted by a lengthy economic downturn. If the property offering increases or remains the same and demand decreases, there is a risk that property prices will fall, which could impact the value of the Company's property portfolio (refer to the risk factor "*Risks related to Annehem Fastigheter's industry and market – Changed behavioural patterns could affect demand for the Company's properties*").

The corona pandemic and the global and regional economic changes that are occurring due it, and changes due to any future viral outbreaks, could also involve increased risk exposure in relation to other risk factors that are identified and specified in this Prospectus. In turn, this could have a material negative impact on Annehem Fastigheter's operations and financial position.

The Company is exposed to liquidity, financing and refinancing risks

Financing and refinancing risk refers to the risk that Annehem Fastigheter, from time to time, is unable to obtain necessary financing or that financing cannot be renewed at the end of its duration, or that it can only be obtained or renewed at significantly higher cost or disadvantageous terms for Annehem Fastigheter. Liquidity risk refers to Annehem Fastigheter being unable to meet its obligations when these fall due. Liquidity risk is closely related to financing risk.

Annehem Fastigheter's credit agreements with credit institutions contain the customary cancellation terms. If the Company or other companies in Annehem Fastigheter breaches its obligations or other financial commitments in a credit agreement, it could lead to the credit being cancelled with a requirement for immediate payment and collateral could be used. The financing that is available through Annehem Fastigheter's credit agreement on the date of this Prospectus amounts to SEK 1,9²⁾ billion and, in accordance with this credit agreement, Annehem Fastigheter has, for example, committed to the Company's equity/assets ratio not being less than a certain level. If a credit is cancelled for immediate payment it may, in accordance with cross default provisions in some credit agreements, involve other obligations falling due for immediate payment as well. Furthermore, a decline in the general economic climate or disruptions in the capital or credit markets could lead to a limit to Annehem Fastigheter's access to financing and that Annehem Fastigheter's opportunities to refinance its credits disappear. If Annehem Fastigheter fails in the future to obtain the necessary financing, does not have adequate liquidity to fulfil its obligations or the possibility to refinance its credits or can only refinance its credits at significantly higher costs or on terms that are disadvantageous to Annehem Fastigheter, this could have a material negative impact on Annehem Fastigheter's operations and financial position.

Changes in interest rates may negatively impact the Company

Interest-rate risk refers to the risk that changes in interest rates will impact the Group's net interest expenses. In addition to the size of the interest-bearing liabilities, interest expenses are mainly affected by the current market rates, the credit institutions' margins and the Group's strategy regarding fixed-interest periods. Interest risks could lead to a negative effect on the market value of the Company's properties and have a negative impact on Annehem Fastigheter's cash flow and give rise to fluctuations in Annehem Fastigheter's earnings. For example, a change in the interest rate on the Company's outstanding loans on the date of this Prospectus of +/- one percentage point would impact the Company's capital cost of +/- SEK 10.2 million.

Some of the Company's agreements could be impacted by changes in control over the Company

Some of Annehem Fastigheter's agreements, primarily Annehem Fastigheter's credit agreements with credit institutions, may contain provisions that become relevant in connection with a change in control over the Company or another company in Annehem Fastigheter. Such a provision could, for example, give a credit institution the option of cancelling agreements if one or

¹⁾ Excluding student housing.

²⁾ Calculated based on exchange rates of NOK/SEK 0.95 and Euro/SEK 10.30.

more, other than Peab's current largest shareholder, which will remain the Company's largest shareholder after the distribution of Annehem Fastigheter, and some closely related parties to this shareholder, who act jointly, become owners, directly or indirectly, of shares or votes in the Company in excess of a certain percentage threshold value. Annehem Fastigheter's existing credit agreements contain such provisions that could be exercised if one or more, other than Peab's current largest shareholder, which will remain the Company's largest shareholder after the distribution of Annehem Fastigheter, and some closely related parties to this shareholder, who act jointly, gain control of a certain percentage of the shares or votes in the Company. In the event of such changes in control, certain rights for the counterparty or obligations for Annehem Fastigheter could come into effect, the results of which could include an impact on Annehem Fastigheter's continued financing. If Annehem Fastigheter's financing is impacted, it could lead to Annehem Fastigheter being compelled to divest properties at unfavourable prices and – over time – could have a negative impact on Annehem Fastigheter's income, which could lead to a material negative impact on the Company's financial position.

RISKS RELATED TO LEGAL AND REGULATORY ISSUES, AND CORPORATE GOVERNANCE

Political decisions and legislation could be changed and have a negative impact on Annehem Fastigheter

Real estate operations and, by extension, Annehem Fastigheter, are impacted by political decisions in the form of legislation, regulations and official decisions relating to, for example, taxes and interest deductions. Annehem Fastigheter could also be affected by changed interpretation of existing regulations or by the Company's incorrect interpretation of existing regulations. Regulatory frameworks are partly changeable, both as a result of political decisions and the legal interpretation of these. On 30 March 2017 the Swedish government presented a legislative proposal (SOU 2017:27) which, if adopted, is likely to affect future taxation of property investments. The proposal, which was sent for submission to comment during the summer of 2017 and is now being prepared by the Swedish government, refers to changes in current income tax as well as stamp tax, and capital gains tax. The proposal entails, among other things, that deferred tax liabilities that relate to the difference between the residual value for tax purposes and the market value of the property will be taxed in the event of certain ownership changes of a property-owning company, as also indirect sale of properties will be subject to stamp tax. If the legislation proposal is implemented in its current form, this could implicate tax to be paid on all the Group's future divestments of property-owning companies in Sweden.

Similar to the legislation proposal on taxation of property investments, other legislation and regulations could be changed, or Annehem Fastigheter's interpretation of existing regulatory frameworks could prove incorrect, and if this were to materialise, it could have a material negative impact on Annehem Fastigheter's operations and financial position.

Annehem Fastigheter could be subject to legal or administrative processes that could have a negative impact on Annehem Fastigheter, regardless of their outcome

The Company risks becoming involved in legal or administrative proceedings, which could pertain to comprehensive claims for damages or other forms of payment. Annehem Fastigheter is not, nor has it been during the past 12 months, party to any government agency proceedings, legal proceedings or

arbitration proceedings (including not yet settled matters or such proceedings that the Company is aware may arise) that could have or that have recently had a material impact on Annehem Fastigheter's financial position or profitability. There are inherent difficulties in predicting the outcome of legal, administrative and other proceedings or claims. In the event that a dispute arises, the handling of such disputes and claims made is time-consuming for Annehem Fastigheter and its executive management, and in certain cases, costly. If claims were to be made towards Annehem Fastigheter, regardless of whether this were to lead to material legal liability being established, the claims could lead to financial loss for the Company or damage the Company's reputation, which could have a material negative impact on the Company's operations and financial position.

Annehem Fastigheter's tax situation may deteriorate

Annehem Fastigheter operates in Sweden, Finland and Norway through several subsidiaries. The handling of tax issues within the Group is based on interpretations of current tax legislation, tax treaties and other tax regulations in the concerned countries as well as statements from concerned tax authorities. Furthermore, the Group regularly obtains advice from independent tax experts on these matters. Annehem Fastigheter and its subsidiaries are from time to time subject to tax audits and reviews. There is a risk that tax audits or reviews could result in additional taxes being imposed, for example with regard to former acquisitions of companies, intra-group transactions, deduction of interest expenses and deduction of input value added tax. A subsidiary in Finland has inadvertently omitted taxable income attributable to contract work in the Finnish tax return for income year 2016, and an adjustment claim has recently been submitted to the Finnish Tax Administration. As a result of the adjustment claim, additional tax of approximately EUR 1.1 million, excluding any tax surcharges and interest expenses will presumably be imposed. The subsidiary has included approximately EUR 1.1 million as tax liability in the balance sheet, and has also recognized the amount as expense in the income statement for the financial year 2019, which in the Company's combined financial statements have been included as a tax liability of EUR 1.1 million as of 30 September 2020.

In the event Annehem Fastigheter's interpretation of tax legislation, tax treaties and other tax regulations, or its applicability is incorrect, or if one or several authorities successfully make negative tax adjustments concerning a business unit within the Group, or if applicable laws, treaties, regulations or interpretations thereof or the administrative practice relating to these changes, including with retroactive effect, Annehem Fastigheter's past and present handling of tax issues may be affected. If tax authorities successfully present such claims, this could lead to an increase in tax costs, including tax surcharge and interest, and have a significant negative impact on Annehem Fastigheter's operations and earnings.

RISKS ASSOCIATED WITH THE DISTRIBUTION OF SHARES IN THE COMPANY

There is a risk that the anticipated benefits of the distribution of Annehem Fastigheter may not be realised

The intended purpose of the separation of Annehem Fastigheter from Peab is to provide the conditions for each company to focus on its core operations and thereby offer the best alternative to achieve long-term value growth. Annehem Fastigheter believes that a separate company will have a

greater opportunity to capitalise on the potential of the existing property portfolio and act on attractive growth and business opportunities identified by the Company in the property market. However, there is a risk that the anticipated benefits of the distribution will not be achieved if the assumptions on which the decision to carry out the distribution are based on, prove to be incorrect or if the anticipated benefits or the underlying driving forces have been overestimated. For example, Annehem Fastigheter may as a standalone company not be able to obtain external financing or other financial services on conditions that are equally as advantageous as those that can be secured by the Peab Group before the separation. To the extent that Annehem Fastigheter, as an independent company, incurs additional costs or generates lower income, its financial position and earnings could be adversely affected and the anticipated benefits from the distribution may not be realised.

Annehem Fastigheter is smaller and more specialised after the distribution, which means that there is no possibility of offsetting effects

The asset pool in Annehem Fastigheter as an independent company will be smaller than the total asset pool in the Peab Group prior to distribution. This entails that each risk that exists in the Peab Group prior to the distribution of Annehem Fastigheter and which will exist in Annehem Fastigheter after the distribution will be of higher importance for Annehem Fastigheter as an independent company. This may apply to, for example, the capacity to manage unforeseen claims and expenses of material significance. In addition, the more specialised operations that will be conducted by Annehem Fastigheter will not have same scope to offset the effects of certain business risks that the Peab Group has in its current form. These risks could, should they materialise, have a negative impact on Annehem Fastigheter's operations and financial position.

Annehem Fastigheter's historic financial information in the Prospectus does not necessarily provide the same picture as if Annehem Fastigheter historically had been a separate group

Annehem Fastigheter's combined financial information does not necessarily provide an accurate and complete representation of what Annehem Fastigheter's operations and financial position would have been if Annehem Fastigheter had operated as an independent company. Nor should the combined financial information be used as a basis for conclusions about Annehem Fastigheter's future financial position and earnings. Annehem Fastigheter has not historically been a separate group, but rather earnings for operations attributable to Annehem Fastigheter's current operations were consolidated within the framework of Peab's financial position, earnings and cash flow. Consequently, costs attributable to being an independent listed company, such as certain administration expenses, were not charged in full to Annehem Fastigheter's earnings. There is a risk that Annehem Fastigheter's financial information as presented in this Prospectus does not necessarily provide the same picture as if Annehem Fastigheter had been a separate group historically.

RISKS RELATING TO ANNEHEM FASTIGHETER'S B SHARES

An active, liquid and orderly trading market for Annehem Fastigheter's B shares may not develop, the price of its B shares may be volatile, and potential investors could lose a portion or all of their investment

Prior to the listing on Nasdaq Stockholm, no public market exists for Annehem Fastigheter's B shares. Accordingly, there is a risk that an active and liquid market for trading in Annehem Fastigheter's B shares will not develop following the listing of the shares on Nasdaq Stockholm. Low liquidity of Annehem Fastigheter's B shares could entail difficulties in selling B shares at a point in time that is considered desirable for the shareholder or at a price level that could be obtained if a favourable liquidity situation prevailed. There is also a risk that an active and liquid market, if such a market develops, may not continue after the listing on Nasdaq Stockholm.

Annehem Fastigheter's ability to pay distributions is dependent upon its future earnings, financial position, cash flows, net working capital requirements, investment requirements and other factors

The amount of any future distributions that the Company will pay, will depend upon a number of factors, such as future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors. Annehem Fastigheter also may not have sufficient distributable funds and Annehem Fastigheter's shareholders may not resolve to pay distributions in the future. According to Annehem Fastigheter's distribution policy, profits shall essentially be reinvested in order to utilise business opportunities and achieve Annehem Fastigheter's targets regarding growth.

Differences in currency exchange rates may materially adversely affect the value of shareholdings or distributions paid

Annehem Fastigheter's B shares will be quoted in SEK only, and any distributions will be paid in SEK. As a result, shareholders outside Sweden may experience adverse effects on the value of their shareholding and their distributions, when converted into other currencies if SEK depreciates against the relevant currency.

Shareholders in the United States or other countries outside Sweden may not be able to participate in any potential future cash offers

If the Company issues new shares in a cash issue, shareholders shall, as a general rule, have preferential rights to subscribe for new shares proportionally to the number of shares held prior to the issue. Shareholders in certain other countries may, however, be subject to limitations that prevent them from participating in such rights offerings, or that otherwise makes participation difficult or limited. By example, shareholders in the United States may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the Securities Act is effective in respect of such subscription rights and shares or an exemption from the registration requirements under the Securities Act is available. Shareholders in other jurisdictions outside Sweden may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. Annehem Fastigheter is under no obligation to file a registration statement under the Securities Act or seek similar approvals

under the laws of any other jurisdiction outside Sweden in respect of any subscription rights and shares and doing so in the future may be impractical and costly. To the extent that shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new shares in any future rights issues, their ownership in Annehem Fastigheter may be diluted or reduced.



BACKGROUND AND REASONS

On 27 August 2020, the board of Peab announced its intention to propose to the extraordinary general meeting to resolve on a distribution of all of Peab's shares in Annehem Fastigheter to Peab's shareholders and to list Annehem Fastigheter's B shares on Nasdaq Stockholm. On 12 November 2020, Peab's extraordinary general meeting resolved in accordance with the board's proposal. The first day of trading in Annehem Fastigheter's B shares on Nasdaq Stockholm is expected to be 11 December 2020.

The boards of Peab and Annehem Fastigheter believe the separation of the operations, and in accordance with Lex Asea distribute and separately list Annehem Fastigheter's B shares, provides the conditions for each company to focus on its core operations and thereby offers the best alternative to achieve long-term value growth. Peab will then be able to focus its operations on building and developing properties, while Annehem Fastigheter can concentrate on owning and managing fully developed properties.

It is believed as a separate company, Annehem Fastigheter will have a greater opportunity to capitalise on the potential of the existing property portfolio and act on attractive growth and business opportunities identified by the Company in the property market. Potential for increasing specialisation and efficiency as well as optimising customer value and the position in the value chain can be found by conducting focused property management operations. The advantages of being a standalone listed property company also include the possibility of utilising appropriate sources of financing, the option of using shares in connection with larger acquisitions and more targeted publicity. More targeted publicity means that existing and future customers and suppliers will gain a better understanding of Annehem Fastigheter's operations, which also creates better conditions for more spontaneous inquiries about potential property transactions. In addition, a separate listing enables both new and existing investors to invest directly in the Company.

Annehem Fastigheter's existing property portfolio primarily comprises modern, flexible, environmentally compatible commercial properties of high quality in Nordic growth areas. The Company holds, on the date of this Prospectus, 22 investment properties with a value of SEK 3,281 million¹. Annehem Fastigheter has a clearly defined growth plan and as part of this has acquired two commercial properties and two residential properties that will be taken into possession in 2021 and 2024, with an agreed underlying property value of SEK 791 million. Furthermore, the Company has signed letters of intent with Peab to acquire several future properties related to development rights owned by Peab.² The Company's strategy also includes further diversification through the acquisition of community service and residential properties from Peab or other parties.

The board of directors of Annehem Fastigheter is responsible for the contents of this Prospectus. The board of directors declares that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Ängelholm, 2 December 2020

Annehem Fastigheter AB (publ)

The board of directors

¹ Refers to fair value on 30 September 2020 for properties that the Company owned on 30 September 2020 and agreed underlying property value for the property that the Company acquired and took into possession after 30 September 2020.

² Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

INFORMATION ABOUT THE DISTRIBUTION OF THE SHARES IN ANNEHEM FASTIGHETER

RESOLUTION REGARDING DISTRIBUTION

The extraordinary general meeting of Peab held on 12 November 2020 resolved in accordance with the board's proposal to distribute all of the shares in the wholly owned subsidiary Annehem Fastigheter to the shareholders of Peab. Shares in Annehem Fastigheter will be distributed to Peab's shareholders in proportion to each shareholder's holding in Peab on the record date for the distribution as determined by the Peab board.

Aside from being registered as a shareholder on the record date for distribution (directly registered or nominee-registered) it is not necessary to take any other action to receive shares in Annehem Fastigheter. The distribution is intended to take place in accordance with the so-called "Lex Asea provisions", which means that no immediate taxation is incurred for private individuals and limited liability companies that are residents of Sweden for tax purposes. Refer to the section "*Tax considerations in Sweden*" below.

If a shareholder's share rights are not evenly divisible by five (5), the holder's excess share rights will be sold on behalf of each shareholder during a period of five trading days from and including the first day of trading. The sale will be administered by Nordea free of commission. The proceeds of the sale will be paid to relevant shareholders through Euroclear Sweden AB no later than seven trading days from and including the first day of trading.

DISTRIBUTION RATIO

According to the proposal of the board of directors, one (1) share in Peab shall entitle the holder to receive one (1) share right of the same class in Annehem Fastigheter, after which five (5) share rights carry entitlement to one (1) share of the same class in Annehem Fastigheter. Each A share in Annehem Fastigheter entitles the holder to ten votes at shareholders' meetings of shareholders and each B share in Annehem Fastigheter entitles the holder to one vote at general meetings of shareholders. Refer also to the section "*Share capital and ownership structure*".

RECORD DATE

The record date for the right to receive shares in Annehem Fastigheter is 9 December 2020. The final day of trading in Peab's shares, including the right to the distribution of shares in Annehem Fastigheter, is 7 December 2020. Shares in Peab will be traded excluding the right to the distribution of shares in Annehem Fastigheter from 8 December 2020.

OBTAINING SHARES IN ANNEHEM FASTIGHETER

Those entered in the share register, maintained by Euroclear Sweden, as shareholders in Peab on the record date of the distribution of Annehem Fastigheter will receive shares in Annehem Fastigheter without taking any further action. Shares in Annehem Fastigheter will be available in the CSD account (Sw. VP-konto) of those shareholders who are entitled to receive the distribution (or the CSD account belonging to the party who is

otherwise entitled to receive the distribution) not later than two banking days after the record date. Thereafter, Euroclear Sweden will send an account statement containing information on the number of shares registered in the CSD account of the recipient.

NOMINEE-REGISTERED HOLDINGS

Shareholders whose holdings in Peab are nominee-registered (such as with a bank or other nominee) on the record date for distribution of shares in Annehem Fastigheter, will not receive an account statement from Euroclear Sweden. Notification and removal of the shares in Annehem Fastigheter to the account of nominee-registered shareholders will instead be made in accordance with the routines of each respective nominee.

LISTING OF B SHARES IN ANNEHEM FASTIGHETER

The board of directors of Annehem Fastigheter has applied for Annehem Fastigheter's B shares to be admitted to trading on Nasdaq Stockholm. On 25 November 2020, Nasdaq Stockholm's Listing Committee decided to approve Annehem Fastigheter's application for admission to trading of the Company's shares on Nasdaq Stockholm, provided that certain customary conditions are met. The first day of trading is expected to be 11 December 2020. The Company's ticker on Nasdaq Stockholm will be ANNE B. The ISIN code for Annehem Fastigheter's B share is SE0015221684.

RIGHT TO DISTRIBUTIONS

The shares in Annehem Fastigheter will carry entitlement to distributions for the first time on the record date for distributions occurring closest after the shares in Annehem Fastigheter have been distributed. Any distributions will be paid following a resolution by a shareholders' meeting. The payment of any distributions will be administered by Euroclear Sweden or, should the shares be nominee-registered, in accordance with the procedures of the individual nominee. Entitlement to receive such a distribution is limited to shareholders registered in the share register maintained by Euroclear Sweden on the record date for distribution determined by the shareholders' meeting. For further information about Annehem Fastigheter's distribution policy, refer to "*Business overview – Financial targets*". For information pertaining to the taxation of distributions, refer to the section "*Tax considerations in Sweden*".

TRANSACTION COSTS

The total costs for the proposed demerger of the Peab Group is estimated to amount to approximately SEK 50 million. As of 30 September 2020, Annehem Fastigheter has reported SEK 7.7 million in costs and it is estimated that Annehem Fastigheter will be charged with an additional SEK 12.3 million after 30 September 2020. Annehem Fastigheter's costs primarily relate to costs for auditors, attorneys, printing of the Prospectus, costs related to management presentations, etc. The Company estimates that Peab will be charged for the remaining costs.

MARKET OVERVIEW

INTRODUCTION

A description of the markets in which Annehem Fastigheter operates are presented below. The market overview addresses Sweden's economy, demographics and property market as a whole as well as the Finnish and Norwegian markets where the Company also operates.

The information presented is primarily based on statistical information published by authorities in Sweden, Finland and Norway and a number of market reports published by JLL, Newsec and Svefa.

The information concerning market growth and size as well as the Company's market position in relation to its competitors specified in the Prospectus comprises an overall assessment by the Company. The sources on which the Company has based its assessment are indicated on a running basis in the information. In addition, the Company has made several assumptions about the industry and its competitive position within the industry. These assumptions are based on the Company's experience and its own surveys of market conditions. The Company cannot guarantee that any of the assumptions made

are correct, nor that they accurately reflect its market position in the industry. None of the Company's internal surveys or information have been verified by independent sources, which may have estimates or views of industry-related information that differ from those of the Company. Market and business information may include estimates concerning future market trends and other forward-looking statements. Forward-looking statements are not a guarantee of future results or trends, and the actual results may differ materially from those contained in the forward-looking statements. Due to the ongoing corona pandemic and its impact on the market, such forward-looking information is marked by a particularly high level of uncertainty.

Information obtained from third parties has been accurately reproduced and, as far as the Company is aware and can ascertain from information published by these third parties, no facts have been omitted that could render the reproduced information inaccurate or misleading.

A list of the sources used in the market overview section is provided below.

Abbreviation	Source
Stockholm Housing Agency	Stockholm Housing Agency, "Statistik - Summering av året 2019", 2020, bostad.stockholm.se/statistik/summering-av-aret-2019/
National Board of Housing, Building and Planning, Residential market survey	National Board of Housing, Building and Planning, "Bostadsmarknadsenkäten 2020", 2020, www.boverket.se/sv/samhallsplanering/bostadsmarknad/bostadsmarknaden/bostadsmarknadsenkaten/
National Board of Housing, Building and Planning, Regional construction need calculations 2018-2027	National Board of Housing, Building and Planning, "Regionala byggbehovsberäkningar 2018-2027", 2020, www.boverket.se/sv/samhallsplanering/bostadsmarknad/bostadsmarknaden/behov-av-bostadsbyggande/byggbehovsberakningar/
National Board of Housing, Building and Planning, Emissions of greenhouse gases from the construction and property sector	National Board of Housing, Building and Planning, "Utsläpp av växthusgaser från bygg- och fastighetssektorn", 2020, www.boverket.se/sv/byggande/hallbart-byggande-ochforvaltning/miljoindikatorer---aktuell-status/vaxthusgaser/
ECB, Key ECB interest rates	ECB, <i>Key ECB interest rates</i> , 2020, www.ecb.europa.eu/stats/policy_and_exchange_rates/key_ecb_interest_rates/html/index.en.html
ECB, Monetary policy decisions	ECB, <i>Monetary policy decisions</i> , 2020, www.ecb.europa.eu/press/govcdec/mopo/html/index.en.html
EY	EY, <i>The attractiveness of world-class business districts</i> , 2017, parisladefense.com/en/download/epadesa/fileadmin/user_upload/ACTUS/PDF/EYULI_World_Class_Business_Districts_Attractiveness_November_2017.pdf
The Ministry of Finance	The Ministry of Finance, "Finansdepartementets prognoser för den ekonomiska utvecklingen", 2020, www.regeringen.se/serigesregering/finansdepartementet/statens-budget/prognoser/
Swedish Financial Supervisory Authority	Swedish Financial Supervisory Authority, "Stabiliteten i det finansiella systemet 29 maj 2018", 2018, www.fi.se/contentassets/948995893e64c0db054cb67b51dea59/stab_18-1.pdf
UN	UN, <i>Urbanisation prospect</i> , 2019, www.un.org/development/desa/publications/2018-revision-of-world-urbanization-prospects.html
Swedish Union of Tenants	Swedish Union of Tenants, "Ett land fullt av bostadskoer", 2014, www.hyresgastforeningen.se/globalassets/faktabanken/rapporter/2014/ettland-fullt-av-bostadskoer-2014.pdf
JLL	JLL, <i>JLL Nordic Outlook Autumn 2020</i> , 2020, www.jllsweden.se/content/dam/jll-com/documents/pdf/research/jll-nordicoutlook-autumn-2020.pdf
National Institute of Economic Research, 2016-2019	National Institute of Economic Research, "Prognoser i Konjunkturläget", 2020, www.konj.se/publikationer/konjunkturlaget.html
National Institute of Economic Research, December 2019	National Institute of Economic Research, "Konjunkturläget december 2019", 2019, www.konj.se/download/18.4a42c8be16f1a7f992c34cf/1576744727462/KLDec2019.pdf
National Institute of Economic Research, April 2020	National Institute of Economic Research, "Konjunkturläget april 2020", 2020, www.konj.se/download/18.1375afe0171534f7028141f/1597058162618/KLApr2020.pdf
National Institute of Economic Research, September 2020	National Institute of Economic Research, "Konjunkturläget september 2020", 2020, www.konj.se/download/18.796b4c14174b4a2794356d67/1601456921206/KLSep2020_ny.pdf
KTH	KTH, Karlsson & Källbrink, "Miljöcertifiering av kommersiella fastigheter", 2016, kth.diva-portal.org/smash/get/diva2:957017/FULLTEXT01.pdf
Newsec	Newsec, <i>Newsec Property Outlook Autumn 2020</i> , 2020
Norges Bank	Norges Bank, <i>The policy rate</i> , 2020, www.norgesbank.no/en/topics/Monetary-policy/Policy-rate/

Abbreviation	Source
Rosenberg	Rosenberg, <i>Basics of the Central Business District</i> , 2019, www.thoughtco.com/history-of-cbd-1435772
Statistics Sweden, Sweden's population 2020 – population changes	Statistics Sweden, "Befolkningsstatistik första halvåret 2020", 2020, www.scb.se/hittastatistik/statistik-efteramne/befolkning/befolkningensammansattning/befolkningsstatistik/pong/statistiknyhet/befolkningsstatistik-forsta-halvaret-2020/
Statistics Sweden, Statistical Data base	Statistics Sweden, "Statistikdatabasen", 2020, www.statistikdatabasen.scb.se/pxweb/sv/ssd/
Statistics Sweden, The future population of Sweden 2020–2070	Statistics Sweden, "Sveriges framtida befolkning 2020–2070", 2020, www.scb.se/contentassets/9c8e50dfe0484fda8fed2be33e374f46/be0401_2020i70_sm_be18sm2001.pdf
SSB, Consumer price index	SSB, <i>Consumer price index</i> , 2020, www.ssb.no/en/kpi
SSB, Economic trends	SSB, <i>Economic trends</i> , 2020, www.ssb.no/en/kt
SSB, Key figures for the population	SSB, <i>Key figures for the population</i> , 2020, www.ssb.no/en/befolkning/nokkeltall , Annual National Accounts
SSB, Population	SSB, <i>Population</i> , 2020, www.ssb.no/en/befolkning
SSB, StatBank	SSB, <i>StatBank Norway</i> , 2020, www.ssb.no/en/statbank
Statistics Finland, Annual National Accounts	Statistics Finland, <i>Annual National Accounts</i> , 2020, www.stat.fi/til/vtp/2019/vtp_2019_2020-09-18_tie_001_en.html
Statistics Finland, Consumer price Index	Statistics Finland, "Konsumentprisindex", 2020, www.stat.fi/til/khi/2020/08/khi_2020_08_2020-09-14_tie_001_sv.html
Statistics Finland, Preliminary population statistics	Statistics Finland, "Förhandsuppgifter om befolkningen", 2020, www.stat.fi/til/vamuu/2020/09/vamuu_2020_09_2020-10-22_tie_001_sv.html
Statistics Finland, StatFin	Statistics Finland, "Statistikcentralens PxWeb databaser", 2020, pxnet2.stat.fi/PXWeb/pxweb/sv/StatFin/
Svefa, Swedish Property Market Focus 24 locations	Svefa, "Svensk Fastighetsmarknad Fokus 24 orter", 2019, www.svefa.se/globalassets/svensk-fastighetsmarknad/svenskfastighetsmarknad-fokus-24-orter-vt-2019.pdf
Svefa, Swedish Property Market 2020	Svefa, "Svensk Fastighetsmarknad", 2020, www.svefa.se/globalassets/svensk-fastighetsmarknad/svefa-svenskfastighetsmarknad-2020.pdf
Confederation of Swedish Enterprise	Confederation of Swedish Enterprise, "Företagsklimatet i Sverige", 2020, www.foretagsklimat.se/survey?factor=summary_evaluation
The Riksbank, Repo rate, deposit and lending rate	The Riksbank, "Reporänta, in- och utlåningsränta", 2020, www.riksbank.se/sv/statistik/sok-rantor--valutakurser/reporanta-in--ochutlaningsranta/
The Riksbank, Monetary Policy Report	The Riksbank, "Pennyngpolitisk rapport", 2020, www.riksbank.se/sv/pennyngpolitik/pennyngpolitiskrapport/2020/pennyngpolitisk-rapport-september-2020/

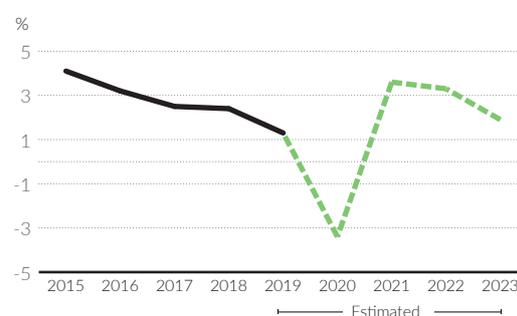
THE SWEDISH ECONOMY

A description of the Swedish economy and its development is presented below.

The economic climate in Sweden

In 2019, the Swedish economy weakened somewhat after several years of economic growth. This was mainly driven by weaker demand in the market due to uncertainty related to Brexit and the trade conflict between the US and China. During the period of high economic activity, investments in Swedish industry increased rapidly, which is why a slowdown in investments is natural when the need for new investments declines. In 2019, the use of resources was higher than normal, but is expected to be lower in 2020 and 2021. However, Sweden's public finances remain strong and there is scope for expansive fiscal measures to alleviate the effects of any economic decline. In 2019, Swedish GDP growth was 1.3 percent, which is approximately one percentage point lower than in 2018.¹⁾ Growth in 2020 is expected to be lower than the preceding year as a result of the corona pandemic, which will have a considerable negative impact on both the Swedish and global economies. During the second quarter of 2020, Sweden's GDP fell by 8.3 percent. The development of the global economy primarily affects Swedish export companies, which are also hampered by problems with international supply chains. Despite these developments, there is substantial scope to increase support actions to alleviate the economic downturn and improve conditions for the forthcoming economic recovery. Sweden's GDP is expected to recover in 2021 and then continue to grow.²⁾

GDP GROWTH IN SWEDEN



Source: National Institute of Economic Research, 2016–2019, National Institute of Economic Research, September 2020

The unemployment rate in Sweden has fallen slightly in recent years, but increased in 2019. The increase is expected to continue until 2021. At the same time, the relatively weak increase in employment means the employment rate fell slightly, and thus the unemployed are successively increasing as a percentage of the workforce. Due to the comprehensive lay-offs as a result of the corona pandemic, a temporary sharp increase in unemployment is expected in 2021. However, the Swedish National Institute of Economic Research's (NIER) assessment is that without the temporary lay-offs, unemployment could have been considerably higher.³⁾ The Ministry of Finance estimates that unemployment will rise to 9.5 percent in 2021 and then fall back to more normal levels at 7.0 percent.⁴⁾

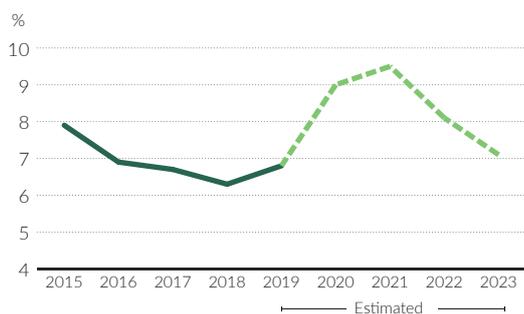
¹⁾ National Institute of Economic Research, April 2020.

²⁾ National Institute of Economic Research, September 2020.

³⁾ National Institute of Economic Research, April 2020.

⁴⁾ The Ministry of Finance.

UNEMPLOYMENT IN SWEDEN



Source: The Ministry of Finance

Inflation and interest rate trends in Sweden

During the summer of 2019, Consumer Price Index with fixed interest rate (CPIF) inflation dropped to below 1.5 percent. Inflation has not been as low since 2016. One contributing factor to the decline was lower energy prices, and inflation excluding energy remained closer to the target of 2.0 percent in 2019.¹⁾ Inflation rose during the second half of 2019, and NIER's assessment is that inflation for 2020 will drop to 0.6 percent, and then rise to 1.3 percent in 2021.²⁾

In December 2019, the Riksbank decided to raise the repo rate from -0.25 percent to 0.00 percent.³⁾ The Riksbank has clearly communicated that it does not predict that the repo rate will be lowered to below 0.00 percent, despite a gloomy inflation outlook and the imminent economic slowdown. Instead, the interest rate is expected to remain at 0.00 percent over the next few years.⁴⁾ NIER believes that it would be prudent to lower the repo even though in the current economic climate this is not the Riksbank's most important tool for supporting the financial system. Furthermore, NIER forecasts that there will be no increase before 2024.⁵⁾ The Company's assessment is that the interest rate climate offers favourable conditions in the property market.

THE FINNISH ECONOMY

During the 2014 to 2019 period, Finland's GDP grew an average of 1.8 percent per year. According to Statistics Finland, GDP growth in 2016 (2.8 percent) and 2017 (3.3 percent) had a relatively significant effect on the average GDP growth for the period. Annual GDP growth declined from 1.5 percent in 2018 to 1.1 percent in 2019.⁶⁾

Unemployment in Finland has declined steadily in recent years from 9.4 percent in 2015 to 6.7 percent in 2019. On average, unemployment has decreased by 0.7 percentage points per year during the period.⁷⁾

Between 2015 and 2019, annual CPI growth increased steadily with the exception of 2019, when annual CPI growth was 1.0 percent compared with 1.1 percent in the preceding year. In August 2020, the increase on a yearly basis was 0.2

percent. The rise in consumer prices from the preceding year was mainly slowed by a drop in the price of hotel rooms, fuel and international flights and by lower average mortgage interest rates.⁸⁾

The European Central Bank has maintained the key interest rate consistently at 0.00 percent since 2016, after lowering it from 0.05 percent in 2015.⁹⁾ On 16 July 2020, the European Central Bank voted to keep the key interest rate unchanged.¹⁰⁾

THE NORWEGIAN ECONOMY

During the period 2014 to 2019, Norway's GDP grew an average of 1.6 percent. Statistics Norway (SSB) forecasts that the average growth will amount to 1.9 percent between 2019 and 2023, and GDP is expected to decline 1.9 percent in 2020 compared with 2019.¹¹⁾

Unemployment in Norway has decreased slightly in recent years and between 2015 and 2019 fell by an average of 0.2 percent per year. However, unemployment is expected to rise in 2020 and to remain at higher levels than previously in the years ahead. According to SSB, unemployment is expected to rise from 3.7 percent in 2019 to 4.9 percent in 2020, and then fall back slightly in the subsequent years.¹²⁾

The change in CPI on an annual basis was 1.7 percent on 10 September 2020. Between 2015 and 2020, CPI has risen on average by over 2.5 percent per year.¹³⁾ In 2018, Norges Bank began to raise its key policy rate, from 0.5 percent in 2018 to its highest level of 1.5 percent at the end of 2019.¹⁴⁾ In 2020, Norges Bank reduced its key policy rate several times to stimulate the Norwegian economy. Since June 2020, the key policy rate has been 0.00 percent.¹⁵⁾

URBANISATION AND POPULATION GROWTH

The trend towards urbanisation is clear at both a global and Nordic level. The underlying driver for urbanisation is that a large share of a country's resources and capital are found in metropolitan regions. Today, more than half of the world's population lives in cities, and this figure is expected to rise to 70 percent by 2050. The trend is strongest in developing countries, where urbanisation is taking place much faster than in countries in the West, but it is also continuing in the Nordics.¹⁶⁾ The metropolitan regions of Sweden, Finland and Norway are expected to have strong population growth in the years ahead compared to the countries as a whole.^{17) 18) 19)}

As the population grows and migration continues to urban areas in the years ahead, demand is expected to increase for housing and housing construction. The 2020 forecast for construction demand by the National Board of Housing, Building and Planning estimates that construction of about 640,000 new residential homes will be needed in Sweden by 2027. This is equivalent to a 10–15 percent increase in the housing stock. As the population grows in Stockholm, there is also expected to be an increase in office workers, which will increase demand for and the need to construct offices.²⁰⁾

¹⁾ National Institute of Economic Research, December 2019.

²⁾ National Institute of Economic Research, September 2020.

³⁾ The Riksbank, Repo rate, deposit and lending rate.

⁴⁾ The Riksbank, Monetary Policy Report.

⁵⁾ National Institute of Economic Research, September 2020.

⁶⁾ Statistics Finland, Annual National Accounts.

⁷⁾ Statistics Finland, Annual National Accounts.

⁸⁾ Statistics Finland, Consumer Price Index.

⁹⁾ ECB, Key ECB interest rates.

¹⁰⁾ ECB, Monetary policy decisions.

¹¹⁾ SSB, Economic trends.

¹²⁾ SSB, Economic trends.

¹³⁾ SSB, Consumer Price Index.

¹⁴⁾ Norges Bank.

¹⁵⁾ Norges Bank.

¹⁶⁾ UN.

¹⁷⁾ Statistics Sweden, Statistical Data base.

¹⁸⁾ SSB, StatBank.

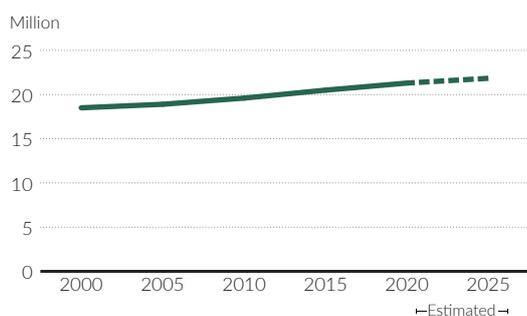
¹⁹⁾ Statistics Finland, StatFin.

²⁰⁾ National Board of Housing, Building and Planning, Regional construction need calculations 2018–2027.

General population growth in Sweden, Finland and Norway

At year-end 2019, the population of Sweden, Finland and Norway was 21,181,093.¹⁾²⁾³⁾ Population growth during the first half of 2020 in Sweden was the lowest since 2005, and is largely due to lower immigration and an increase in the mortality rate during the corona pandemic. Together with this, the number of births and emigrants fell marginally compared with the first half of 2019, which halved both the immigration and birth surplus.⁴⁾ In Finland, the population increased by 7,041⁵⁾ between January and August 2020. The increase is a result of a migration surplus from abroad totalling 12,145, while the number of births was 5,077 fewer than the number of deaths.⁶⁾ Population growth in Norway peaked in 2011 and has since fallen, primarily due to a drop in the migration surplus.⁷⁾ During the second quarter of 2020, the Norwegian population grew by 2,452.⁸⁾ Between 2000 and 2019, the population of Sweden, Finland and Norway grew by 14.2 percent, corresponding to an average growth rate of 0.7 percent. Between 2020 and 2025, the population of Sweden, Finland and Norway is expected to have an average growth rate of 0.5 percent.⁹⁾¹⁰⁾¹¹⁾

SWEDEN, FINLAND AND NORWAY'S POPULATION GROWTH 2000-2025



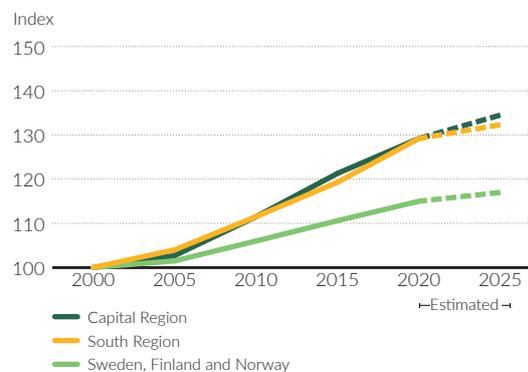
Source: Statistics Sweden, Statistical Database, SSB, StatBank, Statistics Finland, StatFin

Population growth and business climate in the Company's geographic areas

Annehem Fastigheter divides its geographic areas of operation into Capital Region¹²⁾ and South Region¹³⁾. The population of the Capital Region and South Region grew between 2000 and 2019 by 27.3 percent and 26.4 percent, respectively, corresponding to an average growth rate of 1.3 percent and 1.2 percent, respectively. During the same period, Sweden, Finland and Norway grew by 14.2 percent, corresponding to an average growth rate of 0.7 percent. Accordingly, the population of these geographic areas grew faster than in Sweden, Finland and Norway as a whole. Between 2020 and 2025, the Capital Region and South Region are expected to grow by an average 1.0 percent and 0.9 percent, respectively, which is higher than expected growth for Sweden, Finland and Norway of 0.5

percent.¹⁴⁾¹⁵⁾¹⁶⁾ The Company is of the opinion that the higher population growth makes these geographic areas of operation attractive for property management.

ANNEHEM FASTIGHETER'S FOCUS AREAS COMPARED WITH SWEDEN, FINLAND AND NORWAY 2000-2025



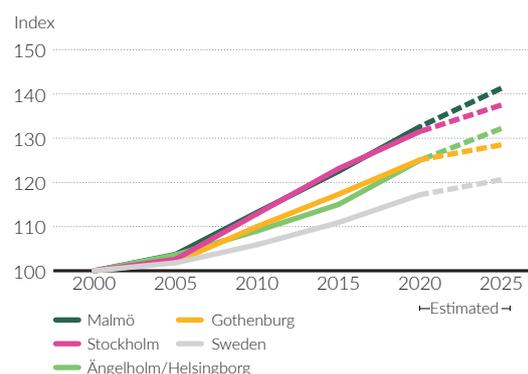
Source: Statistics Sweden, Statistical Database, SSB, StatBank, Statistics Finland, StatFin

	Average growth '00-'19	Average growth '20-'25
Sweden, Finland and Norway	0.7%	0.5%
Capital Region	1.3%	1.0%
South Region	1.2%	0.9%

Source: Statistics Sweden, Statistical Database, SSB, StatBank, Statistics Finland, StatFin

Even if the population growth is examined at a more granular level, it is apparent that Annehem Fastigheter operates in cities that are growing faster than the country as a whole. Between 2000 and 2019, the populations of Stockholm, Gothenburg, Malmö and the Ängelholm/Helsingborg region grew by 30, 24, 33 and 23 percent, respectively, while Sweden as a whole grew by 16 percent.¹⁷⁾

SWEDEN'S POPULATION GROWTH 2000-2025



Source: Statistics Sweden, Statistical Database

1) Statistics Sweden, Statistical Database.

2) SSB, StatBank.

3) Statistics Finland, StatFin.

4) Statistics Sweden, Sweden's population 2020 - population changes.

5) Includes corrections of population.

6) Statistics Finland, Preliminary population statistics.

7) SSB, Key figures for the population.

8) SSB, Population.

9) Statistics Sweden, Statistical Database.

10) SSB, StatBank.

11) Statistics Finland, StatFin.

12) Stockholm, Helsinki and Oslo.

13) Gothenburg, Malmö and Ängelholm/Helsingborg.

14) Statistics Sweden, Statistical Database.

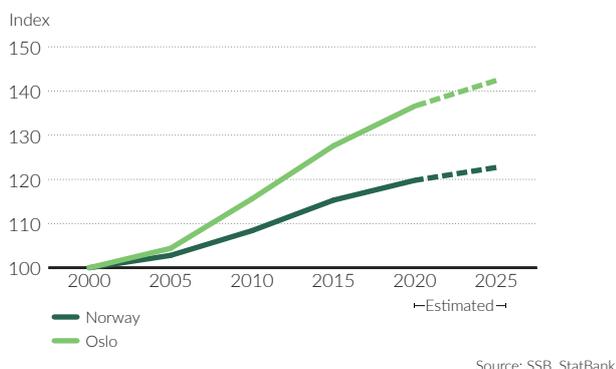
15) Statistics Finland, StatFin.

16) SSB, StatBank.

17) Statistics Sweden, Statistical Database.

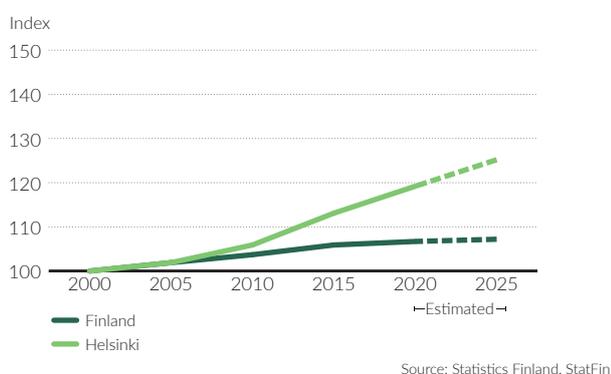
Between 2000 and 2019, Oslo grew by 34 percent while Norway as a whole grew by 19 percent. According to the population forecast from SSB, Oslo is expected to grow by 0.8 percent per year and Norway as a whole by 0.5 percent per year between 2000 and 2025.¹⁾

NORWAY'S POPULATION GROWTH 2000-2025



Between 2000 and 2019, Helsinki grew by 19 percent while Finland as a whole grew by 7 percent. According to the forecast for population growth from Statistics Finland, Helsinki is expected to grow by 1.0 percent per year and Finland as a whole by 0.1 percent per year between 2000 and 2025.²⁾

FINLAND'S POPULATION GROWTH 2000-2025



The business climate in Annehem Fastigheter's geographic areas

Central Business Districts ("CBD") have historically been characterised by a city's central square. As CBDs grew, business districts outside the city centre developed, often with easy accessible transport links, such as public transport or motorways.³⁾

Annehem Fastigheter is of the opinion that the Company's property portfolio is largely concentrated to attractive business districts in Sweden, Finland and Norway. In Sweden, the Company has properties in Solna near Stockholm, Hyllie near Malmö and Partille near Gothenburg. The business leaders consider this type of area as particularly attractive. According to the Confederation of Swedish Enterprise, the general⁴⁾ business climate in Solna is 26 percent better than in Stockholm, and in Partille it is considered 34 percent better than in Gothenburg.⁵⁾

The property portfolio in Helsinki and Oslo is also located, according to the Company's assessment, in attractive business areas.

When business leaders are asked to choose factors that are particularly important when choosing business districts, the most important is the ability to attract highly skilled personnel. The business districts where the Company operates have excellent transport links between the business districts and neighbouring cities, which makes them natural workplaces. In addition, 35 percent of companies state that competitive rents are highly important, and 14 percent that customising offices is highly important.⁶⁾ Annehem Fastigheter estimates that the properties' geographic location makes it possible to offer attractive rent levels and that the flexibility of the properties enable customer customisation.

THE SWEDISH PROPERTY MARKET

Despite the current economic prospects, the Swedish property market has remained robust in 2020. The transaction volume for the first six months of 2020 totalled SEK 81 billion, which was comparable with the historical average. This was only SEK 5 billion lower than the volume in the first half of 2019, which was the strongest year on record. A number of major transactions were initiated during the first and second quarters of 2020 and were completed during the corona pandemic. Moreover, significant international interest was noted in the Swedish property market. Expectations for transaction volumes in 2020 remain strong and are estimated at SEK 170 billion, which would make 2020 the third strongest year on record in terms of transaction volume. Even higher transaction volumes are expected to be reported in the years ahead.⁷⁾

1) SSB, StatBank.
 2) Statistics Finland, StatFin.
 3) Rosenberg.
 4) Average 2015-2020.
 5) Confederation of Swedish Enterprise.
 6) EY.
 7) Newsec.

Commercial properties

As a general rule, a higher share of professional services companies entails an increase in demand for office premises, which pushes rents up.¹⁾ Set forth below are the rent levels and the yield within the office properties category for Stockholm, Gothenburg, Helsingborg and Malmö.

Office properties, AA-location¹⁾

	Rent, SEK/sqm	Yield, %
Stockholm	5,500–8,200	3.35–4.00
Gothenburg	2,000–3,500	3.75–4.75
Helsingborg	–	–
Malmö	2,500–3,000	4.25–4.75

1) Svefa, Swedish Property Market 2020.

Office properties, A-location¹⁾

	Rent, SEK/sqm	Yield, %
Stockholm	3,600–6,800	3.50–4.75 %
Gothenburg	1,800–3,000	4.00–5.00 %
Helsingborg	2,000–2,750	4.75–5.50 %
Malmö	2,000–2,850	4.50–5.50 %

1) Svefa, Swedish Property Market 2020.

Office properties, B-location¹⁾

	Rent, SEK/sqm	Yield, %
Stockholm	2,500–4,200	4.00–5.75 %
Gothenburg	1,300–2,400	4.75–5.75 %
Helsingborg	1,250–1,750	5.50–7.00 %
Malmö	1,500–2,300	5.50–6.50 %

1) Svefa, Swedish Property Market 2020.

Office properties, C-locations¹⁾

	Rent, SEK/sqm	Yield, %
Stockholm	1,250–3,000	4.50–7.00 %
Gothenburg	1,000–1,800	5.50–7.25 %
Helsingborg	1,000–1,250	7.50–9.00 %
Malmö	1,000–1,350	7.00–8.00 %

1) Svefa, Swedish Property Market 2020.

The rent levels for office properties in Stockholm are expected to increase by 1.2 percent per year during the time period of 2020–2023.²⁾

In many of Sweden's major cities, office properties in nearby more attractive geographic locations have a lower vacancy rate. One of the reasons for this is the limited number of newly built office premises in these areas in the past few years. In 2020, the economic vacancy rate for office properties in Stockholm was approximately 6.7 percent, while corresponding properties in business districts in close proximity to Stockholm has an economic vacancy rate of approximately 5.6 percent. In Solna for example, where Annehem Fastigheter has a focused portfolio,

the economic vacancy rate amount to 6.0 percent which is lower than in Stockholm in total.³⁾

Limited access to high-quality, centrally located commercial properties in combination with good access to loan financing and low interest rates have contributed to lower yield requirements on commercial properties in Sweden. The risk premium between the 10-year government bond rate in Sweden and the yield requirement on commercial properties has, however, noted an increase from 130 points in 2004 to 290 points in 2018.⁴⁾ The yield in areas in close proximity to Stockholm is higher than in the inner city of Stockholm. In the inner city of Stockholm, the yield amounts to 3.3–3.8 percent, while the yield in nearby business districts exceeds 4.0 percent.⁵⁾

Community service properties

Community service properties primarily comprise properties used for education, healthcare and care, law enforcement agencies and for public offices. In these tax-financed operations, long leases are generally a requirement for enabling the business to maintain a high level of quality. The younger and older population is expected to grow, which means that education, healthcare and care are particularly attractive segments. For many public-sector players, it is also better to rent premises rather than own them. The shortage of premises is currently a major challenge for many municipalities as the need for public services grows.⁶⁾ In 2019, the The Swedish Association of Local Authorities and Regions estimated that about 1,000 new schools will need to be built within 2-3 years, which means an increase of approximately 10 percent. The corona pandemic has exposed the vulnerability of society and the need for investments in healthcare and care. Thus, the development of socially necessary infrastructure is expected to intensify in the following years.⁷⁾

Residential properties

Population growth means demand for housing in Sweden is substantial and the average queue time for housing in Sweden was approximately three years in 2014.⁸⁾ Queue times in Stockholm are much longer and according to the Stockholm Housing Agency in average just over ten years in 2019.⁹⁾ According to a survey by the National Board of Housing, Building and Planning in 2020, 74 percent of the 286 municipalities that answered the question stated that they had a shortage of housing.¹⁰⁾ In August 2020, the National Board of Housing, Building and Planning updated its forecast for construction demand, and demand for new housing is now forecast at just over 640,000 by 2027.¹¹⁾

The Swedish residential market is characterised by stable and rising rents. Between 2016 and 2019, rents rose fairly evenly between smaller and larger municipalities. Rents in metropolitan municipalities rose by approximately 8 percent during the period and by approximately 6 percent for other municipalities.¹²⁾

1) Svefa, Swedish Property Market Focus 24 locations.

2) JLL.

3) JLL.

4) Swedish Financial Supervisory Authority.

5) JLL.

6) Svefa, Swedish Property Market Focus 24 locations.

7) Svefa, Swedish Property Market 2020.

8) Swedish Union of Tenants.

9) Stockholm Housing Agency.

10) National Board of Housing, Building and Planning, Residential market survey.

11) National Board of Housing, Building and Planning, Regional construction need calculations 2018–2027.

12) Statistics Sweden, Statistical Database.

THE FINNISH PROPERTY MARKET

The Finnish property market noted a record during the first quarter of 2020 with a transaction volume of EUR 2.6 billion. However, this was followed by a weak second quarter with EUR 0.6 billion, which is the lowest transaction volume for the past five years.¹⁾ Volumes are expected to rise during the second half of the year, primarily due to low interest rates and volatile securities markets. The total volume for 2020 is expected to amount to EUR 5–6 billion, which is comparable with the historical average. During the first half of 2020, office properties were the strongest segment and accounted for 37 percent of the transaction volume. According to Newsec, the Finnish property market is considered attractive as it is characterised by stable customers, long rental contracts and low vacancy rates.²⁾ Between 2020 and 2023, office rents in Helsinki are expected to increase by 1.5 percent per year. The yield on office properties in Helsinki amounts to between 3.5 percent and 5.8 percent.³⁾

THE NORWEGIAN PROPERTY MARKET

The outlook for the Norwegian property market remained favourable in 2020 despite the corona pandemic. Players in the property market with stable customers and long contracts are expected to be the best performers going forward. The transaction volume during the first half of 2020 amounted to NOK 36.6 billion, which is lower than the corresponding period in 2019, when volume was NOK 43.3 billion. The difference is mainly a result of difficulties for buyers and sellers to agree on a price level that both parties can agree on due to the uncertainty in the market. Transaction activity is expected to increase in the second half of 2020.⁴⁾ The rent levels for office properties in Oslo is expected to increase by 3.1 percent per year between 2020 and 2023. The economic vacancy rate for these properties amounts to 5.0 percent but are expected to increase in the nearby time. The yield for office properties in Oslo amounts to between 3.8 and 5.3 percent.⁵⁾

SUSTAINABILITY

Rising demand for the earth's resources is increasing pressure on the ecosystem. The impact of this includes rising levels of environmental contamination, increasing greenhouse gas emissions and ultimately an unsustainable use of natural resources. In 2017, the Swedish construction and property sector emitted approximately 12.2 million tonnes of CO₂ equivalents. The sector also causes emissions abroad through import goods. These emissions amounted to approximately 5.9 million tonnes. In total, CO₂ emissions from the sector correspond to about 20 percent of Sweden's total CO₂ emissions.⁶⁾ Players in the construction and property sector

therefore have a major opportunity to influence CO₂ emissions in Sweden.

An increased awareness of sustainability and the use of natural resources mean environmental issues have become increasingly important. This has meant that both property owners and end-users are imposing increasingly strict demands that buildings are constructed and managed using a long-term perspective and with a focus on reducing environmental impact.⁷⁾

COMPETITORS

Annehem Fastigheter's existing property portfolio largely comprises commercial properties in Stockholm, Gothenburg, Malmö and the Ängelholm/Helsingborg area, as well as Helsinki and Oslo. The Company has various competitors in each property category and region, which may include international property funds and listed and privately-owned property companies. Annehem Fastigheter's executive management team considers the main listed players to be Castellum, Fabega, FastPartner, Klövern, Kungsleden, Nyfosa, Platzer and Wihlborgs.

¹⁾ Newsec.

²⁾ Newsec.

³⁾ JLL.

⁴⁾ Newsec.

⁵⁾ JLL.

⁶⁾ National Board of Housing, Building and Planning, Emissions of greenhouse gases from the construction and property sector.

⁷⁾ KTH.

BUSINESS OVERVIEW

INTRODUCTION

Annehem Fastigheter is a growth-driven property company specialising in commercial, community service and residential properties in the Nordic growth regions of Stockholm, Skåne, Gothenburg, Helsinki and Oslo. The Company believes that these geographic markets are particularly attractive given the high demand for commercial, community service and residential properties in the regions. Demand is supported by the ongoing urbanisation, population growth and sustainability trend in the Nordics.

As of the date of this Prospectus, the property portfolio in Annehem Fastigheter consists of 22 investment properties with a value of SEK 3,281 million¹⁾ and a lettable area of 184 thousand sqm²⁾. The property portfolio is divided into the segments Capital Region (Stockholm, Helsinki and Oslo) and South Region (Gothenburg, Malmö and Ängelholm/Helsingborg). As of the date of this Prospectus, Capital Region accounts for 73 percent of the total property value and South Region accounts for 27 percent. The portfolio primarily comprises modern, flexible and environmentally compatible commercial properties of high quality.

Annehem Fastigheter has acquired four properties that are being constructed by Peab and will be taken into possession between 2021 and 2024. The agreed underlying property value for these properties is SEK 791 million and the lettable area is 16 thousand sqm.

The Company has also signed letters of intent with Peab to acquire several future properties related to development rights owned by Peab (refer to the section "Property portfolio" for more information about the existing portfolio and acquisition portfolio).³⁾

As a dedicated property company with an experienced executive management team, Annehem Fastigheter has excellent opportunities for capitalising on the potential of its existing property portfolio and expanding the portfolio. In doing so, the Company can create long-term shareholder value.

HISTORY AND SIGNIFICANT EVENTS

Annehem Fastigheter has its origins in Peab. Peab was founded in 1959 by Erik and Mats Paulsson, and is today active in the business areas of Construction, Civil Engineering, Industry and Project Development. Peab has extensive experience of constructing high-quality properties and in some cases has chosen to retain properties after completion. In recent years, a wholly owned property portfolio has been accumulated and is part of the Project Development business area and the Property Portfolio unit. This fully developed property portfolio, mainly comprising modern and high-quality properties, has formed the basis in the creation of Annehem Fastigheter.

During the year, the Company has acquired and taken into possession two properties from Peab, with a fair value of SEK 345 million and SEK 210 million, respectively, on 30 September 2020. The properties are situated in Solna and Malmö. The Company also acquired and took a property into possession in Oslo during the fourth quarter of 2020 with an agreed underlying property value of SEK 278 million⁴⁾.

In addition, Annehem Fastigheter acquired two residential properties and two commercial properties from Peab that will be taken into possession after the IPO. The agreed underlying property value for these four properties is SEK 791 million.

On 27 August 2020, the board of Peab announced its intention to propose to the extraordinary general meeting the distribution of all of Peab's shares in Annehem Fastigheter to Peab's shareholders and to list Annehem Fastigheter's B shares on Nasdaq Stockholm. On 12 November 2020, Peab's extraordinary general meeting approved the distribution of all of Peab's shares in Annehem Fastigheter.

BUSINESS CONCEPT, VISION AND MISSION

Annehem Fastigheter's business concept

Annehem Fastigheter shall own and manage high-quality commercial, community service and residential properties with a clear environmental profile located near good transport links in the Nordic growth areas. The Company builds lasting relationships and value through management close to customers.

Annehem Fastigheter's vision

Annehem Fastigheter shall always be the number one choice for customers and employees wherever the Company choose to operate.

Annehem Fastigheter's mission

Annehem Fastigheter creates attractive meeting places and homes. The Company believe that the workplace, meeting place and home are tools for nurturing growth and attractiveness. The positive development of Annehem Fastigheter's customers in turn creates growth and attractiveness in the cities in which the Company operate.

STRENGTHS AND COMPETITIVE ADVANTAGES

Annehem Fastigheter's main strengths and competitive advantages are considered to be:

High-quality, modern, flexible and environmentally compatible properties

The existing portfolio primarily comprises modern, flexible and high-quality environmentally compatible properties. The

¹⁾ Refers to fair value on 30 September 2020 for properties that the Company owned on 30 September 2020 and agreed underlying property value for the property that the Company acquired and took into possession after 30 September 2020.

²⁾ Including parking spaces.

³⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

⁴⁾ Calculated based on an exchange rate NOK/SEK of 0.95.

share of the portfolio that was constructed in the last five years represents 84 percent of the value of the property portfolio.¹⁾ Most of these are office properties built with a flexible floor plan. The properties are flexible and can be designed for various purposes which make them well-suited to the current trend and shift towards activity-based office environments. The ability to adapt the properties to customer needs means that the Company can grow as the tenants' operations develop, thus meeting the aim of building long-term relationships with customers.

The attractive features of the properties have contributed to a low economic vacancy rate²⁾ of five percent on 30 September 2020 and has led to the potential for long-term income capacity. The properties are rented on long-term leases to qualitative customers, such as municipalities and large companies. The average weighted remaining contract period is 4.7 years. The properties were built by Peab, which has a long history of constructing quality buildings with a focus on sustainability. The energy efficiency of the properties means that operating costs can be kept at relatively low levels, which customers appreciate.

Proof of the strength of Annehem Fastigheter's customer base and flexible premises is the limited impact of the corona pandemic on the Company to date. Annehem Fastigheter's rent reductions amounted to less than SEK 250,000 in the first three quarters of 2020. The Company's exposure to the industries that the Company considers to be the hardest hit by the pandemic – hotels, restaurants and retail – amounted to only approximately five percent of rent revenue in the first three quarters of 2020 (refer to the section "*Tenants and customers – Effects of the corona pandemic*").

Property portfolio focused on Nordic growth areas

The Company's properties are concentrated to locations near good transport links in the Nordic growth areas of Stockholm, Skåne, Gothenburg, Helsinki and Oslo. The Company considers these geographic markets to be particularly attractive given the high demand for commercial, community service and residential properties in the regions. Population growth in the regions that the Company serves is higher than the average population growth for each country. Furthermore, demand is supported by the ongoing urbanisation and sustainability trend in the Nordics (refer to the section "*Market overview – Urbanisation and population growth*" and "*Market overview – Sustainability*").

The properties are, in addition to their location in attractive regions, strategically situated in business districts with good transport links outside the central business district (CBD). This presents several clear advantages. The prioritised areas meet the three factors which the business leaders, according to EY³⁾, gives the highest priority to in attractive business district: potential for attracting highly skilled personnel, competitive rents and flexible premises (refer to the section "*Market overview – Population growth and business climate in the Company's geographic areas – Business climate in Annehem Fastigheter's geographic areas*"). The location of the office properties means that companies can rent premises at a significantly lower cost than in the CBD while at the same time attract highly skilled

personnel and remain close to their stakeholders. The option of optimising and rearranging office space in the flexible properties to meet tenant needs means that they are relevant to a broad group of companies. The combination of the option to rearrange office space and convenient transport links between the home and the office results in attractive meeting places and flexible working conditions. Furthermore, the concentration of the properties in these districts allows for efficient property management. One example of the Company's strategic planning with good transport links is the portfolio in Stockholm, where the investment properties are located in the new city district of Ulriksdal in Solna, which is outside the inner city.

Annehem Fastigheter believes that demand for commercial, community service and residential properties in the priority Nordic growth areas will remain strong over the next few years, which provides a solid platform for maintaining a low vacancy rate.

Substantial growth potential through property acquisitions with high visibility and well-defined development strategy

Annehem Fastigheter is a growth-driven property company with a well-defined strategy for growing and developing the portfolio. Alongside expanding the portfolio by acquiring properties, the Company has a plan for increasing the value of the existing portfolio through specialisation and adding value. Investing in different types of properties in the various geographic areas that are already included in the Company's portfolio creates diversity, at the same as the efficiency of property management activities is enhanced. This results in economies of scale.

The Company acquired and took into possession a commercial property during the fourth quarter of 2020 and has acquired two commercial properties and two residential properties from Peab that will be fully developed between 2021 and 2024. In addition, Annehem Fastigheter has signed letters of intent to acquire several future properties related to development rights owned by Peab on market terms.⁴⁾ In the long term, Annehem Fastigheter also intends to diversify its portfolio by acquiring community service and residential properties.

The Company envisages many opportunities to capitalise on the potential of the existing property portfolio in addition to such property acquisitions. Potential for increasing efficiency can be found by conducting focused property management operations. The Company has a strategy for adding value to the portfolio by adjusting the premises to customer needs as necessary and continuing to strengthen its environmental profile (refer to the section "*Strategy – Capitalising on the potential of the property portfolio through focused property management operations*" for more information about the strategy for adding value to the property portfolio).

Financial profile that enables a distinct growth strategy

Annehem Fastigheter's existing and future properties provide the conditions for long-term cash-flow generation and earnings capacity. The existing portfolio primarily comprises recently constructed office properties in attractive Nordic growth areas, which offer high yield and revenue potential. Economies of scale will increase in the Company's property management operations

¹⁾ Refers to fair value on 30 September 2020 for properties that the Company owned on 30 September 2020 and agreed underlying property value for the property that the Company acquired and took into possession after 30 September 2020.

²⁾ Including rental guarantees.

³⁾ EY, "*The attractiveness of world-class business districts*".

⁴⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

in line with the Company acquiring more properties in the Nordic growth areas where the existing portfolio is concentrated, which will boost profitability.

Annhem Fastigheter is a growth-driven company with a well-defined strategy for property acquisitions. The separate listing of Annhem Fastigheter will lead to several tangible benefits and is deemed important in supporting the Company's growth strategy. As a dedicated property company effective sources of funding are made possible, such as property financing with pledging in the portfolio and capital procurement through new issues. The Company's financial position provides scope for new borrowing in the event of acquisitions. In addition, the separate listing provides better opportunities to use shares in the event of larger acquisitions and creates better conditions for spontaneous inquiries about potential property transactions due to more targeted publicity.

Exposure to an attractive property market and robust macroeconomic environment

Favourable macroeconomic factors mean that the Company estimates conditions in the property market will remain attractive. Annhem Fastigheter believes that there is high demand for commercial, community service and residential properties in the geographic regions served by the Company. Demand is driven by a multitude of factors, such as urbanisation, population growth and expectations regarding continued historically low interest rates, which provide a basis for a long-term liquid secondary market.

Experienced executive management team and board of directors

The executive management team of Annhem Fastigheter is highly qualified and possesses broad and proven experience from the property sector. The executive management team is highly suited to running a new company that is pursuing a growth strategy and following a flexible and decentralised organisational structure that enables effective operations and property management. The board consists of experienced directors and will provide important support during the Company's journey of growth.

STRATEGY

The main components of Annhem Fastigheter's strategy are:

Property portfolio growth focusing on Nordic growth areas

Annhem Fastigheter is a growth-driven property company with a well-defined strategy for property acquisitions and a previously identified, highly visible acquisition portfolio.

The Company acquired and took into possession a commercial property during the fourth quarter of 2020 with an agreed underlying property value of SEK 278 million¹⁾. The Company has also acquired two commercial properties that will be taken into possession in 2021 and two residential properties that will be taken into possession in 2022 and 2024, respectively. The agreed underlying property value for these four properties is SEK 791 million. In addition, Annhem Fastigheter has identified several development rights owned by Peab pertaining to future properties deemed highly suited to the Company's property

portfolio and strategy and which are scheduled to be fully developed after 2021. The properties are expected to mainly comprise of office spaces for both private as for public sector (direct or indirectly tax-funded operations) as potential tenants. Annhem Fastigheter has signed letters of intent with Peab to acquire these properties on market terms.²⁾ When completed, the properties will comprise 86 thousand sqm and Annhem Fastigheter has assigned them a total estimated underlying property value at completion of SEK 4,900 million.³⁾

Annhem Fastigheter intends to, in the long-term, diversify its portfolio by acquiring community service and residential properties in the Nordic growth areas that the Company focuses on. Expanding its exposure to other types of properties increases the number of potential acquisition opportunities and can enhance efficiency in locations in which property management operations have already been established. Annhem Fastigheter believes that a larger share of community service and residential properties is a good supplement since they diversify the risk exposure of the property portfolio. In order to identify new potential acquisition targets, the Company continuously evaluates and monitors the markets for residential and community service properties. Annhem Fastigheter's market-centric organisation and concentration on selected Nordic growth areas provide a platform for continuously monitoring market developments and thus maintaining in-depth knowledge of local markets. Market know-how is further deepened through close relationships and regular dialogue with other markets players, partners and customers. This presents many opportunities for identifying property candidates at an early stage that are well-suited to the property portfolio.

Capitalising on the potential of the property portfolio through focused property management operations

The Company envisages many opportunities to capitalise on the potential of its existing high-quality property portfolio. Potential for enhancing efficiency, and thereby generating economies of scale, can be found by conducting focused property management operations. Annhem Fastigheter foresees development potential in the Company's two business parks as well as the surrounding land amounting to approximately 5,900 thousand sqm. In the business park Ljungbyhed Park, the Company foresees potential to develop the operations related to aviation operations and other operations relating to inter alia drivers training or by attracting tax funded operations in relation to the development rights, which would increase the Company's exposure to community service properties. In Valhall Park, the Company foresees potential to cover vacancies with schools or other tax funded operations, which would increase the Company's exposure to community service properties. The Company also has a strategy for adding value to the portfolio by adjusting the premises to customer needs as necessary and continuing to strengthen its environmental profile (refer to the section "– Continued proactive work to maintain and further strengthen the high environmental profile" for more information about the strategy for adding value to the property portfolio).

¹⁾ Calculated based on an exchange rate NOK/SEK of 0.95.

²⁾ Except for certain customary provisions, the letters of intent are non-binding and Annhem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

³⁾ The property value is based on Annhem Fastigheter's assessment on 30 September 2020 of the underlying property value of each property as per the date of completion.

Continued proactive work to maintain and further strengthen the high environmental profile

Annehem Fastigheter considers sustainability to be a natural part of its operations and has high ambitions for meeting the environmental and sustainability requirements of today and tomorrow as regards work processes, property management and transaction activities. The Company sees the potential for creating value by applying a persistent focus on sustainability and taking action to develop the environmental profile of the properties.

The Company has developed an environmental and sustainability strategy for both the existing portfolio and for properties that will be acquired. This plan includes proactive efforts by Annehem Fastigheter to secure certification for those properties that are not yet environmentally certified. Properties acquired in the future will be environmentally certified, with the aim of achieving as high a classification as possible. The environmental profile will also be strengthened by Annehem Fastigheter taking action to optimise the existing facilities in order to minimise the share of purchased energy (refer to the section "Environmental and sustainability work" for further information on the Company's environmental and sustainability strategy).

FINANCIAL TARGETS

This section contains forward-looking statements. These forward-looking statements are not guarantees of future financial performance and the Company's actual results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under the sections "Risk factors" and "Operational and financial overview". In addition, due to the ongoing corona pandemic, the Company has identified a potential increased exposure to certain existing risks that are

described in further detail under the section "Risk factors – Risks related to Annehem Fastigheter's financial position – The corona pandemic could have a negative impact on Annehem Fastigheter and it is difficult to predict the effects of the pandemic", which could impact the Company's ability to achieve its financial targets. All financial targets discussed in this section are guidelines and are not, and should not, be regarded as forecasts or estimates of the Company's future earnings.

Annehem Fastigheter's overall target is to create value for the Company's shareholders. Annehem Fastigheter's board of directors has established the following targets regarding growth and profitability, financial risk limitations and distribution policy:

Targets regarding growth and profitability:

- Average annual growth in the property portfolio of at least 20 percent, up to a total property portfolio with a fair value of SEK 7 billion.
- Profits from property management per share shall within 12 to 18 months double and thereafter increase with an average of 20 percent per year over time.
- Return on equity of at least 10 percent per year over time.

Financial risk limitations:

- The equity/assets ratio shall be at least 30 percent.
- The net loan-to-value ratio shall not exceed 60 percent over time.
- The interest-coverage ratio shall, on a long-term basis, not fall below 2.2 x.

Distribution policy:

- The profits shall essentially be reinvested in order to utilise business opportunities and achieve Annehem Fastigheter's targets regarding growth.

PROPERTY PORTFOLIO

Annehem Fastigheter's portfolio includes mainly high-quality, modern, flexible and environmentally compatible commercial properties in Nordic growth areas. The Company's strategy includes further diversification through the acquisition of community service and residential properties.

Annehem Fastigheter's property portfolio consists of 22 investment properties as of the date of this Prospectus.¹⁾ In addition, the Company has acquired two commercial properties and two residential properties that will be taken into possession between 2021 and 2024 (refer to section "– Acquired but not taken into possession" for more information). The Company has also signed letters of intent²⁾ with Peab to acquire several future properties related to development rights owned by Peab (refer to section "– Properties with letters of intent" for more information).

As of the date of this Prospectus, the value of the investment properties amount to SEK 3,281 million³⁾, which includes the property in Oslo that the Company acquired and took into possession after 30 September 2020. On 30 September 2020, the fair value of the investment properties amounted to SEK 3,003 million and the total lettable area amounted to 180 thousand sqm⁴⁾. The total rental value on 30 September 2020 amounted to SEK 200 million, of which SEK 112 million comprised the Capital Region and SEK 88 million the South Region.⁵⁾ The contracted economic occupancy rate on the same period was 95 percent. The average weighted remaining contract period for property portfolio on 30 September 2020 was 4.7 years. For the Capital Region, the corresponding figure was 5.9 years and for the South Region 3.2 years. In the Company's opinion, the property portfolio's average weighted remaining contract period is favourable and provide a platform to continue to develop operations.

Overview of investment properties ¹⁾

Property region	Fair value ⁱⁱ⁾ , SEK million	No. of properties	Lettable area, thousand sqm ⁱⁱⁱ⁾	No. of garage spaces	Rental value, SEK million ^{iv)}	Contracted economic occupancy rate, %	Average weighted remaining contract period, years
Capital Region							
– Stockholm	1,194	2	16	475	52	100%	5.8
– Helsingfors	913	3	17	475	60	100% ^{v)}	6.0
– Oslo ^{vi)}	–	–	–	–	–	–	–
South Region							
– Gothenburg	173	1	6	–	11	99%	6.6
– Malmö	228	2	6	–	16	100% ^{v)}	5.7
– Ängelholm/Helsingborg ^{vii)}	495	13	125	–	61	84%	2.0
Total investment properties 30 Sep 2020	3,003	21	170	950	200	95%	4.7
Oslo – taken into possession after 30 Sep 2020	278 ^{viii)}	1	4	–	13	100%	15.0

ⁱ⁾ Based on values on 30 September 2020.

ⁱⁱ⁾ Refers to fair value on 30 September 2020 for properties that the Company owned on 30 September 2020 and agreed underlying property value for the property that the Company acquired and took into possession after 30 September 2020.

ⁱⁱⁱ⁾ Excluding parking spaces.

^{iv)} "Rental value" is defined as rental revenue in according to the relevant agreement with supplement for estimated market rent regarding unleased space for the coming twelve months from the time of report and "Rental revenue" is defined as rents and supplements excluding rental discounts.

^{v)} The Company acquired and took into possession a property in Oslo after 30 September 2020.

^{vi)} Including rent guarantees issued by Peab for vacant space and is valid for 36 months from the time of acquisition. Regarding Helsinki, this refers to the properties Ultime I & II from 1 July, 2020 and regarding Malmö, this refers to the property Peab Center Malmö from 1 March, 2020.

^{vii)} Ängelholm/Helsingborg Region including Ljungbyhed.

^{viii)} Calculated based on an exchange rate NOK/SEK of 0.95.

¹⁾ Refers to 21 properties that the Company owned on 30 September 2020 and a property that the Company acquired and took into possession after 30 September 2020.

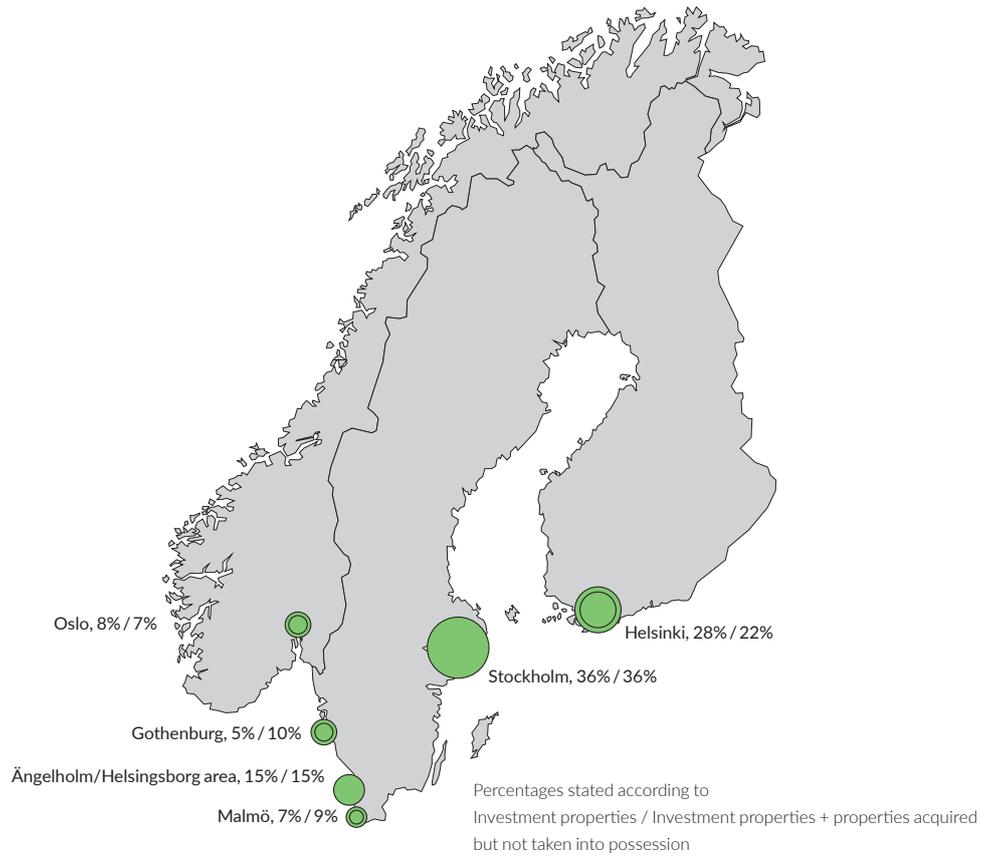
²⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

³⁾ Refers to fair value on 30 September 2020 for properties that the Company owned on 30 September 2020 and agreed underlying property value for the property that the Company acquired and took into possession after 30 September 2020.

⁴⁾ Including parking spaces.

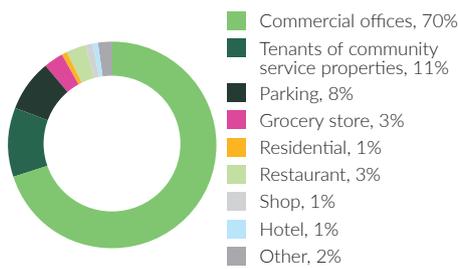
⁵⁾ "Rental value" is defined as rental revenue in according to the relevant agreement with supplement for estimated market rent regarding unleased space for the coming twelve months from the time of report and "Rental revenue" is defined as rents and supplements excluding rental discounts.

PROPERTY PORTFOLIO BY REGION¹⁾



¹⁾ Refers to the properties fair value on 30 September 2020 for properties that the Company owned on 30 September 2020 and agreed underlying property value for the property that the Company acquired and took into possession after 30 September 2020 as well as for the properties that are acquired but not taken into possession.

CONTRACTED ANNUAL RENT BY PROPERTY TYPE ON 30 SEPTEMBER 2020, INVESTMENT PROPERTIES¹⁾



Note: Excluding the property in Oslo that was acquired and entered into possession after 30 September 2020. The property is fully rented to retail business in the form of a grocery store.

¹⁾ Based on values on 30 September 2020 for investment properties that the Company owned on 30 September 2020.



Acquired but not taken into possession

Annehem Fastigheter has a clearly defined growth plan and as part of this plan has acquired four properties from Peab. Two of the properties are commercial and will be taken into possession during 2021, two are residential properties that will be taken into possession during 2020 and 2024. The total underlying property value for these properties amount to SEK 791 million and the lettable area amounts to 16 thousand sqm.

The Company has also entered into share purchase agreements regarding the commercial properties. These two commercial properties are situated in Solna, Stockholm and in Helsingborg and will be taken into possession in 2021. The property in Solna is a five-storey office building with a contracted economic occupancy rate of 100 percent, where 90 percent consists of a medical technical company with a contract period of ten years, and the remaining 10 percent consists of offices for Annehem Fastigheter. The Helsingborg property comprises office space, warehouse space and a gym and has an economic occupancy rate of 83 percent and has a rent guarantee from Peab for vacant space and is valid for 36 months from the time of the acquisition. This means that the contracted economic occupancy rate amount to 100 percent. The agreed underlying property value for the two commercial properties is SEK 406 million and the lettable area is 8 thousand sqm.

The Company has also entered into share purchase agreements regarding the acquisition of the two residential properties. These properties are situated in Partille in Gothenburg and in Malmö. The properties will be taken into possession in 2024 and 2022, respectively, and comprise a total of 8 thousand sqm. The high-quality and environmentally compatible (Nordic Swan ecolabelled) rental properties are situated in attractive areas for both tenants and the Company. The residential properties are located in areas with high demand and close to the Company's existing properties, which means that the existing property management organisation can be used. The agreed underlying property value for the two residential properties is SEK 385 million.



Overview of acquired but not yet taken into possession properties

Property region	Taken into possession	Agreed underlying property value, SEK million	No. of properties	Lettable are, thousand sqm	Rental value, SEK million ¹⁾	Contracted economic occupancy rate, %	Average weighted remaining contract period, years
Capital Region							
- Stockholm	Q4 2021	275	1	4	14	100% ¹⁾	10 ¹⁾⁾
- Helsinki		-	-	-	-	-	-
- Oslo		-	-	-	-	-	-
South Region							
- Gothenburg	H1 2024	250	1	5	12	N/A	N/A
- Malmö	Q2 2022	135	1	3	6	N/A	N/A
- Ängelholm/Helsingborg ¹⁾⁾	Q2 2021	131	1	4	8	100% ¹⁾⁾	10
Total acquired but not yet taken into possession properties		791	4	16	40	100%	10

1) "Rental value" is defined as rental revenue in according to the relevant agreement with supplement for estimated market rent regarding unleased space for the coming twelve months from the time of report and "Rental revenue" is defined as rents and supplements excluding rental discounts.

1)) 90 percent of the property is leased to a medical technical company, and the remaining 10 percent is leased to Annehem Fastigheter.

1)) Refers to the contract period for the medical technology company.

1)) Ängelholm/Helsingborg Region includes Ljungbyhed.

1)) Including rent guarantees issued by Peab for vacant space and is valid for 36 months from the time the property is expected to be taken into possession.

Properties with letters of intent

Annhem Fastigheter has identified that Peab holds several outstanding development rights pertaining to future properties that would be highly suited to the Company's property portfolio and strategy and that Peab plans to fully develop after 2021. The properties are expected to mainly comprise of office spaces for both private as for public sector (direct or indirectly tax-funded operations) as potential tenants. Annhem Fastigheter has signed letters of intent with Peab to acquire the properties on market terms. These letters of intent are non-binding and

Annhem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.¹⁾ The development rights are situated in close proximity to the Company's existing portfolio. Acquisition of the future properties had therefore both strengthened the geographic position and enabled a more efficient property management which had contributed to economies of scale. The properties with letters of intent will comprise in total 86 thousand sqm and Annhem Fastigheter has assigned them a total estimated underlying property value at completion of SEK 4,900 million.²⁾

Overview of properties with letters of intent

Property region	Taken into possession	Estimated underlying property value by completion ¹⁾ , SEK million	No. of properties	Lettable are, thousand sqm	Rental value, SEK million ¹⁾
Capital Region					
- Stockholm	2023–after 2024	2,700	3	40	115
- Helsinki	2023–after 2024	1,300	3	27	79
- Oslo		–	–	–	–
South Region					
- Gothenburg		–	–	–	–
- Malmö	2023–after 2024	900	4	20	51
- Ängelholm/Helsingborg ¹¹⁾		–	–	–	–
Total properties with letters of intent		4,900	10	86	245

Note: Except for certain customary provisions, the letters of intent are non-binding and Annhem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

¹⁾ The property value is based on Annhem Fastigheter's assessment on 30 September 2020 of the underlying property value of each property as per the date of completion.

¹⁾ "Rental value" is defined as rental revenue in according to the relevant agreement with supplement for estimated market rent regarding unleased space for the coming twelve months from the time of report and "Rental revenue" is defined as rents and supplements excluding rental discounts.

¹¹⁾ Ängelholm/Helsingborg Region including Ljungbyhed.

Capital Region

Annhem Fastigheter's property portfolio in the Capital Region are located in Stockholm, Helsinki and Oslo.

Stockholm

Properties in the Stockholm region are concentrated to Ulriksdal, a new district in Solna. Ulriksdal is situated in an attractive

setting in close proximity to greenery and the pulse of the city. The area already includes offices, housing, gyms, stores, pre-schools and restaurants. Over the next few years, the area is expected to have about 15,000 workplaces and approximately 2,500 residential homes.

One of Annhem Fastigheter's properties is Peab's Stockholm office, which the company moved into at the end of 2019.



¹⁾ Except for certain customary provisions, the letters of intent are non-binding and Annhem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

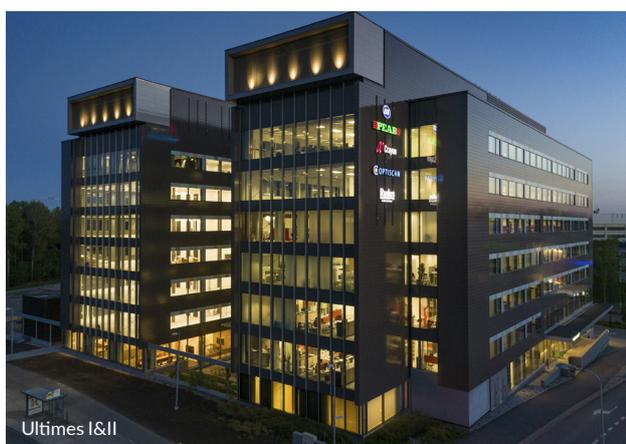
²⁾ The property value is based on Annhem Fastigheter's assessment on 30 September 2020 of the underlying property value of each property as per the date of completion.

In addition, the Company owns a property that houses offices and a gym with 475 associated parking spaces. This property was completed in summer 2020 and is now fully rented. Annehem Fastigheter has acquired an office building from Peab that will be taken into possession in 2021. The property has a contracted economic occupancy rate of 100 percent, where 90 percent consists of a medical technical company with a contract period of ten years, and the remaining 10 percent consists of offices for Annehem Fastigheter. The Company has also signed letters of intent with Peab to acquire three properties in Ulriksdal on market terms that are scheduled to be fully developed after 2021¹⁾ (refer to the section “– Properties with letters of intent” for more information).



Helsinki

Annehem Fastigheter’s portfolio of investment properties in Helsinki includes a business centre comprising three high-quality and modern properties with 475 associated parking spaces. In order to strengthen the geographic position, the Company has signed letters of intent with Peab to acquire three properties in Helsinki on market terms, planned to be completed after 2021²⁾ (refer to the section “– Properties with letters of intent” for more information).



Oslo

Annehem Fastigheter acquired and took a three-dimensional (3D) property into possession in Oslo from Peab during the fourth quarter of 2020. The property is fully rented to Coop Øst AS until 2035. The property is situated in Grünerløkka in central Oslo with good transport links via trams, buses and metro.



South Region

The South Region consists of properties in Skåne and Gothenburg. The property portfolio in Skåne comprises the recently fully developed Peab Center Malmö property in Hyllie, just south of Malmö, and a property situated just east of Malmö. In Partille, near Gothenburg, a three-dimensional (3D) building is located, which is mainly let to retail business in the form of a supermarket.

The property portfolio in this region also includes the two business parks Valhall Park in Ängelholm and Ljungbyhed Park in Ljungbyhed, which comprise a total of 13 properties. These two business parks are included in the area Ängelholm/Helsingborg. The business parks have been transformed into centres for, inter alia, office operations and conferences, and in Ljungbyhed also aviation related trainings. The business parks have qualitative tenants. Annehem Fastigheter owns the land surrounding the parks totalling approximately 5,900 thousand sqm. The development potential for this land is great given that it is strategically well located. A focused property company has the necessary prerequisites to utilise the full potential of this area.

In addition to the investment properties, Annehem Fastigheter has acquired three properties in the region that will be fully developed after the IPO. One of the properties is located in Helsingborg and comprises office space, warehouse space and a gym with an economic occupancy rate of 83 percent and a rent guarantee from Peab for vacant space that are valid for 36 months from the time the property is expected to be taken into possession. This means that the contracted economic occupancy rate amounts to 100 percent. The property is currently under construction and will be taken into possession in 2021. The other two properties are high-quality and environmentally compatible (Sw. *Svanenmärkta*) rental properties in Malmö and Partille (Gothenburg) that were acquired in October of this year and that will be taken into possession in 2022 and 2024, respectively (refer to the section “– Acquired but not taken into possession” for more information).

¹⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

²⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

In addition, Annehem Fastigheter has identified several development rights in Hyllie owned by Peab that are scheduled to be fully developed after 2021. Annehem Fastigheter has signed letters of intent to acquire the properties on market terms¹⁾ (refer to the section “ – Properties with letters of intent” for more information).

TENANTS AND CUSTOMERS

Annehem Fastigheter has a diversified customer base with several categories of tenants in various sectors. The Company had 276 commercial leases on 30 September 2020. The lease maturity structure for these leases shows that the majority of the Company’s contracted annual rent falls due in more than five years.



Annehem Fastigheter’s lease maturity structure on 30 September 2020

Year of maturity	Contracted annual rent, SEK million	Share, %	No. of leases
< 1 year	1	1%	8
1–2 years	13	7%	110
2–3 years	23	12%	36
3–4 years	14	7%	22
4–5 years	38	20%	49
> 5 years	102	54%	51
Total	190	100%	276

¹⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.



Peab is Annehem Fastigheter's largest tenant. Peab related leases represented 42 percent of the rental value on 30 September 2020. The average weighted remaining contract period on these contracts amounted to 8.7 years. Except for Peab, there is no single tenant who represented more than six percent of the rental value. The ten largest customers (excl. Peab related leases) represented 24 percent. The average weighted

remaining contract period on 30 September 2020 amounted to 7.2 years for the ten largest tenants in terms of rental value and 4.7 years in total. The property in Oslo that was acquired and taken into possession after 30 September 2020 is fully rented to Coop Øst AS until the year of 2035 and has a rental value amounting to SEK 13 million.

OVERVIEW OF THE TEN LARGEST CUSTOMERS ON 30 SEPTEMBER 2020

The ten largest tenants in terms of rental value on 30 September 2020

Tenant	Rental value ¹⁾ , SEK million	Percentage of total rental value, %	Number of leases
Peab related leases	83	42%	28
ISS Palvelut Oy	13	6%	5
Actic Sverige AB	7	3%	1
Coop Väst AB	7	3%	1
Ängelholm's municipality	6	3%	8
NCC Property Dev AB	4	2%	1
The Swedish Migration Agency	3	2%	4
B Braun	3	2%	1
Saab AB	3	2%	3
SSH Communications	3	1%	5
Total ten largest tenants	132	66%	57
Total	200	100%	276

Note: The property in Oslo, which was acquired and taken into possession after 30 September 2020 is fully rented to Coop Øst AS until the year of 2035 and has a rental value amounting to SEK 13 million.

¹⁾ "Rental value" is defined as rental revenue in accordance to the relevant agreement with supplement for estimated market rent regarding vacant space for the coming twelve months from the time of report and "Rental revenue" is defined as rents and supplements excluding rental discounts.

Effects of the corona pandemic

During the three first quarters of 2020, rent reductions have amounted to less than SEK 250,000 and no customer has entered into bankruptcy due to the corona pandemic. To help its customers, the Company has in certain cases changed from quarterly payments to monthly. On 30 September 2020, 56 percent of the tenants¹⁾ paid quarterly in advance, while 44 percent paid one month in advance.

Annhem Fastigheter believes that it has low exposure to the industries that the Company estimates have been the most severely impacted by the corona pandemic: hotels, restaurants and retail. The percentage of rent revenue from these three industries amounted to five percent in the first three quarters of 2020.

The Company does not believe that the corona pandemic has, to date, impacted the efficiency of the organisation or the recruitment of personnel. The Company has identified several attractive acquisition opportunities despite the corona pandemic.

ENVIRONMENTAL AND SUSTAINABILITY EFFORTS

Annhem Fastigheter has high ambitions for meeting the environmental and sustainability requirements of today and tomorrow as regards work processes, property management and transaction activities. It is important to the Company to consider environmental and sustainability aspects in all decisions and that these permeate the organisation.

Annhem Fastigheter is working actively to obtain environmental certificates for all six properties built since 2016 that are still to be certified. Five of these properties had been

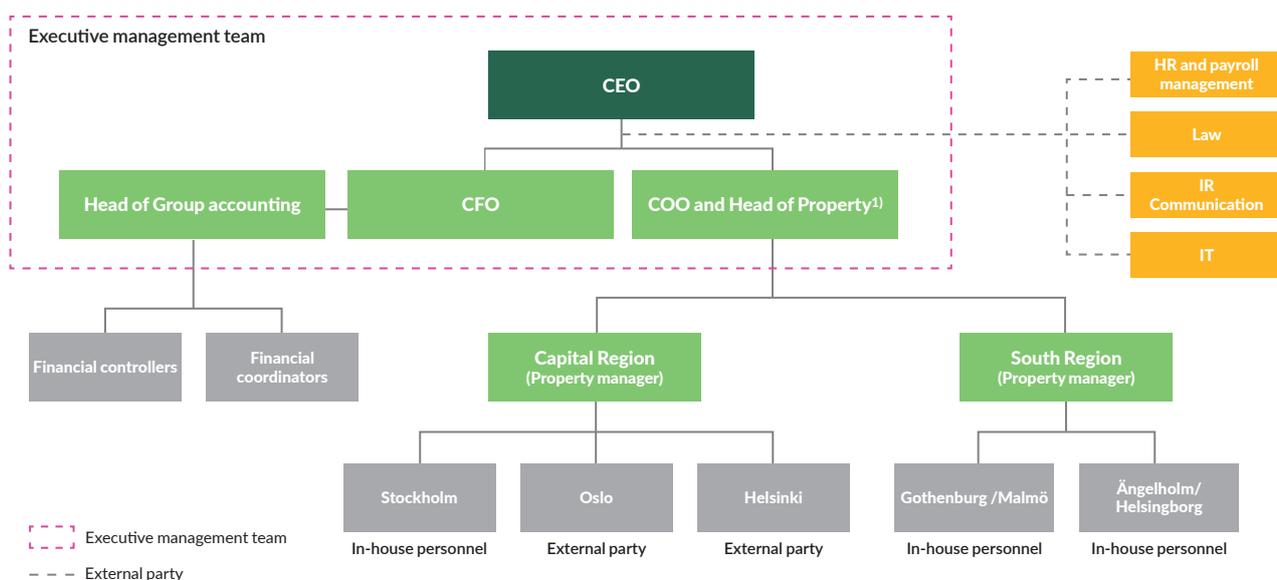
certified on 30 September 2020. The target is to certify the one remaining property on 30 September 2020 within the next 18 months. Properties acquired in the future will also become part of a certification process, with the aim of achieving the highest possible level.

The Company's environmental and sustainability strategy also includes the continuous evaluation and optimisation of existing facilities in order to minimise the share of purchased energy. Annhem Fastigheter impacts the environment through its energy use, primarily for heating, cooling and electricity. The Company regularly strives to identify and implement actions to reduce its energy use, and thereby its energy costs. This work is conducted by optimising the operation of properties. Annhem Fastigheter's ambition is also meet environmental requirements from a tenant perspective by identifying solutions where tenants can both limit their environmental impact and reduce their costs.

ORGANISATION

Annhem Fastigheter has an organisation that is well-suited to conducting operations in line with the intended strategy. The aim is to run an effective, focused and entrepreneurial business to achieve operational efficiency and value growth. The organisational structure is based on a decentralised model combined with an executive management team, comprising of the CEO, CFO and head of Group accounting that follows a well-defined strategy and vision. From 1 March 2021, Viveka Frankendal assumes the position as COO and Head of Property. Viveka Frankendal will be part of the Company's executive management team. The executive management team is highly qualified and has extensive experience from the property market

ANNEHEM FASTIGHETER AB



¹⁾ From 1 March 2021, Viveka Frankendal assumes the position as COO and Head of Property. Viveka Frankendal will be part of the Company's executive management team.

and is well-suited to running an organisation with an explicit growth strategy. Set forth below is an overview of Annehem Fastigheter's organisation.

The organisation will be developed to align with Annehem Fastigheter's prerequisites and strategy. Property managers and financial coordinators were hired from Peab through a business transfer on 1 June 2020, and financial controllers with extensive experience from the operations when they were conducted in Peab were recruited from Peab from 1 July 2020. This was to rapidly put in place an efficient administrative infrastructure. In addition, external parties provide assistance in legal and communication matters. The Company has a robust IT infrastructure based on a Cloud first strategy that is provided by an external party.

Property management

Annehem Fastigheter's registered office is in Ängelholm, Sweden, while the management functions are found in Solna. Management of properties in Sweden mainly takes place using internal resources. The Capital Region has a property manager who is responsible for the properties in Helsinki and Oslo, but property management is carried out by external parties until the Company has reached a critical mass of properties under management. Property management focuses on a close dialogue between the customer and the property manager. The property manager in the Capital Region and the South Region, respectively, reports from 1 March 2021 to the Company's COO and Head of Property, Viveka Frankendal. By generating high value for customers, the rate of lease turnover can be kept low, thus contributing to a low vacancy level in the long term and fewer tenant-specific modifications.

Peab Center Solna



SELECTED FINANCIAL INFORMATION

*The selected historical financial information presented below has, unless otherwise stated, been derived from I) the Group's audited combined financial statements for the financial years ending 31 December 2017, 2018 and 2019 that have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"), and have been audited by the Company's independent auditors, KPMG AB, as stated in the accompanying auditor's report, II) the Group's unaudited combined financial statements for the nine-month period ending 30 September 2020, and comparative figures for the nine-month period ending 30 September 2019, that were prepared in accordance with IAS 34 Interim Financial Reporting and reviewed for the period between 1 January – 30 September 2020 by the Company's independent auditors, KPMG AB, as stated in the accompanying review report. IFRS does not specifically address the preparation of combined financial statements. The term "combined financial statements" refers to the financial information prepared by combining the financial information for jointly controlled entities, which does not correspond to the definition of a group under IFRS 10. An important requirement for the preparation of these combined financial statements is that all entities are jointly controlled through Peab's ownership. For more information, refer to "Note 1" on page F-4 and F-12, respectively, and elsewhere in the section "Historical financial information."*

The following information should be read together with the section "Operational and financial overview," the Group's audited combined financial statements for the financial years ending 31 December 2017, 2018 and 2019 including the notes and associated auditor's report and the unaudited combined financial statements for the nine-month period of January-September 2020 and associated review report and comparative figures for the nine-month period ending 30 September 2019, which are included in the section "Historical financial information."

COMBINED INCOME STATEMENT

SEK million	1 Jan 2020 – 30 Sep 2020 ¹⁾	1 Jan 2019 – 30 Sep 2019 ¹⁾	1 Jan 2019 – 31 Dec 2019 ²⁾	1 Jan 2018 – 31 Dec 2018 ²⁾	1 Jan 2017 – 31 Dec 2017 ²⁾
Rent revenue	108.4	67.2	96.5	86.7	88.7
Other property income	18.9	7.6	13.2	11.1	11.9
Total revenue	127.3	74.8	109.7	97.8	100.5
Property expenses					
Operating costs	-27.9	-21.2	-29.2	-25.3	-23.1
Maintenance costs	-7.0	-7.4	-12.7	-13.8	-15.7
Property tax	-4.6	-1.1	-2.7	-0.9	-0.9
Property administration	-2.4	-2.8	-4.9	-4.9	-5.4
Net operating income	85.4	42.4	60.2	52.9	55.4
Central administration	-29.7 ³⁾	-6.8	-10.2	-7.5	-8.7
Other operating income	3.1	1.5	2.1	0.6	1.3
Other operating costs	-3.0	-	-	-	-
Interest income	0.5	0.5	0.5	0.1	0.1
Interest expenses	-36.0	-14.1	-21.0	-11.2	-10.2
Income from property management	20.3	23.5	31.5	34.8	37.8
Changes in value of properties, realised	-	-	0.1	-	-
Changes in value of properties, unrealised	16.4	-8.2	98.1	34.4	18.7
Income before tax for the period	36.7	15.3	129.7	69.3	56.5
Current tax	-0.6	-0.7	3.6	-3.6	-4.0
Deferred tax	-8.5	-0.1	-30.6	-9.1	-9.8
Net income for the period attributable to the parent company's shareholders	27.6	14.5	102.7	56.6	42.7
Average number of shares, before and after dilution ⁴⁾	58,992,548	58,992,548	58,992,548	58,992,548	58,992,548
Earnings per share, before and after dilution, SEK	0.47	0.25	1.74	0.96	0.72

¹⁾ Derived from the Group's unaudited combined financial statements for the nine-month period ending 30 September 2020 with comparative figures for the nine-month period ending 30 September 2019.

²⁾ Derived from the Group's audited combined financial statements for the financial years ending 31 December 2017, 2018 and 2019.

³⁾ Including expenses for the listing amounting to SEK 7.7 million.

⁴⁾ The number of shares is based on the shares Annehem Fastigheter has as of the date of the Prospectus.

COMBINED BALANCE SHEET

SEK million	30 Sep 2020 ¹⁾	30 Sep 2019 ¹⁾	31 Dec 2019 ²⁾	31 Dec 2018 ²⁾	31 Dec 2017 ²⁾
ASSETS					
Fixed assets					
Capitalized expenses for development work	0.9	–	–	–	–
Investment properties	3,003.1	1,533.2	2,437.2	938.8	872.0
Machinery and equipment	4.6	3.1	2.9	1.8	1.1
Total fixed assets	3,008.5	1,536.2	2,440.2	940.6	873.1
Current assets					
Accounts receivable	1.0	10.0	11.4	15.1	10.3
Accounts receivable, related parties	1.7	1.8	1.1	5.1	2.6
Current receivables	6.0	3.0	2.4	2.1	1.6
Current tax receivables	1.5	–	–	–	–
Other receivables from related parties	151.6	15.3	68.3	14.7	14.2
Cash and cash equivalents	60.7	55.9	40.3	35.7	27
Total current assets	222.4	86.1	123.6	72.8	55.7
TOTAL ASSETS	3,230.9	1,622.3	2,563.7	1,013.4	928.8
EQUITY AND LIABILITIES					
Equity					
Share capital	0.1	–	0.1	–	–
Ongoing share issue	0.4	–	–	–	–
Other contributed capital	1,787.8	396.9	749.6	287	277.5
Reserves	4.9	6.6	3.7	3.1	1.0
Retained earnings including net income for the year	229.6	114.0	202.0	99.3	42.7
Equity attributable to the parent company's shareholders	2,022.8	517.5	955.5	389.3	321.2
Liabilities					
Non-current liabilities					
Liabilities to related parties, non-current	–	68.6	59.3	58.4	70.9
Non-current interest-bearing liabilities	725.4	685.3	353.5	357.9	343.2
Other non-current liabilities	0.1	0.1	–	–	–
Deferred tax liabilities	70.4	31.7	61.6	24.5	11.6
Total non-current liabilities	795.8	785.7	474.5	440.9	425.7
Current liabilities					
Liabilities to related parties, interest-bearing	27.6	290.0	727.1	141.9	138.3
Current interest-bearing liabilities	265.6	–	313.1	–	–
Liabilities to related parties, accounts payable	22.6	2.3	50.6	14.5	16.3
Accounts payable and other liabilities	30.6	4.1	5.3	6.0	6.5
Current tax liabilities	15.7	–	–	–	–
Other current liabilities	50.2	22.7	37.5	20.8	20.8
Total current liabilities	412.3	319.2	1,133.8	183.2	181.9
Total liabilities	1,208.1	1,104.8	1,608.3	624.1	607.6
TOTAL EQUITY AND LIABILITIES	3,230.9	1,622.3	2,563.7	1,013.4	928.8

¹⁾ Derived from the Group's unaudited combined financial statements for the nine-month period ending 30 September 2020 with comparative figures for the nine-month period ending 30 September 2019.

²⁾ Derived from the Group's audited combined financial statements for the financial years ending 31 December 2017, 2018 and 2019.

COMBINED CASH FLOW STATEMENT

SEK million	1 Jan 2020 – 30 Sep 2020 ¹⁾	1 Jan 2019 – 30 Sep 2019 ¹⁾	1 Jan 2019 – 31 Dec 2019 ²⁾	1 Jan 2018 – 31 Dec 2018 ²⁾	1 Jan 2017 – 31 Dec 2017 ²⁾
Income from property management ³⁾	20.3	23.5	31.5	34.8	37.8
<i>Items not affecting cash flow:</i>					
Depreciation ⁴⁾	0.6	0.4	0.5	0.4	0.4
Income tax paid	-0.6	-0.7	3.7	-3.6	-4
Changes in working capital					
Operating receivables	-79.5	7.5	-45.9	-7.7	0.5
Operating liabilities	9.8	-12.2	52.1	-2.4	-4.5
Cash flow from operating activities	-49.5	18.5	41.9	21.5	30.3
Investing activities					
Investments in existing properties	-110.4	-27.3	-61.1	-14.5	-8.2
Acquisition of investment properties	-422.0	-548.9	-1,338.8	-	-
Investments in machinery and equipment	-0.7	-1.6	-1.6	-1.1	-0.7
Investments in intangible rights	-0.9	-	-	-	-
Cash flow from investing activities	-533.9	-577.7	-1,401.5	-15.7	-8.9
Financing activities					
Capital contribution	2,000.0	-	-	-	-
Ongoing share issue	0.4	-	-	-	-
Borrowings	344.5	462.8	895.4	12.7	8.4
Repayment of loans	-779.0	-0.2	-2.3	-24.1	-7.2
Cash flow from financing activities	1,566.0	462.6	893.1	-11.4	1.2
Cash flow for the period	982.6	-96.7	-466.5	-5.5	22.6
Cash and cash equivalents at the beginning of the year	40.3	35.7	35.7	27	6.8
Exchange rate difference in cash and cash equivalents	0.8	0.4	1.8	1.2	0.6
Transactions with shareholders	-962.8	116.5	469.3	13.1	-3.1
Cash and cash equivalents at year-end	60.7	55.9	40.3	35.7	27

¹⁾ Derived from the Group's unaudited combined financial statements for the nine-month period ending 30 September 2020 with comparative figures for the nine-month period ending 30 September 2019.

²⁾ Derived from the Group's audited combined financial statements for the financial years ending 31 December 2017, 2018 and 2019.

³⁾ Net interest items are included in income from property management and comprises in principle only interest payments.

⁴⁾ Non-cash items refers to depreciation on machinery and equipment, which does not affect cash flow.

SEGMENT INFORMATION

SEK million	1 Jan 2020 – 30 Sep 2020	1 Jan 2019 – 30 Sep 2019	1 Jan 2019 – 31 Dec 2019	1 Jan 2018 – 31 Dec 2018	1 Jan 2017 – 31 Dec 2017
Rent revenue					
Capital Region	65.0	28.8	46.8	33.7	29.3
South Region	45.3	38.4	52.0	55.2	61.4
Net operating income					
Capital Region	55.1	21.1	33.7	25.2	22.0
South Region	28.9	21.3	26.4	27.6	33.4
Income from property management					
Capital Region	34.4	14.2	22.2	19.9	17.5
South Region	3.2	9.3	9.3	14.9	20.4
SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019	31 Dec 2018	31 Dec 2017
Fair value					
Capital Region	2,107.1	892.2	1,704.5	454.0	410.5
South Region	896.0	640.9	732.8	484.8	461.5

KEY INFORMATION AND DATA¹⁾

Some of the selected key figures presented below are what is known as non-IFRS measures, which are not necessarily comparable with the key figures of the same name used in the financial statements of other companies. Annehem Fastigheter believes that these financial measures provide a better understanding of the trends pertaining to the financial results and that such measures not defined under IFRS provide useful information for investors. A financial measure that is not defined in accordance with IFRS is a metric that measures historical or future financial results, financial position or cash flows, excluding or including amounts not adjusted in the same manner as

the most directly comparable IFRS measure. These financial measures are not to be considered in isolation from or as a substitute for the earnings measures presented in accordance with IFRS. Such measures defined by Annehem Fastigheter may also not be comparable with other similarly named measures used by other companies. Refer to the section “– Reconciliation tables” for derivations of non-IFRS measures and the section “– Financial definitions and non-financial definitions” for definitions and justification for the use of non-IFRS measures.

SEK million, unless otherwise stated	1 Jan 2020 – 30 Sep 2020	1 Jan 2019 – 30 Sep 2019	1 Jan 2019 – 31 Dec 2019	1 Jan 2018 – 31 Dec 2018	1 Jan 2017 – 31 Dec 2017
Rent revenue ¹⁾	108.4	60.1	96.5	86.7	88.7
Net operating income ¹⁾	85.4	42.4	60.2	52.9	55.4
Income from property management, excluding expenses for the listing, ¹⁾	28.0	23.5	31.5	34.9	37.8
Net income for the period attributable to the parent company's shareholders ²⁾	27.6	14.5	102.7	56.6	42.7
Earnings per share, before and after dilution, SEK ^{2) 3) 5)}	0.47	0.25	1.74	0.96	0.72
Net loan-to-value ratio, % ¹⁾	31.9	64.4	58.0	55.7	60.3
Equity/assets ratio, % ¹⁾	62.6	31.9	37.3	38.4	34.6
Interest-coverage ratio, excluding costs for the listing, multiple ¹⁾	1.8	2.7	2.5	4.2	4.7
Economic occupancy rate, % ⁴⁾	94.6	82.2	82.7	84.7	86.3
Surplus ratio, % ⁴⁾	78.8	63.1	62.4	61.0	62.5
Investment properties ³⁾	3,003.1	1,533.2	2,437.2	938.8	872.0
Income from property management, per share, SEK ¹⁾	0.34	0.40	0.53	0.59	0.64
Income from property management, excluding expenses for the listing, per share, SEK ¹⁾	0.47	0.40	0.53	0.59	0.64
Return on equity % ¹⁾	1.4	2.8	10.8	14.5	13.3
Long-term net asset value ¹⁾	2,093.2	549.2	1,017.1	413.8	332.8

¹⁾ The key figure is a non-IFRS measure. For definition, and if applicable, reconciliation tables, please refer to sections “– Reconciliation tables” and “– Financial and non-financial definitions”.

²⁾ When calculating the period's earnings per share, the number of shares has been based on the number of shares that Annehem Fastigheter will have at the time of the distribution of Annehem Fastigheter.

³⁾ The key figure is an IFRS measure.

⁴⁾ The key figure is operational and not an alternative key figure.

⁵⁾ The number of shares is based on shares which Annehem Fastigheter has as of the date of the Prospectus.

¹⁾ For definitions, see section “Selected financial information” below.

RECONCILIATION TABLES

SEK million, unless otherwise stated		1 Jan 2020 – 30 Sep 2020	1 Jan 2019 – 30 Sep 2019	1 Jan 2019 – 31 Dec 2019	1 Jan 2018 – 31 Dec 2018	1 Jan 2017 – 31 Dec 2017
Income from property management, excluding expenses for the listing						
A	Net income before tax for the period	36.7	15.3	129.7	69.3	56.5
B	Changes in value of properties, unrealised	16.4	-8.2	98.2	34.4	18.7
C	Expense for the listing	7.7	-	-	-	-
A+B+C	Income from property management, excluding expenses for the listing	28.0	23.5	31.5	34.9	37.8
Net loan-to-value ratio						
A	Interest-bearing liabilities	1,018.6	1,043.9	1,453.1	558.2	552.4
B	Cash and cash equivalents	60.7	55.9	40.4	35.7	27.0
C	Investment properties	3,003.1	1,533.2	2,437.2	938.8	872.0
(A-B)/C	Net loan-to-value ratio, %	31.9	64.4	58.0	55.7	60.3
Equity/assets ratio						
A	Equity attributable to the parent company's shareholders	2,022.8	517.5	955.5	389.3	321.2
B	Total assets	3,230.9	1,622.3	2,563.7	1,013.4	928.8
A/B	Equity/assets ratio, %	62.6	31.9	37.3	38.4	34.6
Interest-coverage ratio, excluding expense for the listing						
A	Income from property management	20.3	23.5	31.5	34.8	37.8
B	Expense for the listing	7.7	-	-	-	-
C	Interest income	0.5	0.5	0.5	0.1	0.1
D	Interest expense	-36.0	-14.1	-21.0	-11.2	-10.2
(A+B+C-D)/D	Interest-coverage ratio, excluding expense for the listing, multiple	1.8	2.7	2.5	4.2	4.7
Economic occupancy rate						
A	Vacancy rate	9.8	21.2	28.2	14.9	15.1
B	Gross rent	180.9	118.9	163.1	97.3	109.9
1-(A/B)	Economic occupancy rate, %	94.6	82.2	82.7	84.7	86.3
Surplus ratio						
A	Net operating income	85.4	42.4	60.2	52.9	55.4
B	Rent revenue	108.4	67.2	96.5	86.7	88.7
A/B	Surplus ratio, %	78.8	63.1	62.4	61.0	62.5
Income from property management, per share						
A	Income from property management	20.3	23.5	31.5	34.8	37.8
B	Number of shares	58,992,548	58,992,548	58,992,548	58,992,548	58,992,548
A/B*1 000 000	Income from property management, per share, SEK	0.34	0.40	0.53	0.59	0.64
Income from property management, excluding expenses for the listing, per share						
A	Income from property management	20.3	23.5	31.5	34.8	37.8
B	Expenses for the listing	7.7	-	-	-	-
C	Number of shares ¹⁾	58,992,548	58,992,548	58,992,548	58,992,548	58,992,548
(A+B)/C	Income from property management, excluding expenses for the listing, per share, SEK	0.47	0.40	0.53	0.59	0.64
Return on equity						
A	Net income for the period attributable to the parent company's shareholders	27.6	14.5	102.7	56.6	42.7
B	Equity attributable to the parent company's shareholders	2,022.8	517.5	955.5	389.3	321.2
A/B	Return on equity, %	1.4	2.8	10.8	14.5	13.3
Long-term net asset value						
A	Equity attributable to the parent company's shareholders	2,022.8	517.5	955.5	289.3	321.2
B	Deferred tax liabilities	70.4	31.7	61.6	24.5	11.6
A+B	Long-term net asset value, SEK million	2,093.2	549.2	1,017.1	413.8	332.8

¹⁾ The number of shares is based on shares which Annehem Fastigheter has as of the date of the Prospectus.

FINANCIAL AND NON-FINANCIAL DEFINITIONS

KEY FIGURES	DEFINITION	JUSTIFICATION FOR USER
Net operating income	Net operating income includes the revenue and expenses that are directly linked to the property, that is to say, rent revenue ¹⁾ and the expenses required for running the property, such as operating costs and maintenance costs.	The measure is used to show the development of the operations.
Income from property management, excluding expenses for the listing	Income from property management is comprised of net operating income excluding expenses for the listing plus property management and administrative expenses and financial income and expenses. The earnings measure does not include the effects of changes in value of the investment properties and derivatives.	The measure is used to illustrate the Group's earnings for conducting property operations.
Net loan-to-value ratio	Interest-bearing liabilities less cash and cash equivalents as a percentage of the carrying value of the properties.	Net loan-to-value ratio is a measure of risk that indicates the degree to which the operations are encumbered with interest-bearing liabilities.
Equity/assets ratio	Equity in relation to total assets.	The measure shows how large a share of the Company's assets are financed with equity and has been included to enable investors to assess the Company's capital structure.
Interest-coverage ratio, excluding expenses for the listing	Income from property management excluding expenses for the listing, including reversal of financial income and expenses and depreciation as a percentage of financial income and expenses.	The interest-coverage ratio is a financial measure that shows how many times the Company can pay its interests using earnings from the operational operations.
Economic occupancy rate	Vacancy rent ²⁾ in relation to gross rent ³⁾ at a yearly basis.	The key figure facilitates the assessment of rent revenue in relation to the total value of the rented and unrented floor space.
Surplus ratio	Net operating income for the period as a percentage of rent revenue ⁴⁾ .	The surplus ratio shows the percentage of each Swedish krona earned that the Company can keep. The key figure is a measure of efficiency that is comparable over time.
Long-term net asset value	Reported equity with including reversal of derivatives and reported deferred tax liability according to the balance sheet.	The key figure gives an adjusted and complementary measure of the size of equity calculated in a uniform manner for listed property companies.
Return on equity	Earnings for a rolling twelve months period in relation to average equity during the interim period.	The key figure shows the return generated on the capital attributable to the shareholders.

¹⁾ "Rent revenue" is defined as rents and rent supplements excluding rental discounts.

²⁾ "Vacancy rate" is defined as estimated rent for vacant spaces.

³⁾ "Gross rent" is defined as rent revenue at a yearly basis excluding supplements and discounts.

⁴⁾ "Rent revenue" is defined as rents and rent supplements excluding rental discounts.

OPERATING AND FINANCIAL REVIEW

The information below is to be read together with the section “Selected financial information” and the Group’s audited combined financial statements for the financial years ending 31 December 2017, 2018 and 2019 and the Group’s unaudited combined financial statements for the nine-month period ending 30 September 2020 and comparative figures for the nine-month period ending 30 September 2019, which are included in the section “Historical financial information.” The following presentation contains forward-looking statements that are subject to various risks and uncertainties. The Company’s actual results could differ significantly from the results forecast in these forward-looking statements due to a wide range of different factors, including, but not limited to, what is described in this Prospectus, including what is stated in the section “Risk factors” and elsewhere in the Prospectus. The Group’s audited combined financial statements for the financial years ending 31 December 2017, 2018 and 2019 have been prepared in accordance with IFRS as adopted by the EU, and the Group’s unaudited combined financial statements for the nine-month period ending 30 September 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting and reviewed by the Company’s independent auditors, KPMG AB.

OVERVIEW

Annehem Fastigheter is a growth-driven property company specialising in commercial, community service and residential properties in the Nordic growth regions of Stockholm, Skåne, Gothenburg, Helsinki and Oslo. The Company believes that these geographic markets are particularly attractive given the high demand for commercial, community service and residential properties in the regions. Demand is supported by the ongoing urbanisation, population growth and sustainability trend in the Nordics.

As of the date of this Prospectus, the property portfolio in Annehem Fastigheter consists of 22 investment properties with a value of SEK 3,281 million¹⁾ and a lettable area of 184 thousand sqm²⁾. The property portfolio is divided into the segments Capital Region (Stockholm, Helsinki and Oslo) and South Region (Gothenburg, Malmö and Ängelholm/Helsingborg). As of the date of this Prospectus, Capital Region accounts for 73 percent of the total property value and South Region accounts for 27 percent. The portfolio primarily comprises modern, flexible and environmentally compatible commercial properties of high quality.

Annehem Fastigheter has acquired four properties that are being constructed by Peab and will be taken into possession between 2021 and 2024. The agreed underlying property value for these properties is SEK 791 million and the lettable area is 16 thousand sqm. The Company has also signed letters of intent with Peab to acquire several future properties related

to development rights owned by Peab (refer to the section “Business overview – Property portfolio” for more information about the existing portfolio and acquisition portfolio).³⁾

As a dedicated property company with an experienced executive management team, Annehem Fastigheter has excellent opportunities for capitalising on the potential of its existing property portfolio and expanding the portfolio. In doing so, the Company can create long-term shareholder value.

IMPORTANT FACTORS THAT IMPACT ANNEHEM FASTIGHETER’S EARNINGS CAPACITY, FINANCIAL POSITION AND CASH FLOW

Some of the factors that impact Annehem Fastigheter’s earnings capacity, financial position and cash flow are:

- macroeconomic factors and the regional economic climate,
- rent levels, occupancy rate and rent trend,
- property expenses,
- central administration,
- the value of the properties, investments in and changes in value of the properties, and
- financing and trend in net interest income.

Macroeconomic factors and the regional economic climate

The property industry and property values are affected to a great extent by such macroeconomic factors as economic growth and the economic cycle, population growth, national and regional employment, interest rate levels, inflation, market sentiment

¹⁾ Refers to fair value on 30 September 2020 for properties that the Company owned on 30 September 2020 and agreed underlying property value for the property that the Company acquired and took into possession after 30 September 2020.

²⁾ Including parking spaces.

³⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

regarding property investments, access to capital and alternative returns. In addition, the value of the Company's properties is affected by the return requirement for properties in general and for commercial, community service and residential properties in particular.

In December 2019, Sweden's central bank (the "Riksbank") raised the repo rate to 0.00 percent from -0.25 percent, thus ending a five-year period of negative interest rates. The Swedish National Institute of Economic Research (the "NIER") believes that the repo rate will remain at 0.00 percent for the foreseeable future and will not be raised until 2023. The Riksbank has clearly communicated that it does not predict that the repo rate will be lowered to below 0.00 percent. This is despite a gloomy inflation outlook and the imminent economic slowdown. The NIER believes that it would be prudent to cut the repo rate even though in the current climate this is not the Riksbank's most important tool for supporting the financial system.¹⁾ In the Company's assessment, continued low interest rate combined with relatively good access to financing will continue to provide a solid basis for growth in the property market. Inflation expectations affect interest rate levels and thus impact Annehem Fastigheter's net interest income. The interest expense for interest-bearing liabilities is a significant expense item for Annehem Fastigheter. In the longer term, changes in interest rates will have a material impact on Annehem Fastigheter's earnings and cash flow.

Rising urbanisation and population growth will also place increasing demands on and create the need for investment in Nordic growth regions such as Stockholm, Skåne, Gothenburg, Helsinki and Oslo, which are markets that the Company focuses on. Supported by rising urbanisation and the current sustainability trend as well as the high demand for commercial, community service and residential properties, the Company believes that these geographic markets are particularly attractive and the Company's properties are strategically located in areas with good transport links outside the central business districts.

Rent levels, occupancy rate and rent trend

The Company's properties are modern, flexible, environmentally compatible and high-quality, meaning that the properties can be designed for various purposes, which has contributed to a higher occupancy rate. The occupancy rate and rent levels are also generally affected by the overall economic trend, changes in infrastructure, population growth, population structure and employment. If the occupancy rate or rent levels were to fall or rise, this would have a negative or positive effect on Annehem Fastigheter's earnings. Annehem Fastigheter's high economic occupancy rate of 94.6 percent on 30 September 2020 is also attributable to the properties being rented on long leases to qualitative customers, such as large companies, which in the Company's opinion reduces the risk of rent default among tenants. Set forth below is the Company's economic occupancy rate over time.

SEK million	1 Jan 2020 – 30 Sep 2020	1 Jan 2019 – 30 Sep 2019	1 Jan 2019 – 31 Dec 2019	1 Jan 2018 – 31 Dec 2018	1 Jan 2017 – 31 Dec 2017
Economic occupancy rate, %	94.6	82.2	82.7	84.7	86.3

¹⁾ NIER, April 2020.

Property expenses

The Company's property expenses comprise expenses for operations, maintenance, property tax and property administration. The largest of these expenses in the past has been operating costs, which is expected to be the case going forward. Operating costs primarily comprise expenses for electricity, heating and property maintenance. Operating costs can be kept low since Annehem Fastigheter's properties are energy efficient and modern, which enhances attractiveness to customers. Operating costs are mainly tariff-based and variations in the prices of these services, such as effects of abnormal weather and price of energy, impact Annehem Fastigheter's earnings.

Maintenance costs comprise planned maintenance and emergency breakdown maintenance. To continuously monitor maintenance and maintenance costs, Annehem Fastigheter has commissioned an external consultant to provide maintenance plans for each property in order to structure scheduled maintenance so as to minimise emergency breakdown maintenance since this is generally associated with higher costs than if such maintenance had been scheduled. Scheduled maintenance includes measures that are primarily carried out to preserve the original standard of the building in the long term. Maintenance costs are expensed as maintenance to the extent that they comprise repairs and replacements that do not add any additional functionality. Replacements that add additional functionality are capitalised. The Company's maintenance costs for January-September 2020 primarily comprise expenses for both internal and external repairs and maintenance of buildings, as well as land mainly in the Company's business parks.

Central administration

Costs for central administration comprise expenses for Group-wide functions that are not directly related to property management, such as expenses for the executive management team, transactions, marketing, HR, accounting and auditing, financial reporting, IT and regulatory compliance. Annehem Fastigheter believes that the Company will be able to continue to expand its operations without costs for central administration significantly increasing at the same rate.

The value of the properties, investments in and changes in value of the properties

Annehem Fastigheter is a growth-driven property company specialising in commercial, community service and residential properties. The Company's existing property portfolio comprises modern, flexible, environmentally compatible commercial properties of high quality in the Nordic growth areas of Stockholm, Skåne, Gothenburg, Helsinki and Oslo. The value of the properties is impacted by several factors that are both outside and within Annehem Fastigheter's control. Some of the factors that are outside the Company's control are, for example, the national and regional economic trend, changes in interest-rate levels and inflation, new residential construction, market sentiment regarding property investments, access to capital and alternative returns from other classes of assets, all of which impact the return requirement on property investments and thus the value of Annehem Fastigheter's portfolio. Factors that are within Annehem Fastigheter's control and that affect the value of the properties include the ability to manage properties in such a manner that the operating surplus of the properties increases and/or the risk in the ongoing management decreases.

Unrealised changes in the value of properties are recognised in the Company's profit or loss and trended according to the table below.

SEK million	1 Jan 2020 – 30 Sep 2020	1 Jan 2019 – 30 Sep 2019	1 Jan 2019 – 31 Dec 2019	1 Jan 2018 – 31 Dec 2018	1 Jan 2017 – 31 Dec 2017
Changes in value of properties, unrealised	16.4	-8.2	98.1	34.4	18.7

Financing and trend in net interest income

Future expectations regarding market interest rates and interest margins, and the Company's ability to secure financing at attractive terms will impact Annehem Fastigheter's earnings. A part of Annehem Fastigheter's strategy is to acquire properties and some of these acquisitions will be financed by loans. As a result, the Company's total indebtedness and interest expenses are expected to increase in the future, although the debt/equity ratio is not expected to increase. Annehem Fastigheter believes that properties are a long-term asset that require long-term financing with a well-balanced ratio between equity and interest-bearing liabilities. To ensure Annehem Fastigheter's long-term financing requirements and access to the requisite liquidity to finance the development of the property portfolio, Annehem Fastigheter has entered into a credit agreement which is described in the section "Capitalisation, indebtedness and other financial information – Capital Structure after 30 September 2020". Interest expense is a significant cost for Annehem Fastigheter and amounted to SEK 36 million for January-September 2020. Changes in market interest rates and credit margins impact the Company's financial expenses and its net financial items. The speed and amount at which both of these components impact net financial items depends largely on the selected loan-to-maturity and fixed-interest periods and the amount of interest-bearing liabilities.

COMPARISON BETWEEN 1 JANUARY – 30 SEPTEMBER 2020 AND 1 JANUARY – 30 SEPTEMBER 2019

Total income

Total income increased by SEK 52.5 million, from SEK 74.8 million to SEK 127.3 million, corresponding to an increase of approximately 70.2%. The increase was mainly due to the increased property portfolio as well as reduced vacancy rates. Of total income for the period 1 January – 30 September 2020, SEK 108.4 million pertained to rent revenue and SEK 18.9 million to other property income.

Operating costs

Operating costs increased by SEK 6.7 million, from SEK -21.2 million to SEK -27.9 million, corresponding to an increase of approximately 31.6%. The increase was mainly due to increased expenses for operations relating to the additional properties. Operating costs primarily comprise costs for electricity, heating and property maintenance.

Maintenance costs

Maintenance costs decreased by SEK 0.4 million, from SEK -7.4 million to SEK -7.0 million, corresponding to a decrease of approximately 5.4%. Maintenance costs primarily comprise of costs for both internal and external repairs and maintenance of buildings, as well as land mainly in the Company's business parks.

Central administration

Costs for central administration increased by SEK 22.9 million, from SEK -6.8 million to SEK -29.7 million, corresponding to an increase of approximately 336.8%. The increase was mainly due to the establishment of Annehem Fastigheter's separate organisation. Costs for central administration primarily comprise of personnel costs, consulting costs and operating costs for systems.

Income from property management

Income from property management for the period decreased by SEK 3.2 million, from SEK 23.5 million to SEK 20.3, corresponding to a decrease of approximately 13.6%.

Changes in value of properties, unrealised

Changes in value of properties, unrealised increased by SEK 24.6 million, from SEK -8.2 million to SEK 16.4 million, corresponding to an increase of approximately 300.0%. The increase was mainly due to positive value development for the properties Ljungbyhed Park and Peab Center Solna.

Net income for the period attributable to the parent company's shareholders

Net income for the period after tax increased by SEK 13.1 million, from SEK 14.5 to SEK 27.6, corresponding to an increase of approximately 90.3%. The increase was mainly due to increased rent revenues as well as positive value development for the property portfolio.

Cash flows

Annehem Fastigheter's cash flow from operating activities decreased by SEK 68 million, from SEK 18.5 million during the period ending 30 September 2019 to SEK -49.5 million during the period ending 30 September 2020. The decrease was mainly due to higher accounts receivable on 30 September 2020. Annehem Fastigheter's cash flow from investing activities increased by SEK 43.8 million, from SEK -577.7 million during the period ending 30 September 2019 to SEK -533.9 million during the period ending 30 September 2020. Annehem Fastigheter's cash flow for the period mainly consisted of investments in investment properties. Annehem Fastigheter's cash flow from financing activities increased by SEK 1,103.4 million, from SEK 462.6 million during the period ending 30 September to SEK 1,566.0 million during the period ending 30 September 2020. The increase was mainly due to received shareholder contribution as is described in section "Capitalisation, indebtedness and other financial information – Capital structure after 30 September 2020".

Equity attributable to the parent company's shareholders

Annehem Fastigheter's equity increased by SEK 1,505.3 million, from SEK 517.5 million to SEK 2,022.8 million, corresponding to an increase of approximately 290.9%. The increase was mainly due to shareholder contributions from Peab amounting to SEK 2,000.0 million. The equity/assets ratio increased by 31 percentage points, from 31.9 percent to 62.9 percent.

COMPARISON BETWEEN THE 2019 FINANCIAL YEAR AND 2018 FINANCIAL YEAR

Total income

Total income increased by SEK 11.9 million, from SEK 97.8 million to SEK 109.7 million, corresponding to an increase of approximately 12.2%. Of total income for 2019, SEK 96.5 million

pertained to rent revenue and SEK 13.2 million to other property income. Properties acquired during the year contributed to this improvement.

Operating costs

Operating costs increased by SEK 3.9 million, from SEK -25.3 million to SEK -29.2 million, corresponding to an increase of approximately 15.4%. The increase was mainly due to an increased property portfolio. Operating costs primarily comprised heating, electricity, water and property maintenance.

Maintenance costs

Maintenance costs declined by SEK 1.1 million, from SEK -13.8 million to SEK -12.7 million, corresponding to a decline of approximately 8.0%. Maintenance costs primarily comprised ongoing maintenance of the Company's business parks.

Central administration

Costs for central administration increased by SEK 2.7 million, from SEK -7.5 million to SEK -10.2 million, corresponding to an increase of approximately 36%. The increase was mainly due to increased management fees operations performed by Peab.

Income from property management

Income from property management for the period declined by SEK 3.3 million, from SEK 34.8 million to SEK 31.5 million, corresponding to a decrease of approximately 9.5%.

Changes in value of properties, unrealised

Changes in value of properties, unrealised increased by SEK 63.7 million, from SEK 34.4 million to SEK 98.1 million, corresponding to an increase of approximately 185.2%. The increase was mainly due to positive value development for the properties Ljungbyhed Park, Ultimes I and Peab Center Solna.

Net income for the period attributable to the parent company's shareholders

Net income for the period after tax increased by SEK 46.1 million, from SEK 56.6 million to SEK 102.7 million, corresponding to an increase of approximately 81.5%. The increase was mainly due to positive property development in the property portfolio.

Cash flows

Annehem Fastigheter's cash flow from operating activities increased by SEK 20.4 million, from SEK 21.5 million in the financial year ending 31 December 2018 to SEK 41.9 million in the financial year ending 31 December 2019. Annehem Fastigheter's cash flow from investing activities decreased by SEK 1,385.8 million, from SEK -15.7 million in the financial year ending 31 December 2018 to SEK -1,401.5 million in the financial year ending 31 December 2019. Cash flow from investing activities in 2019 was primarily attributable to acquisitions of properties in Solna, Partille and Helsingfors. Annehem Fastigheter's cash flow from financing activities increased by SEK 904.5 million, from SEK -11.4 million in the financial year ending 31 December 2018 to SEK 893.1 million in the financial year ending 31 December 2019. Cash flow from financing activities in 2019 was attributable to the aforementioned property acquisitions.

Equity attributable to the parent company's shareholders

Annehem Fastigheter's equity increased by SEK 566.2 million, from SEK 389.3 million on 31 December 2018 to SEK 955.5 million on 31 December 2019, corresponding to an increase of approximately 145.4%. The increase was mainly due to the net income for the year. The equity/assets ratio decreased by 1.1 percentage point, from 38.4 percent to 37.3 percent.

COMPARISON BETWEEN THE 2018 FINANCIAL YEAR AND 2017 FINANCIAL YEAR

Total income

Total income declined by SEK 2.7 million, from SEK 100.5 million to SEK 97.8 million, corresponding to a decrease of approximately 2.69%. Of total income for 2018, SEK 86.7 million pertained to rent revenue and SEK 11.1 million to other property income. The decline in total income was mainly due to vacancies.

Operating costs

Operating costs increased by SEK 2.2 million, from SEK -23.1 million to SEK -25.3 million, corresponding to an increase of approximately 9.5%. Operating costs primarily comprised heating, electricity, water and property maintenance.

Maintenance costs

Maintenance costs declined by SEK 1.9 million, from SEK -15.7 million to SEK -13.8 million, corresponding to a decrease of approximately 12.1%. Maintenance costs primarily comprised ongoing maintenance of the Company's business parks.

Central administration

Costs for central administration declined by SEK 1.2 million, from SEK -8.7 million to SEK -7.5 million, corresponding to a decrease of approximately 13.8%. Costs for central administration primarily comprised so-called management fees invoiced from Peab to Annehem Fastigheter.

Income from property management

Income from property management for the period declined by SEK 3 million, from SEK 37.8 million to SEK 34.8 million, corresponding to a decrease of approximately 7.9%.

Changes in value of properties, unrealised

Changes in value of properties, unrealised increased by SEK 15.7 million, from SEK 18.7 million to SEK 34.4 million, corresponding to an increase of approximately 84.0%. The increase was mainly due to positive value development of the property values for Ultimes I, Valhall Park and Ljungbyhed Park.

Net income for the period attributable to the parent company's shareholders

Net income for the period after tax increased by SEK 13.9 million, from SEK 42.7 million to SEK 56.6 million, corresponding to an increase of approximately 32.6%. The increase was mainly due to increased rent revenues as well as positive value development for the property portfolio.

Cash flows

Annehem Fastigheter's cash flow from operating activities declined by SEK 8.8 million, from SEK 30.3 million in the financial year ending 31 December 2017 to SEK 21.5 million in the financial year ending 31 December 2018. Annehem Fastigheter's cash flow from investing activities increased by SEK 6.8 million, from SEK -8.9 million in the financial year ending

31 December 2017 to SEK -15.7 million in the financial year ending 31 December 2018. Annehem Fastigheter's cash flow from financing activities declined by SEK 12.6 million, from SEK 1.2 million in the financial year ending 31 December 2017 to SEK -11.4 million in the financial year ending 31 December 2018.

Equity attributable to the parent company's shareholders

Annehem Fastigheter's equity increased by SEK 68.1 million, from SEK 321.2 million to SEK 389.3 million, corresponding to an increase of approximately 21.2%. The increase was mainly due to the net income for the year. The equity/assets ratio increased 3.8 percentage points, from 34.6 percent to 38.4 percent.

SEGMENT REPORTING

An operating segment is a part of the Group that conducts operations from which it can generate income and incur costs and for which independent financial information is available. The Group's operations are divided into two operating segments: Capital Region (Stockholm, Oslo, Helsinki) and South Region (Malmö, Gothenburg, Ängelholm/Helsingborg). Operating segments are reported in the Group's external financial statements in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the result of the operating segments. In Annehem Fastigheter, the chief operating decision maker is the CEO, as the CEO has the main responsibility for allocating resources and evaluating the result.

INVESTMENTS

Historical material investments

Annehem Fastigheter's cash flow from investing activities amounted to SEK -8.9 million for 2017, SEK -15.7 million for 2018 and SEK -1,401.4 million for 2019. In 2017, historical material investments were made in the existing portfolio at the start of the year, meaning in Valhall Park, Ljungbyhed Park, Peab Construction Syd, Ultimes Ky and Ultimes Parkering. In 2018, material investments were made similar to the 2017 financial year in the existing portfolio. In 2019, material investments primarily comprised acquisitions of three properties: Partille Port, Peab Center Solna and Ultimes II.

Annehem Fastigheter's cash flow from investing activities for the period 1 January 2020 – 30 September 2020 amounted to SEK -533.9 million. Material investments in this period primarily comprised of the acquisitions of Stenekullen 2 and Sadelplatsen 4 as well as investments in existing properties. Between 1 October and the date of this Prospectus, Annehem Fastigheter's material investments amounted to approximately SEK 292 million. Material investments in this period primarily comprised the acquisition of Carl Berner Torg (refer to the section "Significant changes since 30 September 2020" for more information on the acquisition of Carl Berner Torg).

Ongoing material investments

After 30 September, the Company acquired four properties through acquisitions of companies. Two of these are commercial properties that are scheduled to be taken into possession in

2021, and two are residential properties that are scheduled to be taken into possession in 2022 and 2024. The two commercial properties are situated in Solna, Stockholm and in Helsingborg. The two residential properties are situated in Partille in Gothenburg and in Malmö. These acquisitions will be financed with equity and capital within the framework of the Company's current or future credit agreements. Thus, these properties are not mortgaged.

ENVIRONMENTAL FACTORS

Annehem Fastigheter's and its various subsidiaries are subject to various environmental regulations, including those applicable to the Company as an operator. If an operator is unable to carry out or pay for remediation of a property, the party that acquired the property and was aware of or should have discovered the contamination at the time of acquisition can be held responsible. This means that the property owner, under certain circumstances, could be ordered to restore a property to a state that meets the requirements according to relevant environmental legislation. A restoration of this kind could encompass remediation of land, catchment areas or groundwater.

MATERIAL TRENDS

Other than what is described in the sections "Risk factors," "Business overview", and "Significant changes since 30 September 2020", there were no trends, uncertainties, demands, commitments or events known to the Company as per the date of this Prospectus that with reasonable certainty would have a material impact on the Company's outlook for the current financial year.

SIGNIFICANT CHANGES SINCE 30 SEPTEMBER 2020

- During the fourth quarter of 2020, the Company acquired and took into possession against promissory note the property Carl Berner Torg in Oslo at an agreed underlying property value of NOK 293 million.
- After 30 September 2020, the Company signed an agreement to acquire four properties at an agreed underlying property value of SEK 791 million.
- The Company has entered letters of intent with Peab regarding acquisitions of properties on market terms.¹⁾ By completion, the area of the properties amount to 86 thousand sqm and Annehem Fastigheter estimates that the total underlying property value amounts to SEK 4,900 million by completion. These letters of intent are non-binding and there is thus a risk that Annehem Fastigheter will not be able to finalise these acquisitions.
- Annehem Fastigheter has entered into a credit agreement with several Nordic banks. For more information on the credit agreement, refer to the section "Capitalisation, indebtedness and other financial information – Capital structure after 30 September 2020".

Other than what is stated above, no significant changes have occurred to Annehem Fastigheter's financial position or financial earnings since 30 September 2020.

¹⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

CAPITALISATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

The tables in this section show the Company's capitalisation and indebtedness at the Group level on 30 September 2020. Refer to the section "Share capital and ownership structure" for further information about the Company's share capital and shares. The tables below should be read in conjunction with the section "Operational and financial overview" and the Company's financial information with accompanying notes, which are found elsewhere in this Prospectus. For more information on the Company's financing after 30 September 2020, refer to the section "– Capital structure after 30 September 2020".

CAPITALISATION

SEK million	As of 30 September 2020
Current liabilities	
Guaranteed ¹⁾	27.6
Against collateral ²⁾	265.6
Unsecured credits	–
Total current liabilities	293.2
Non-current liabilities	
Guaranteed ³⁾	316.7
Against collateral ⁴⁾	408.7
Unsecured credits	–
Total non-current liabilities (excluding the current component of non-current liabilities)	725.4
Equity	
Share capital	0.1
Statutory reserve	–
Other reserves	2,022.7
Total equity	2,022.8

¹⁾ Guaranteed refers to guarantee commitment as a surety in accordance with agreement for a credit amount.

²⁾ Against collateral consists of mortgage deeds in properties.

³⁾ Guaranteed refers to guarantee commitment as a surety in accordance with agreement for a credit amount.

⁴⁾ Against collateral consists of mortgage deeds in properties.

NET INDEBTEDNESS

Annehem Fastigheter's net indebtedness as of 30 September 2020 is presented in the table below. The table only includes interest bearing liabilities. As of 30 September 2020, the Company has no indirect indebtedness. As of 30 September 2020 the Company has no contingent indebtedness. For more information on the Company's financing after 30 September 2020, refer to the section "– Capital structure after 30 September 2020".

SEK million	As of 30 September 2020
(A) Cash	–
(B) Cash and cash equivalents	60.7
(C) Readily realisable securities	–
(D) Liquidity (A)+(B)+(C)	60.7
(E) Current receivables	151.6
(F) Current bank loans	–
(G) Current component of non-current liabilities	265.6
(H) Other current liabilities	27.6
(I) Current liabilities (F)+(G)+(H)	293.2
(J) Net current indebtedness (I)-(E)-(D)	80.9
(K) Non-current bank loans	725.4
(L) Bonds issued	–
(M) Other non-current loans	–
(N) Non-current liabilities (K)+(L)+(M)	725.4
(O) Net indebtedness (J)+(N)	806.3

WORKING CAPITAL AND CAPITAL REQUIREMENTS

It is the Company's assessment that the working capital is sufficient for the current needs of the Company during the coming twelve-month period from the date of this Prospectus. These needs have taken into account properties acquired but not yet taken into possession on the date of this Prospectus and that will be taken into possession during the coming twelve-month period from the date of the Prospectus. Working capital in this context is defined as the Company's ability to access cash and cash equivalents to fulfil its payment obligations as they fall due.

CAPITAL STRUCTURE AFTER 30 SEPTEMBER 2020

The Company and its subsidiary Annehem Holding 3 AB ("Annehem 3") has entered into a credit agreement with SEB, Nordea and Swedbank. The credit agreement comprises an amount of approximately SEK 1,9 billion¹⁾ divided into three tranches in SEK, EUR and NOK, of which the tranche in SEK may be drawn upon on three different occasions. In addition, Peab has during 2020 provided shareholder contributions to Annehem Fastigheter amounting to SEK 2 billion in order to create a suitable capital structure in Annehem Fastigheter. No bonds previously issued by Peab will be transferred to Annehem Fastigheter. In addition, there are still certain dealings between Annehem Fastigheter and Peab, which are reflected in Annehem Fastigheter's balance sheet on 30 September 2020. Annehem Fastigheter and certain companies in the Group have provided collateral and guarantees for the loans under the credit agreement. The collateral primarily comprises pledges of certain internal loans, shares in Annehem 3 and all of its subsidiaries as well as mortgage deeds in properties owned by Annehem 3's subsidiaries amounting to sums corresponding to the loan amount which are provided for the Company's and the subsidiaries' commitments vis-à-vis the banks.

The credit agreement contains customary undertakings, commitments, financial commitments (including commitments on interest-coverage ratio, LTV and equity/assets ratio), information commitments and the terms of termination for borrowers and the Company as guarantor, respectively. The credit agreement sets out restrictions for the Company's subsidiaries to raise debt, provide security, sell assets, acquire shares and modify the operations. Certain restrictions also apply to the Company. The credit agreement contains certain so-called cross-default provisions, which means that all outstanding loans as well as other obligations falls due for payment if the Company or a subsidiary fails to fulfil its obligations or otherwise violates undertakings or commitments set out in the credit agreement. In addition, the credit agreement contains change of ownership clauses and subordinated commitments. The credit agreement runs three years from the time when the agreement is entered into.

On 11 December 2020, the Company intends to draw upon a sum amounting to approximately SEK 1.5 billion under the new credit agreement. This sum is primarily intended to be used in order to refinance certain existing external and internal debt, such as the debt for the acquisition of Carl Berner Torg. The funds released in the repayment of intra-group loans are intended to be used by the Group to finance other acquisitions during the first half of 2021. The loans under the credit agreement carry a variable interest rate with an IBOR limit, which is based on IBOR plus a fixed margin for loans that have been drawn upon. At least 60 percent of the loan amount under the new credit agreement that has been drawn upon shall be interest rate hedged. In addition, the Company is obliged to pay an arrangement fee. For the part of the loan which has not been drawn upon by the Company, the Company pays a facility fee. The loan is amortisation free for a certain period and thereafter the amortisation rate depends on the Company's LTV.

¹⁾ The credit agreement comprise a sum amounting to SEK 1,213 million, EUR 51 million and NOK 176 million.

VALUATION REPORTS

The valuation reports pertaining to the Company's property portfolio, which are included in this Prospectus (the "**Valuation Reports**"), were issued at the request of the Company by independent expert appraisers GEM Valuation Oy, Mikonkatu 6 C, FI-00100 Helsinki, Nordier Property Advisors AB, Regeringsgatan 25, SE-111 53 Stockholm, Stockholmsbryggan Fastighetsekonomi AB, Vasagatan 15-17, SE-111 20 Stockholm, Malmöbryggan Fastighetsekonomi AB, Järnvägsgatan 15, SE-216 14 Limhamn and Forum Fastighetsekonomi AB, Drottninggatan 36, SE-411 14 Gothenburg (together referred to as "**the Independent Appraisers**") during the period 30 September 2020 – 10 November 2020. The Valuation Reports from the Independent Appraisers are included on the following pages of this section. The Valuation Reports relate to the Company's entire property portfolio on 30 September 2020 and specify that the properties' total market value is SEK 2,901 million. In the Company's balance sheet, in accordance with IFRS, Investment properties include the following whose value is not included in the Valuation Reports: partly the value of two site leasehold rights with a value amounting to approximately SEK 93 million, partly investments of approximately SEK 9 million. The Independent Appraisers have no material interest in the Company and have agreed to the inclusion of the Valuation Reports in this Prospectus. Information obtained from third parties has been accurately reproduced and, as far as the Company is aware and can ascertain from information published by these third parties, no facts have been omitted that could render the reproduced information inaccurate or misleading. For material changes in the property portfolio after 30 September 2020 refer to the section "Operational and financial overview – Significant changes since 30 September 2020". In addition to these, no material changes have taken place in the Company's property portfolio since the Valuation Reports were issued during the period 30 September 2020 – 10 November 2020 with the time of valuation of each respective Valuation Report. The time of valuation for each Valuation Report is between June 2020 up to and including October 2020. The information included in the Prospectus and based on the Valuation Reports may entail risks and uncertainties and be subject to amendments based on a range of external factors, including those addressed in the section "Risk factors". The valuation of investments in properties and associated assets calls for a degree of estimation and the Company and/or the Independent Appraisers may have needed to make assumptions, estimations and assessments regarding a number of factors. The valuation of properties is inherently subjective and uncertain, and is based on assumptions that could prove misleading or are influenced by factors beyond the control of the Company, and the Company may be unable to realise the estimated value if divested.



VALUATION STATEMENT 30.9.2020



GEM Valuation Oy ("GEM"), a Finnish company with Business ID 2917036-1 has been instructed by Jan Egenäs on behalf of Annehem Fastigheter AB ("Client") to carry out a valuation work for an asset comprising three separate contiguous properties located in Helsinki, Finland as listed below.

Address	Register number	Type	Lettable area / parking places
Karvaamokuja 2a, 00380 Helsinki	91-46-25-18	office building	9,295 sq m
Karvaamokuja 2b, 00380 Helsinki	91-46-25-19	office building	7,550 sq m
Karvaamokuja 2e, 00380 Helsinki	91-46-25-20	parking hall	107 pls

All properties were inspected externally and internally 20.1.2020, and since that there have been three valuation reports conducted based on various situations and assumptions:

1. Report 27.1.2020 (value date 31.12.2019) for Peab Toimitilat
- for internal decision making and possible sales purposes.
2. Report 20.8.2020 (value date 30.6.2020) for Annehem Fastigheter AB
- for financing purposes.
3. Report 9.10.2020 (value date 30.6.2020) for Annehem Fastigheter AB
- for financing purposes.

According to the information received the Client has bought the former leasehold sites after the valuation date (30.6.2020) but before the last valuation's reporting date (9.10.2020), which has been used as an assumption to treat the sites as freehold in the last valuation report 9.10.2020 with the value date 30.6.2020.

Valuations have been conducted in accordance with the rules of the Property Valuation Board of Finland Chamber of Commerce, Good valuation practice (Finnish regulations) and International Valuation Standards (IVS). Valuations fulfil the requirements of an AKA valuation (Finnish valuer's certification system).

The purpose of the valuation in all above mentioned valuations has been to define the Market Value of each property separately, as well as also as one entity (one sales object).

The definition of Market Value in accordance with IVS 2020 is as follows:

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

GEM

VALUATION STATEMENT 30.9.2020

An International
Associate of Savills

The valuation reports are conducted by qualified independent GEM valuers having the required experience.

The valuations are based on information regarding the property and its surroundings received from the Client, from Peab Toimitilat, from public registers, and from other information sources. Rental data received was in rent-roll format, actual leases were not available. Valuers have taken reasonable steps to verify the received information.

The market values in each valuation have been determined by using Income Approach as the main valuation approach and its Discounted Cashflow Method (10-year model) as the main Valuation Method.

The valuations include a certain amount of estimations and GEM valuers may have needed to have done assumptions, estimations and assessments regarding a number of factors.

Due to the outbreak of the Novel Coronavirus (COVID-19), at the valuation date we do not consider that we can rely upon previous market evidence to fully inform opinions of value. Our valuation is therefore reported on the basis of 'material valuation uncertainty'.

Upon request we hereby confirm that the valuations described in this statement were prepared by the real estate valuers whose signatures can be found below.

The valuation reports provided in August and October 2020 as per the value date 30.6.2020 resulted in the following Market Values:

Joint value of Karvaamokuja 2a, 2b and 2e, Helsinki, based on a leasehold assumption:
Seventy-seven Million Five Hundred Thousand Euros (77,500,000 €)

Joint value of Karvaamokuja 2a, 2b and 2e, Helsinki, based on a freehold assumption:
Eighty-seven Million Euros (87,000,000 €)

Helsinki 30.9.2020
GEM Valuation Oy

Ilpo Korpi
Valuer
LKV

Seppo Koponen
CEO, Partner
M.Sc., Authorized real estate valuer (AKA)



Verification of conducted property market value assessment

On behalf of Annehem Fastigheter AB, the undersigned companies have conducted market value assessments of the properties Solna Sadelplatsen 3, Solna Sadelplatsen 4, Ängelholm Barkåkra 50:3 (part of) and Klippan Sjöleden 1:5 et al. per value date August 2020.

The value assessments have been conducted using current tenant lists and contract details as of July 2020, provided by Annehem Fastigheter AB. Within the scope of the present market value assessment, the material provided has been verified and compared with information provided and obtained in previous valuation assessments, as well as with current market knowledge within the undersigned companies. Regarding the property Ängelholm Barkåkra 50: 3, special information about ongoing investments as well as documentation regarding subdivision of the sold part of the property, has been provided.

Site visits of the properties in Solna were carried out in July 2020. The remaining valuation objects have been inspected in conjunction with previous valuation assessments within the past three years.

In this case, the primary method for assessing the market value has been to carry out cash flow analysis, meaning that the valuation objects' values have been based on the net present values of the future capital flows as well as the exit values, over a calculation period of 5-10 years. The value-influencing parameters used in the value assessment correspond to the undersigned valuation companies' interpretation of how investors and other players in the market reason and act. Undeveloped objects and potential building rights in the portfolio have had their value assessed by using local price statistics and information about how far ahead in the planning process these objects are.

Upon request, we hereby verify the property market value assessments that have been performed by the undersigned property valuers. The value assessments have resulted in estimated market values per value date August 2020 according to the following compilation:

Solna Sadelplatsen 3	SEK 850 000 000
Solna Sadelplatsen 4	SEK 345 000 000
Ängelholm Barkåkra 50:3 (part of)	SEK 332 000 000
Klippan Sjöleden 1:5 et al.	SEK 150 000 000
Total:	SEK 1 677 000 000

Limhamn / Stockholm on October 15th, 2020

Malmöbryggan Fastighetsekonomi AB

Peter Samuelsson
**AUKTORISERAD
FASTIGHETSVÄRDERARE**



Stockholmsbryggan Fastighetsekonomi AB

Bengt Weidén
**AUKTORISERAD
FASTIGHETSVÄRDERARE**



MALMÖBRYGGAN FASTIGHETSEKONOMI AB

BOX 69325, SE-216 08 LIMHAMN
TELEFON 040-17 00 40

malmö@bryggan.se www.bryggan.se

ORG.NR 550546-0320

STOCKHOLMSBRYGGAN

TELEFON 08-545 25 090

GÖTEBORGSBRYGGAN

TELEFON 041-45 35 00

NORRBRYGGAN

TELEFON 020-125 00

Valuation Certificate

On behalf of Annehem Fastigheter AB, through Jan Egenäs, Nordier Property Advisors AB has assessed the market value of 2 valuation objects from the company's property portfolio. The date of valuation is august 2020.

The two valuation objects consist of a total of 2 properties, one of which is established with leasehold. The properties are located in Malmö and comprises of office properties.

The subject properties are:

- The leasehold to the property Malmö Kamaxeln 2
- Malmö Stenekullen 2

The total lettable area for the 2 valuation objects amounts to 5,887 sq.m. The value assessment in this valuation certificate consists of the sum of the market values of all valuation objects.

The assignment is conducted by an authorized property valuer. The person responsible for the assignment is Tomas Nyström MRICS. Nordier certifies that the valuer has the right qualifications and sufficiently trustworthy market knowledge of the property type- and market in question to be able to carry out a qualified valuation of the object in question.

Methodology

The cash flow analysis is based on a calculation of the sum of the present values of the net operating income over a given calculation period and on present value calculation of an exit value at the end of the calculation period. The exit value is calculated by dividing a normalized net operating income for the year following the end of the calculation period by an estimated required (exit) yield. The discount rate used to discount the net operating income and the exit value are equal to current market requirements for total return and may be said to consist of a risk free real interest rate plus compensation for expected inflation plus compensation for property related risk that varies with location, type of property etc.

The discount rate is the interest requirements the property owner expects from the tied capital in the property. In this valuation report, the discount rate comprises of the interest requirements on the total asset because the calculations are conducted without considering potential lending. According to the Swedish real estate index (sw. Svenskt Fastighetsindex) is the discount rate on total assets for a single object based on current long term bond interest rate med addition to property-related risk.

The valuation report has been prepared in accordance with the requirements set out in p. 130, which appears from ESMA's update of CESR's recommendations (2013/319). Nordier is responsible for this valuation report and have checked that, as far as we can reasonably know, the information in this valuation report is in accordance with the actual underlying conditions and that nothing is omitted, that could affect its meaning.

Requirements

The valuation certificate is performed according to the conditions given by the client. All properties in this assignment have been inspected within a three-year period by Nordier's valuation department.

Final assessment

Upon request, the total market value of the properties in question at the date of valuation, august 2020, and against given conditions, is certified by Nordier and is amounting to:

236 000 000 SWEDISH KRONOR (TWO HUNDRED THIRTY SIX MILLION KRONOR)

- The estimated yield requirements in the cash flow analysis (as a basis for the residual value and the discount rate) vary between 5.0 - 7.25%. This corresponds to an initial average direct return of 5.33%.
- The estimated market value for the properties varies are SEK 16,800 per sq.m and SEK 44,600 per sq.m.

Stockholm, 2020-11-26

Nordier Property Advisors AB



Tomas Nyström MRICS
AUKTORISERAD
FASTIGHETSVÄRDERARE



Nordier
Property
Advisors

This is an in-house translation of the valuation report in Swedish.

SUMMARY VALUATION REPORT

On behalf of Annehem Fastigheter AB, Forum Fastighetsekonomi AB has assessed the market value of the Partille Partille 11:60 property. The property is a retail property (3D). The lettable floor area amounts to 6,180 sqm. The date of valuation is 2 October 2020.

Documentation

The property was inspected by the undersigned together with the building engineer. Rental and operating expenses data were obtained at property level together with information about ongoing lettings, terminations and planned maintenance, etc. Official information about the property was retrieved from the property database *Fastighetsdatasystem* and information about zoning plans etc. from the respective authorities.

Methodology

The market value was assessed using a market-based, multiyear yield analysis, meaning an analysis of anticipated future payment streams whereby all indata (rents, vacancy/rental risk, operating and maintenance costs, property tax etc, yield requirements, discount rate, etc.) are assigned values consistent with the assessments that the market can be assumed to make under the prevailing market situation. The basis for our assessment of the market's yield requirement, etc. used location/price analyses of completed and comparable property transactions.

A yield-based present value is calculated using the calculation period's net operating income after investments and the residual value (i.e. total capital at the end of the calculation period). Where relevant, various value additions and deductions are made. A cash-flow model was used to assist in the calculations.

The following assessments and assumptions formed the basis for the cash-flow model:

- Calculation started on 1 October 2020 with a calculation period of 10 years.
- Inflation (CPI change) is 0.8 percent in 2020, 1.0 percent in 2021 and 2.0 percent for the remainder of the calculation period.
- The rental trend follows the terms and conditions of each lease. After the end of the term, a market adjustment takes place whenever necessary and the rental trend then tracks CPI at a rate of 100 percent.
- Costs of operation and maintenance to develop in line with CPI at a rate of 100 percent.
- The yield requirement at the end of the calculation period was deemed to be 5.50 percent and the discount rate to be 7.46 percent.

Value assessment

Upon request, I hereby certify that the property's market value on the valuation date, 2 October 2020, has been assessed at SEK 171,000,000 (One hundred and seventy-one million kronor).

Gothenburg, 10 November 2020

FORUM FASTIGHETSEKONOMI AB

Hans Voksepp
M.Sc. Eng.

AUKTORISERAD
FASTIGHETSVÄRDERARE



CURRENT EARNINGS CAPACITY

The current earnings capacity for the Group for twelve months, given the Group's property portfolio on 30 September 2020 is presented below. Current earnings capacity is, in the Company's opinion, not an estimate of its expected earnings, rather it is to be considered solely as a hypothetical instantaneous impression and is presented only to illustrate annualised income and expenses based on the property portfolio, financial expenses, capital structure and organisation at a given point in time. The current earnings capacity does not include an assessment of the future trends for rents, vacancy rates, property expenses, interest rates, changes in value, purchases or sales of properties or other factors. The current earnings capacity must be considered together with other information in the Prospectus. The Group's earnings capacity does not include the earnings effect of unrealised and realised changes in value. For reconciliation tables and definitions, refer to the sections "Selected financial information – Reconciliation Tables" and "Selected financial information – Financial and non-financial definitions". For information on the Company's financing after 30 September 2020, refer to the section "Capitalisation, indebtedness and other financial information – Capital structure after 30 September 2020". The Company's auditor has not reviewed the information about current earnings.

The Group's earnings capacity, portfolio taken into possession on 30 September 2020

SEK million	
Adjusted rental value	200.3
Vacancy	-9.8
Rent revenue	190.5
Property expenses	-70.0
Property tax	-7.0
Net operating income	113.5
Central administration	-31.0
Net financial items	-39.0
Income from property management	43.5

The following information is used as the basis for calculating earnings capacity

Annual contracted rent revenue (including supplements and rent discounts), plus other property-related income based on current leases on 30 September 2020. Operating and maintenance costs comprise budgeted costs for a normal year. Property tax was calculated on the basis of the current tax assessment value of the properties on 30 September 2020. Costs for central administration were calculated on the basis of

Annehem Fastigheter's organisation on 30 September 2020. Interest expenses has been calculated by applying the financing terms according to the credit agreement entered into after 30 September 2020 to the Company's indebtedness on 30 September 2020, in addition to costs for drawn upon facilities the terms also include customary arrangement fees and a facility fee for unutilised facilities whose share in this case corresponds to a significant part of the total credit facility based on the indebtedness on 30 September 2020. Net financial items also include a lease cost for a site leasehold right in Finland, for which the Company has a call option and plans to acquire during the first quarter of 2021 and which then will partly correspond to the interest expense for the loan intended to be used in order to finance the acquisition within the framework of the credit agreement. For more information on the credit agreement, refer to the section "Capitalisation, indebtedness and other financial information – Capital structure after 30 September 2020".

Agreements regarding acquisitions taken into possession after 30 September 2020

The Company regularly conducts acquisitions of properties. Set forth below are the properties acquired by the Company and that will be taken into possession after 30 September 2020.

#	Possession	Status	Property	Property type	Property value, SEK million	Estimated annual rent revenue, SEK million	Net operating income, SEK million ¹⁾
1	Q4 2020	Taken into possession	Carl Berner Torg	Commercial	278 ³⁾	12.8	12.1 ⁴⁾
2	Q2 2021 ²⁾	Acquired	Peab Center Helsingborg	Commercial	131	7.6	6.7
3	Q4 2021 ²⁾	Acquired	Ledvolten	Commercial	275	14.5	12.0
4	Q2 2022 ²⁾	Acquired	Carl Florman	Residential	135	6.3	5.3
5	H1 2024 ²⁾	Acquired	Partille Port	Residential	250	11.6	10.0

¹⁾ Net operating income has been calculated based on signed leases and estimated rental revenues as well as assumptions of operating costs per square meter.

²⁾ Refers to the date possession preliminarily will be taken as stated in the acquisition agreement.

³⁾ Calculated based on an exchange rate NOK/SEK of 0.95.

⁴⁾ Includes rental guarantee which runs as from 1 January 2021 and which has been issued by Peab which guarantees contracted monthly rent up until the tenant pays rent, however to a maximum of approximately NOK 13.5 million.

BOARD OF DIRECTORS, SENIOR EXECUTIVES AND AUDITOR

BOARD OF DIRECTORS

Annehem Fastigheter's board of directors consists of six ordinary members, including the chairman of the board, with no deputy board members, all of whom are elected for the period up until the end of the annual shareholders' meeting 2021. The table

below shows the members of the board of directors, when they were first elected and whether they are considered to be independent of the Company and/or the major shareholders.

Name	Position	Board member of Annehem Fastigheter since	Independent in relation to	
			The Company and executive management	Major shareholders
Göran Grosskopf	Chairman of the board	2004 ¹⁾	Yes	No
Pia Andersson	Board member	2020	Yes	No
Karin Ebbinghaus	Board member	2020	Yes	Yes
Jesper Göransson	Board member	2020	No	No
Anders Hylén	Board member	2020	Yes	Yes
Lars Ljungälv	Board member	2020	Yes	Yes

¹⁾ Refers to when Göran Grosskopf became board member in Peab.

BOARD OF DIRECTORS

**GÖRAN GROSSKOPF**

Born 1945.

Chairman of the board since 2020.

Education: Professor, LLd and Dr Econ.

Other current positions: Chairman of the board of BrainHeart Energy AB, The Mats Paulsson Foundation, Peab AB and Stefan Paulsson Invest AB. Board member of ColoPlusAB, Ekhaga Utveckling AB, Maven Wireless Sweden AB, Medicon Village Fastighets AB, Permak AB and Possio AB. Deputy board member of Andreasson Medical Consulting AB.

Former positions (past five years):

Chairman of the board of ColoPlus AB, Ekhaga Utveckling AB, IKEA Foundation, Ingka Holding BV, Medicon Village Fastighets AB and Permak AB. Board member of BrainHeart Energy AB and Perituskliniken AB.

Shareholding in the Company¹⁾:

Göran Grosskopf holds 164,700 A shares and 92,000 B shares in the Company.

**PIA ANDERSSON**

Born 1961.

Board member since 2020.

Education: MSc in Civil Engineering, Lund University Faculty of Engineering.

Other current positions: Board member of Centur Projektutveckling Holding AB, Medicon Village Fastighets AB, PA – Konsult i Båstad AB and Varvsstaden Projekt Holding AB. Board member and CEO of Varvsstaden AB, Varvsstaden Gjuteriet 111 AB, Varvsstaden Magasinet 211 AB, Varvsstaden Snickeriet 241 AB and Varvsstaden Svets- & Pannverkstaden 259 AB.

Former positions (past five years):

Board member of Centrumhuset i Bara AB, Catena Sunnanå AB, Catena Sunnanå Två AB, Catena Tostarp AB, Catena Tostarp Två AB, Fastighets AB ML 4, Fotbollsstadion i Malmö Fastighets AB, Hyllie Point 3 AB, Hyllie Point 4 AB, Nya Bara Utvecklings AB, PeBri Projektutveckling AB, Point Hyllie Holding AB, Torghusen i Bara AB and Tubsockan i Bara AB. Board member and CEO of Annehem Hylliecentrum AB, Annehem MAH AB, Annehem Stenekull 2 Fastigheter AB, Peab Fastighetsutveckling Syd AB, INSPI Sweden AB, Peab FU Fartygsmekano AB, Peab FU Jupiter 11 AB, Peab FU Vintrie 1 AB, Peab Värby Fastighets AB, Skeppshytten 201 AB and Skånehus AB.

Shareholding in the Company: Pia Andersson holds 6,135 B shares in the Company and Pia Andersson's related parties holds 772,270 A shares and 1,615,700 B shares in the Company.

**KARIN EBBINGHAUS**

Born 1972.

Board member since 2020.

Education: Master of Laws from Lund University. Executive MBA, Stockholm School of Economics.

Other current positions: Chairman of Engaging Solutions AB. Board member of Wictor Family Office AB. Deputy board member of Lillaröd Holding AB, Stefa Konsult AB, White Paper Advisors Sweden AB and Wiegert & Wiegert AB. CEO of ELONROAD AB.

Former positions (past five years):

Chairman of the board of Wictor Family Office AB. Board member of Altered Stockholm AB, Biofber Tech Sweden AB, Maven Wireless Sweden AB, Refurnish the World AB and Speximo AB.

Shareholding in the Company¹⁾:

Karin Ebbinghaus does not currently hold any shares in the Company.

¹⁾ Refers to own holdings, as well as those of related parties and legal entities, under the assumption that Annehem Fastigheter was separated from Peab on the record date of 30 September 2020, including any known changes after that date. The holdings of the individual Board members in Annehem Fastigheter on the first day of trading in Annehem Fastigheter's shares may differ from this information



JESPER GÖRANSSON

Born 1971.

Board member since 2020.

Education: MSc Economics from Lund University.

Other current positions: CEO of Peab AB. Chairman of the board of Peab Anläggning AB, Peab Bostad AB, Peab Fastighetsutveckling AB, Peab Fastighetsutveckling Sverige AB, Peab Finans AB, Peab FU Finland AB, Peab Industri AB, Peab Industri Sverige AB, Peab Lokal AB, Peab Markutveckling AB, Peab Projektutveckling AB and Peab Sverige AB. Board member of Fastighets AB Centur and Fastighets AB Tornet.

Former positions (past five years):

Board member of Fastighets AB ML 4, Visio Exploatering AB and Visio Råsunda Garage AB. Deputy board member of Centrumhuset i Bara AB, Nya Bara Utvecklings AB, Torghusen i Bara AB and Tubsockan i Bara AB.

Shareholding in the Company¹⁾: Jesper Göransson holds 216,400 B shares in the Company.



ANDERS HYLÉN

Born 1963.

Board member since 2020.

Education: MSc in Civil Engineering, Lund University Faculty of Engineering.

Other current positions: Chairman of the board of BTK Rekord and Sydpartner AB. Board member of Aktiebolaget Hälsingborgsbostäder, Dockan Exploatering AB, Gaffelseglet Invest AB, Hälsingborgs Byggmästares Fastighets AB, Hälsostaden Ängelholm AB, Hälsostaden Ängelholm Holding AB, Höganäs Lugnet 6 Fastighets AB and Tornet Bostadsproduktion AB. Deputy board member of HIK Drift AB and Hittarps IK.

Former positions (past five years):

Chairman of the board of Ängelholms Flygplats AB. Board member of Fabege Isak AB, Fastighets AB Tornet, Navet Analytics AB and Wihlborgs Kalifornien 11 AB. Board member and CEO of Lambel AB. Deputy board member of Fabege Isak Holding AB.

Shareholding in the Company¹⁾: Anders Hylén holds 32 B shares in the Company.



LARS LJUNGÅLV

Born 1969.

Board member since 2020.

Education: BSc Economics, Lund University.

Other current positions: Chairman of the board of Bergendahl Fashion AB, Bergendahl Food AB, Bergendahl Food Holding AB, Diatro Development AB, EKO-Gruppen Hässleholm AB, ESCASA AB, Glitter International AB, Granit Funktion & Förvaring AB, Hassleholm Retail and Recreation AB, Smaltona Fastighets AB, Svenska Glitter AB and Zanzlöza Zmycken AB. Chairman of the board and CEO of Bergendahl Invest AB. Board member of Byggmax Group AB, Lund University Donation Board, Ikano Bank AB (publ) and Malmö FF. Chairman of the board and CEO of Bergendahl & Son AB.

Former positions (past five years):

Chairman of the board of System Engineering Solutions 37 (SES37) AB. Board member of Bergendahl & Son AB, Hässleholm Holding AB, Intersport Sverige Holding AB, LU Holding AB, PayEx Sverige AB, Sparbanken Skåne AB (publ), Swedbank PayEx Holding AB and Swedish Logistic Property.

Shareholding in the Company¹⁾: Lars Ljungålv currently holds no shares in the Company.

¹⁾ Refers to own holdings, as well as those of related parties and legal entities, under the assumption that Annehem Fastigheter was separated from Peab on the record date of 30 September 2020, including any known changes after that date. The holdings of the individual Board members in Annehem Fastigheter on the first day of trading in Annehem Fastigheter's shares may differ from this information.

SENIOR EXECUTIVES

SENIOR EXECUTIVES

**JÖRGEN LUNDGREN**

Born 1967.

CEO since 2020

Education: MSc Business and Economics, Mid Sweden University.

Other current positions: Chairman of the board of Hedern Fastigheter Holding AB, Mäklarhuset Invest Sweden AB, Mäklarhuset Real Estate Sweden AB and Mäklarhuset Real Estate Sweden Holding AB. Board member of Aros Bostadsutveckling AB, Getberget Utveckling AB and Linlun AB.

Former positions (past five years)¹⁾:

Board member and CEO of Castellum Norr 2 AB, Polskenet Invest AB and Solnaberg Bladet 3 PropCo AB.

Shareholding in the Company²⁾: Jörgen

Lundgren does not currently hold any shares in the Company.

**JAN EGENÄS**

Born 1962.

CFO since 2020.

Education: MSc Business and Economics, Umeå University.

Other current positions: Chairman of the board of Cavandium AB. Board member of IPort AB. Board member and CEO of Egenäs Consulting AB.

Former positions (past five years):

Chairman and CEO of InstallNet Svenska AB, SENS EnergiKomfort AB and Sustainable Energy Solutions Sweden AB. Board member of Logistic 1 Landvetter AB, Real Holding i Sverige AB (publ), Saab Digital Air Traffic Solutions AB, Tor Viking Kommanditdelägaren AB, Tor Viking Komplementären AB, Wessman drilling solution AB, Wessman Energy Solution AB and Wessman Group AB. Board member and CEO of Einar Mattsson Fastighetsförvaltning AB. Chairman of the board, deputy board member and CEO of SENS Aruba AB, SENS Assets AB, SENS CONSTRUCTION AB, SENS Consulting AB, SENS Energy Management AB, SENS Geoenergy Storage AB, SENS Overseas AB and SENS Overseas District Cooling AB. Deputy board member of Centrumhuset i Bara AB, Hyllie Point 3 AB, Hyllie Point 4 AB, Nya Bara Utvecklings AB, Point Hyllie Holding AB, Torghusen i Bara AB and Tubsockan i Bara AB.

Shareholding in the Company²⁾: Jan Egenäs does not currently hold any shares in the Company.

**ADELA COLAKOVIC**

Born 1988.

Head of Group accounting since 2020.

Education: BSc Business Administration, Södertörn University

Other current positions: –

Former positions (past five years): –

Shareholding in the Company²⁾: Adela Colakovic does not currently hold any shares in the Company.

**VIVEKA FRANKENDAL**

Born 1967.

Head of Property and COO from and including 1 March 2021.

Education: Civil Engineering, Surveying, KTH Royal Institute of Technology

Other current positions: –

Former positions (past five years): –

Shareholding in the Company²⁾: –

¹⁾ Jörgen Lundgren's former positions the past five years also include chairman of the board of Castellum City Förvaltnings AB, Castellum Luleå Holding AB, Castellum 2 Struktur AB, Diös Badhuset Fastighets AB, Diös Biet Fastighets AB, Diös Bryggeriet Fastighets AB, Diös Cupido Fastighets AB, Diös Esplanaden Fastighets AB, Diös Forellen Fastighets AB, Diös Hermelinen Fastighets AB, Diös Järnvägsstationen Fastighets AB, Diös Kraften Fastighets AB, Diös Magne Fastighets AB, Diös Östermalm Fastighets AB, Fastighets AB Hagaporten 3, Fastighets AB Vandringsmannen, Fastighets AB Örebacka, Fastighetsaktiebolaget Kolmätargränd, HH Struktur AB, Intea Lagmannen AB, Intea Onkel Adam AB, Intea Tingshuset AB, Intea Åkeriet AB, Nattvikens Förvaltning AB, Norrporten i Gävle AB, Norrporten i Helsingborg AB, Norrporten i Jönköping AB, Norrporten i Luleå AB, Norrporten i Stockholm AB, Norrporten i Sundsvall AB, Norrporten Sundsvallsfastigheter AB, Norrporten i Umeå AB, Norrporten i Växjö AB, Norrporten i Örebro AB, Norrporten 2 i Växjö AB, Norrporten 3 i Östersund AB, Norrporten 4 Struktur AB, Norrporten 7 Struktur AB, Norrporten 8 Struktur AB, Stadshuset i Sundsvall AB, Stadsdel Norr Fastigheter 1 AB, Stadsdel Norr Fastigheter 2 AB, Stadsdel Norr Fastigheter 3 AB, Stenvalvet 243 Växjö AB, Specialfastigheter Lejonet 11 AB, Porten 4 i Östersund AB, Vandringsmannen Holding AB, Örebacka Förvaltnings AB and Örebacka Invest AB, board member of Castellum 2 Struktur AB, Centrumhuset i Bara AB, Hyllie Point 3 AB, Hyllie Point 4 AB, JorPet AB, Örebacka Förvaltnings AB, Kaxydor AB, Mäklarhuset Invest Sweden AB, Mäklarhuset Real Estate Sweden AB, Mäklarhuset Real Estate Sweden Holding AB, Nya Bara Utveckling AB, Point Hyllie Holding AB, Polskenet Holding AB, Stadsdel Norr Fastigheter 1 AB, Torghusen i Bara AB and Tubsockan i Bara AB as well as deputy board member of Castellum 2 Struktur AB, Mählers Smide AB, Polskenet 3 AB, Örebacka Förvaltnings AB and Stadsdel Norr Fastigheter 1 AB.

²⁾ Refers to own holdings, as well as those of related parties and legal entities, under the assumption that Annehem Fastigheter was separated from Peab on the record date of 30 September 2020, including any known changes after that date. The holdings of the individual Board members in Annehem Fastigheter on the first day of trading in Annehem Fastigheter's shares may differ from this information.

OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

There are no family ties between any of the members of the board of directors or senior executives.

There are no conflicts of interest or potential conflicts of interest between the obligations of members of the board of directors and senior executives of the Company and their private interests and/or other undertakings.

During the last five years, none of the members of the board of directors or the members of the senior executives have (i) been sentenced for fraud-related offences, (ii) represented a company which has been declared bankrupt or filed for liquidation, or been subject to administration under bankruptcy, (iii) been the subject to accusations and/or sanctions by any agency authorised by law or regulation (including approved professional organisations) or (iv) been prohibited by a court of law from being a member of any company's administrative, management or supervisory body or from holding a senior or overarching position of any company.

All members of the board of directors and senior executives are available at the Company's main office at Drottning Kristinas Esplanad 10, SE-170 67 Solna, Sweden.

AUDITOR

KPMG AB has been the Company's auditor since 2019 and was, at the annual shareholders' meeting 2020, re-elected until the end of the annual shareholders' meeting 2021. Peter Dahllöf (born 1972) is the auditor in charge. Peter Dahllöf is an authorised public accountant and a member of FAR (professional institute for authorised public accountants). KPMG AB's office address is Vasagatan 16, Box 382, SE-101 27 Stockholm, Sweden. KPMG AB has been auditor in the Peab Group throughout the entire period which the historic financial information in this Prospectus covers and has audited Annehem Fastigheter's combined financial statements for the financial years 2019, 2018 and 2017.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Annehem Fastigheter is a Swedish public limited liability company. Prior to the listing on Nasdaq Stockholm, corporate governance in the Company was based on Swedish law and internal rules and instructions. Once the Company has been listed on Nasdaq Stockholm, the Company will also comply with Nasdaq Stockholm's Rule Book for Issuers and apply the Swedish Corporate Governance Code (the "Code"). The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and shall be fully applied in connection with the listing of a company. The Company is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (according to the so-called "comply or explain principle").

The Company will apply the Code from the time of the listing of the B shares on Nasdaq Stockholm. Any deviation from the Code will be reported in the Company's corporate governance report, which will be prepared for the first time for the 2021 financial year. However, in the first corporate governance report, the Company is not required to explain non-compliance with such rules that have not been relevant during the period covered by the corporate governance report. Other than that the members of the nomination committee will be disclosed later than six months before the annual general meeting 2021, as of the date of the Prospectus, the Company does not expect to report any deviations from the Code in the corporate governance report.

SHAREHOLDERS' MEETING

According to the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen*), the shareholders' meeting is the Company's ultimate decision-making body. At the shareholders' meeting, the shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of the Company's results, discharge from liability of members of the board of directors and the CEO, election of members of the board of directors and auditors and remuneration to the board of directors and the auditors.

The annual shareholders' meeting must be held within six months from the end of the financial year. In addition to the annual shareholders' meeting, extraordinary shareholders' meetings may be convened. According to the articles of association, shareholders' meetings are convened by publication of the convening notice in the Swedish National Gazette (Sw. *Post- och Inrikes Tidningar*) and on the Company's website. At the time of the notice convening the meeting, information regarding the notice shall be published in Svenska Dagbladet.

Right to participate in shareholders' meetings

Shareholders who wish to participate in a shareholders' meeting must be included in the shareholders' register maintained by Euroclear Sweden on the day falling six banking days prior to the

meeting, and notify the Company of their participation no later than on the date stipulated in the notice convening the meeting. Shareholders may attend the shareholders' meetings in person or by proxy and may be accompanied by a maximum of two assistants. Typically, it is possible for a shareholder to register for the shareholders' meeting in several different ways as indicated in the notice of the meeting. A shareholder may vote for all Company shares owned or represented by the shareholder.

Shareholder initiatives

Shareholders who wish to have a matter brought before the shareholders' meeting must submit a written request to the board of directors. Such request must normally be received by the board of directors no later than seven weeks prior to the shareholders' meeting.

NOMINATION COMMITTEE

Companies applying the Code shall have a nomination committee. According to the Code, the general meeting shall appoint the members of the nomination committee or resolve on procedures for appointing the members. The nomination committee shall, pursuant to the Code, consist of at least three members of which a majority shall be independent in relation to the Company and the Group Management. In addition, at least one member of the nomination committee shall be independent in relation to the largest shareholder in terms of voting rights or group of shareholders who cooperates in terms of the Company's management.

The Company shall have a nomination committee consisting of a member appointed by each of the three shareholders representing the shareholder with the largest number of votes or ownership group, together with the chairman of the board. The nomination committee shall be constituted based on shareholder statistics from Euroclear Sweden AB on 30 September each year and other reliable ownership information provided to the Company at the time and the board's chairman who will also convene the first meeting of the nomination committee. Ahead of the Company's annual general meeting 2021 the Company's nomination committee shall, however, be based on the Company's ownership statistics from Euroclear Sweden AB as of 31 January 2021.

The board member representing the largest shareholder shall be appointed chairman of the nomination committee, unless the nomination committee unanimously appoints someone else. If earlier than three months prior to the annual general meeting, one or more of the shareholders having appointed representatives to the nomination committee no longer are among the three largest shareholders, representatives appointed by these shareholders shall resign and the shareholders who then are among the three largest shareholders may appoint their representatives. Should a member resign from the nomination committee before its work is completed and the nomination committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder, or, if the shareholder is no longer one of the largest shareholders, the

largest shareholder in turn. Shareholders who have appointed a representative to be a member of the nomination committee shall have the right to dismiss such member and appoint a new representative of the nomination committee. Changes to the composition of the nomination committee must be announced immediately.

The nomination committee shall prepare the following proposals submit to resolution on the annual general meeting:

- proposal for chairman of the general meeting,
- proposal for number of board members,
- proposal for board members,
- proposal for chairman of the board,
- proposal for board remuneration divided between the chairman and other board member as well as remuneration for committee work,
- proposal for auditors,
- proposal for remuneration for the Company's auditors, and
- to the extent deemed necessary, proposal for changes in the current instruction for the nomination committee.

The Nomination Committee shall in connection with its duties meet the requirements according to the Swedish Companies Act and the Swedish Code of Corporate Governance for Nominating Committees.

The composition of the nomination committee for the annual general meeting shall normally be announced no later than six months before that meeting. Remuneration shall not be paid to the members of the nomination committee. The Company is to pay any necessary expenses that the nomination committee may incur in its work, for example, costs for external consultants deemed necessary by the nomination committee in order for the nomination committee to fulfil its duties. The term of office for the nomination committee ends when the composition of the following nomination committee has been announced.

BOARD OF DIRECTORS

The board of directors is the second-highest decision-making body of the Company after the shareholders' meeting. According to the Swedish Companies Act, the board of directors is responsible for the organisation of the company and the management of the company's affairs, which means that the board of directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial condition and profits as well as evaluating the operating management. The board of directors is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. Moreover, the board of directors appoints the CEO.

Members of the board of directors are normally appointed by the annual shareholders' meeting for the period until the end of the next annual shareholders' meeting. According to the Company's articles of association, the members of the board of directors elected by the shareholders' meeting shall be not less than three and not more than nine members with no deputy members.

According to the Code, the chairman of the board of directors is to be elected by the shareholders' meeting and have a special responsibility for leading the work of the board of directors and for ensuring that the work of the board of directors is efficiently organised.

The board of directors applies written rules of procedure, which are revised annually and adopted by the inaugural board

meeting every year. Among other things, the rules of procedure govern the practice of the board of directors, functions and the division of work between the members of the board of directors and the CEO. At the inaugural board meeting, the board of directors also adopts instructions for the CEO and an instruction for financial reporting.

The board of directors meets according to an annual predetermined schedule. In addition to these meetings, additional board meetings can be convened to handle issues which cannot be postponed until the next ordinary board meeting. In addition to the board meetings, the chairman of the board of directors and the CEO continuously discuss the management of the Company.

Currently, the Company's board of directors consists of six ordinary members elected by the shareholders' meeting, who are presented in section "Board of directors, senior executives and auditor".

Audit committee

Annhem Fastigheter has an audit committee consisting of three members: Karin Ebbinghaus, Göran Grosskopf and Lars Ljungälv with Göran Grosskopf as chairman. The audit committee shall, without it affecting the responsibilities and tasks of the board of directors, monitor the Company's financial reporting, monitor the efficiency of the Company's internal controls and risk management, keep informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the Company, and assist in the preparation of proposals for the shareholders' meeting's decision on election of auditors.

Remuneration committee

The board of Annhem Fastigheter carries out the duties of the remuneration committee in their entirety. The board's duties in this respect consist of making decisions about remuneration principles, remuneration and other terms of employment for the executive management team, including submitting recommendations to the annual general meeting on guidelines for salary and other remuneration of board members, the CEO, Deputy CEO and other senior executives. In addition, the board is to monitor and evaluate the variable remuneration programmes for the executive management team that are current or have been completed during the year, to monitor and evaluate the application of guidelines for salary and other remuneration of the CEO, Deputy CEO and board members that the annual general meeting will resolve on, as well as the Company's current remuneration structures and levels.

Finance committee

Annhem Fastigheter has a finance committee consisting of two members: Pia Andersson and Jesper Göransson (chairman). The Company's CEO presents reports to the finance committee.

THE CEO AND OTHER SENIOR EXECUTIVES

The CEO is subordinated to the board of directors and is responsible for the everyday management and operations of the Company. The division of work between the board of directors and the CEO is set out in the rules of procedure for the board of directors and the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling

information for the board meetings and for presenting such materials at the board meetings.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in the Company and consequently must ensure that the board of directors receives adequate information for the board of directors to be able to evaluate the Company's financial condition.

The CEO must continuously keep the board of directors informed of developments in the Company's operations, the development of sales, the Company's result and financial condition, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the Company's shareholders.

The CEO and other senior executives are presented in section "Board of directors, senior executives and auditor".

REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS, CEO AND SENIOR EXECUTIVES

Remuneration to the members of the board

Fees and other remuneration to the members of the board of directors, including the chairman, are resolved by the shareholders' meeting. At the extraordinary shareholders' meeting held on 28 September 2020, it was resolved that the fee to the chairman of the board of directors should be SEK 300,000 and that the fee to the other members should be SEK 150,000. However, pro rata fees will be paid to some board members for the period from when the Company's B shares are admitted to trading on Nasdaq Stockholm until the end of the 2021 annual general meeting, and for some board members pro rata fees will be paid from the date on which they were elected to the board until the end of the 2021 annual general meeting.

The members of the board of directors are not entitled to any benefits following termination of their assignments as directors of the board.

During the financial year of 2019 Annehem Fastigheter, including its subsidiaries, has not paid any remuneration, including fees, to the members of Annehem Fastigheter's board of directors.

Guidelines for remuneration to the CEO and other senior executives

The first annual shareholders' meeting to be held following the listing of the Company's B shares on Nasdaq Stockholm will resolve on guidelines which shall apply in relation to remuneration to the CEO and the other members of the executive management.

Current employment agreements for the CEO and other senior executives

Decisions as to the current remuneration levels and other conditions for employment for the CEO and the other members of the executive management have been resolved by the board of directors.

During the financial year of 2019 Annehem Fastigheter, including its subsidiaries, has not paid any remuneration, including basic salary, to Annehem Fastigheter's executive management team. However, in connection with the preparations of the distribution of Annehem Fastigheter, the Company's CFO had during the period of November 2019 – March 2020 a consultant agreement with the Company. The consultant agreement has been terminated in connection with the Company's CFO being employed by the Company. Annehem Fastigheter has however been charged with a so-called management fee which has been paid to Peab for 2019 and 2020. For 2019, this amount amounted to approximately SEK

10.7 million and for the period January- September 2020 the amount amounted to approximately SEK 6.3 million.

Agreements concerning pensions shall, wherever possible, be based on fixed premiums and must be in accordance with the levels, practice and collective bargaining agreements applicable in Sweden.

For the CEO, the employee has a period of notice of six months and the employer a period of notice of twelve months. For the other senior executives, the period of notice is either six months if the senior executive terminates the employment and nine months if the Company terminates the employment or a period of notice in accordance with applicable collective agreement, meaning a mutual notice period of one month as of the date of the Prospectus. All senior executives shall receive unchanged salary and other employment benefits during the notice period.

INTERNAL CONTROL

The board is responsible for the Company's internal control. Operational management processes are established by business management systems. The CEO is responsible for the Company's process structure.

The Company's internal control includes control of the Company's and the Group's organisation, procedure and support measures. The Company's main area of focus in internal processes and controls is based on the Company's risk assessment, which is revised annually. Processes and measures of control have been developed in close collaboration with the Company's advisors but is based on Annehem Fastigheter's needs and current industry practice within the line of business of which the Company operates. The Company's objective is to ensure reliable and accurate financial reporting, that the Company's and the Group's financial statements are prepared in accordance with applicable law and generally accepted accounting principles, that the Company's assets are protected, and to ensure compliance with other applicable requirements, regulations and recommendations. The Company's internal controls are also designed to monitor compliance with the Company's and the Group's policies, principles and instructions. The Company's internal controls also include risk assessment and follow-up of incorporated information and business systems. The Company identifies, assesses and manages risks based on the Group's vision and targets. Strategic, compliance, operational and financial risks are assessed annually by the CFO, after which the risk assessment is presented to the audit committee and the board. Self-assessment processes and defined controls for each process are performed annually and reported to the board. The CFO is responsible for the self-assessment process and reporting on previous deviations or assignments from the board.

AUDITING

The auditor shall review the Company's annual reports and accounting, as well as the management of the board of directors and the CEO. Following each financial year, the auditor shall submit an audit report and a consolidated audit report to the annual shareholders' meeting.

Pursuant to the Company's articles of association, the Company shall have not less than one and not more than two auditors and not more than two deputy auditors. The Company's auditor is KPMG AB, with Peter Dahllöf as auditor in charge. The Company's auditor is presented in more detail in section "Board of directors, senior executives and auditor".

In 2019, the Company did not pay any remuneration to the Company's auditor.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

GENERAL INFORMATION

Pursuant to the Company's articles of association, the Company's share capital may not be less than SEK 500,000 and not more than SEK 2,000,000, and the number of shares may not be less than 58,992,548 and not more than 235,970,192. As at the date of this Prospectus, the Company has issued a total of 58,992,548 shares, of which 6,863,991 are A shares and 52,128,557 are B shares. The shares are denominated in SEK and the quota value of each share is approximately SEK 0.00848.

All shares in the Company have been issued pursuant to Swedish law. All issued shares have been fully paid and are freely transferrable.

The offered shares are not subject to a mandatory offering, redemption rights or sell-out obligation. No public takeover offer has been made for the offered shares during the current or preceding financial year.

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

The rights associated with the shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act.

Voting rights

Each B share in the Company entitles the holder to one vote at shareholders' meetings and each A share in the Company entitles the holder to ten votes and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company.

Preferential rights to new shares etc.

Should the Company decide to issue two new classes of shares, Class A and Class B, in a cash issue or set-off issue, holders of Class A and Class B shares shall have preferential subscription rights to new shares of the same class pro rata to their existing shareholding (primary preferential right). Shares not subscribed for by exercising primary preferential rights shall be offered to all shareholders (secondary preferential right). If the entire number of shares subscribed for by exercising secondary preferential rights cannot be issued, the shares shall be allotted between the subscribers pro rata to their existing shareholding, and if this is not possible, by drawing lots.

Should the Company decide to issue only one class of shares in a cash issue or set-off issue, all shareholders, regardless of share class, shall have preferential subscription rights to new shares pro rata to their existing shareholding.

Should the Company decide to issue warrants or convertibles through a cash issue or set-off issue, the shareholders shall have preferential subscription rights to warrants as if the issue applied to those shares that may be subscribed to by exercising the option or, respectively, preferential subscription rights to

convertibles as if the issue applied to the shares to which the convertibles may be converted.

When increasing the share capital by issuing bonus shares, the number of Class A and Class B shares issued shall be pro rata to the number of shares of the same class that already exist. Old shares of a certain class will then entitle the holder to new shares of the same class.

Converting A shares to B shares

Holders of Class A shares are entitled to request that their Class A shares be converted into Class B shares. Requests for conversion, which must be in writing and specify the number of shares to be converted, are submitted to the Company.

Rights to distributions and balances in case of liquidation

All shares give equal rights to distributions and the Company's assets and possible surpluses in the event of liquidation.

Resolutions regarding distribution are passed by shareholders' meetings. All shareholders registered as shareholders in the share register maintained by Euroclear Sweden on the record date adopted by the shareholders' meeting shall be entitled to receive distributions. Distributions are normally distributed to shareholders as a cash payment per share through Euroclear Sweden, but may also be paid out in a manner other than cash (in-kind distribution). If shareholders cannot be reached through Euroclear Sweden, such shareholder still retains its claim on the Company to the distribution amount, subject to a statutory limitation of ten years. Upon the expiry of the period of limitations, the distribution amount shall pass to the company.

There are no restrictions on the right to distributions for shareholders domiciled outside Sweden. Shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax, see also section "Tax issues in Sweden".

INFORMATION REGARDING TAKEOVER BIDS AND REDEMPTION OF MINORITY SHARES

Pursuant to the Swedish Takeovers Act (2006:451) any person who does not hold any shares, or hold shares representing less than three tenths of the voting rights in a Swedish limited liability company whose shares are admitted to trading on a regulated market (the "Target Company"), and who through the acquisition of shares in the Target Company, alone or together with a closely related party, holds shares representing three tenths or more of the voting rights for all of the shares in the Target Company is obliged to immediately disclose the size of his holding in the Target Company and, within four weeks thereafter, make an offer to acquire the remaining shares in the Target Company (mandatory offer requirement).

A shareholder who personally, or through a subsidiary, holds more than 90 percent of the shares in a Swedish limited liability company (the "Majority Shareholder") has the right to redeem the rest of the shares in the Target Company. The owners of

the rest of the shares (the “Minority Shareholders”) have a corresponding right to have their shares redeemed by the Majority Shareholder. The formal procedure for the redemption of Minority Shareholders’ shares is regulated in the Swedish Companies Act (SFS 2005:551).

CENTRAL SECURITIES REGISTER

The Company’s shares are registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is managed by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. No share certificates have been issued for the Company’s shares. The ISIN code for the B shares is SE0015221684.

SHARE CAPITAL DEVELOPMENT

The below table shows historic changes in the Company’s share capital since the Company’s new formation per 2 October 2019.

Decision date	Event	Change in number of shares			Change in share capital, SEK	Total number of shares			Total share capital, SEK
		Common shares	A shares	B shares		Common Shares	A shares	B shares	
2019-10-02	New formation	1,000	-	-	100,000	1,000	-	-	100,000
2020-09-28	New share issue	4,000	-	-	400,000	5,000	-	-	500,000
2020-09-28	Reverse split	-4,998	-	-	-	2	-	-	500,000
2020-09-28	Conversion of shares	-2	1	1	-	-	1	1	500,000
2020-11-06	Share split	-	6,863,990	52,128,556	-	-	6,863,991	52,128,557	500,000

CONVERTIBLES, WARRANTS, ETC.

As of the date of the Prospectus, there are no outstanding warrants, convertibles or other share-related financial instruments in the Company.

OWNERSHIP STRUCTURE

As of the date of this Prospectus, Annehem Fastigheter is a wholly owned subsidiary of Peab. The table below shows Peab’s shareholders who have a direct or indirect holding that corresponds to five percent or more of the shares or votes in Peab on 30 September 2020. If the record date for the

distribution of Annehem Fastigheter had been 30 September 2020, the largest shareholders in Annehem Fastigheter would initially have been the ones shown in the table below. The ownership structure for Annehem Fastigheter will initially be the same as for Peab on the record date of the proposed distribution.

Shareholder	Number of A shares	Number of B shares	Total number of shares	Share of capital, %	Share of votes, %
Ekhaga Utveckling AB	25,563,264	36,057,059	61,620,323	20.8	48.2
AB Axel Granlund	1,500,000	18,000,000	19,500,000	6.6	5.5
Mats Paulsson and family	3,861,354	8,109,175	11,970,529	4.0	7.7
Other shareholders	3,395,339	199,563,539	202,958,878	68.6	38.6
Total	34,319,957	261,729,773	296,049,730	100.0	100.0

ARTICLES OF ASSOCIATION

Articles of association for Annehem Fastigheter AB, registration number 559220-9083, adopted by the extraordinary shareholders' meeting on 6 November 2020.

1 § Name

The company's name is Annehem Fastigheter AB (publ).

2 § Registered office

The board of directors' registered office is situated in Ängelholm's municipality.

3 § Object of the company's business

The object of the company's business is to, directly or indirectly, own, manage and develop properties and property-related assets as well as conduct activities related therewith.

4 § Share capital and shares

The share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000. The number of shares in the Company shall be not less than 58,992,548 and not more than 235,970,192.

Shares may be issued in two classes: Class A and Class B. Class A shares shall entitle the holder to ten (10) votes and Class B shares to one (1) vote. Shares of each class may be issued in a number corresponding to the entire share capital.

At the request of the holder, Class A shares may be converted into Class B shares. Requests for conversion, which must be in writing and specify the number of shares to be converted, shall be submitted to the Company. The Company shall promptly without delay send the required forms to the Companies Registration Office for registration. The shares are converted as soon as registration has taken place.

Should the Company decide to issue two new classes of shares, Class A and Class B, in a cash issue or set-off issue, holders of Class A and Class B shares shall have preferential subscription rights to new shares of the same class pro rata to their existing shareholding (primary preferential right). Shares not subscribed for by exercising primary preferential rights shall be offered to all shareholders (secondary preferential right). If the entire number of shares subscribed for by exercising secondary preferential rights cannot be issued, the shares shall be allotted between the subscribers pro rata to their existing shareholding, and if this is not possible, by drawing lots.

Should the Company decide to issue only one class of shares in a cash issue or set-off issue, all shareholders, regardless of share class, shall have preferential subscription rights to new shares pro rata to their existing shareholding.

Should the Company decide to issue warrants or convertibles through a cash issue or set-off issue, the shareholders shall have preferential subscription rights to warrants as if the issue

applied to those shares that may be subscribed to by exercising the option or, respectively, preferential subscription rights to convertibles as if the issue applied to the shares to which the convertibles may be converted.

The above-mentioned shall not entail any restriction on the possibility to approve a cash issue or set-off issue with deviation from the shareholders' preferential rights.

When increasing the share capital by a bonus issue with issue of new shares, the number of Class A and Class B shares issued shall be pro rata to the number of shares of the same class that already exist. Old shares of a certain class will then entitle the holder to new shares of the same class. What has now been said shall not entail any restriction on the possibility of issuing a new class of shares in a bonus issue following the necessary modification of the Articles of Association.

5 § Board of directors

The board of directors, to the extent elected by the shareholders' meeting, shall consist of not less than three (3) and not more than nine (9) board members with no deputy members.

6 § Auditor

The company shall have not less than one (1) and not more than two (2) auditors and not more than two (2) deputy auditors. As auditor and, when applicable, deputy auditor, an authorised public accountant or a registered public accounting firm shall be elected.

7 § Notice of shareholders' meeting

Notice of shareholders' meetings shall be published in the Swedish Official Gazette and be kept available on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

8 § Participation in shareholders' meetings

Shareholders who wish to participate in a shareholders' meeting can only do so if the shareholder notifies the company no later than the date specified in the notice convening the meeting. This date must not fall on a Sunday or any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, nor earlier than five business days prior to the meeting. Shareholders may only be accompanied by assistants at the shareholders' meeting if they have notified the company of the number of assistants (no more than two) by the date specified in the preceding paragraph.

9 § Business at shareholders' meetings

The following business shall be addressed at annual shareholders' meetings:

1. Election of a chairman of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one or two persons who shall approve the minutes of the meeting;
5. Determination of whether the meeting was duly convened;
6. Submission of the annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the group;
7. Resolutions regarding:
 - a. adoption of the income statement and the balance sheet and, when applicable, the consolidated income statement and the consolidated balance sheet;
 - b. allocation of the company's profits or losses in accordance with the adopted balance sheet;
 - c. discharge of the members of the board of directors and the managing director from liability;
8. Determination of the number of members and deputy members of the board of directors to be elected by the shareholders' meeting and, the number of auditors and deputy auditors;
9. Determination of fees for members of the board of directors and auditors;
10. Election of the members of the board of directors;
11. Election of auditors and, where applicable, deputy auditors;
12. Other matters, which should be resolved by the shareholders' meeting according to the Swedish Companies Act or the company's articles of association.

10 § Financial year

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

11 § Place for general meetings

General meetings shall be held in Ängelholm, Solna or Stockholm.

12 § VPC company

The company's share shall be registered in a securities register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

APPROVAL OF THE SWEDISH PROSPECTUS

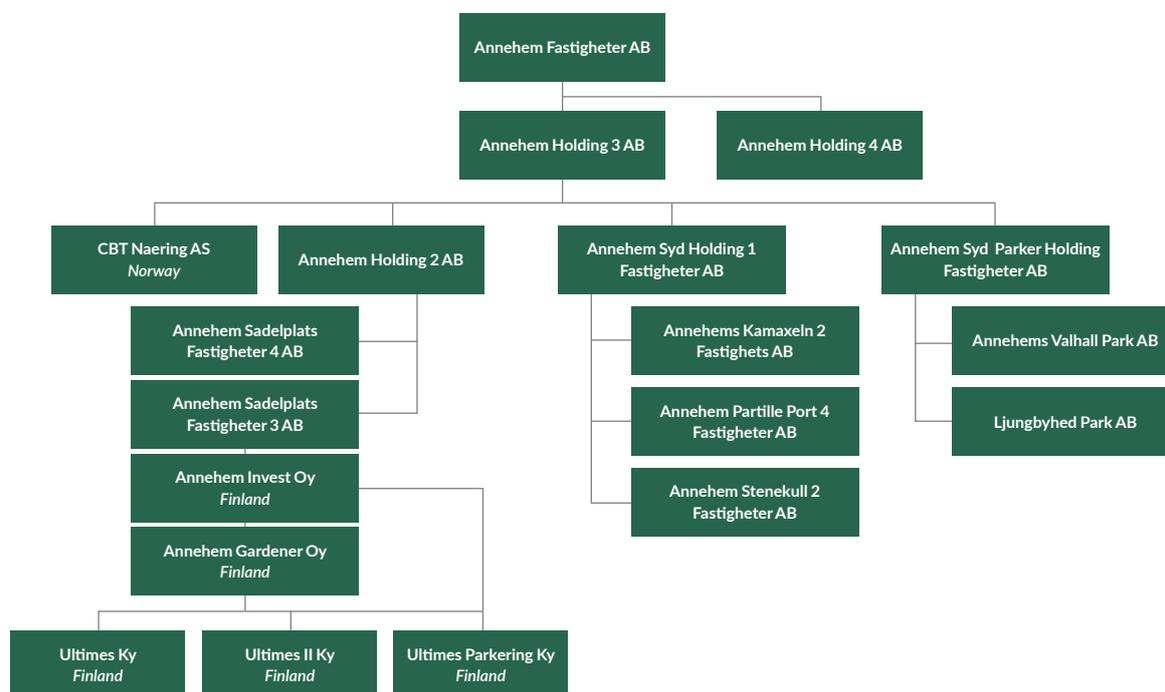
The Swedish Prospectus has been approved by and registered with the SFSA as competent authority pursuant to the European Union Regulation (EU) 2017/1129. The SFSA only approves that the Swedish Prospectus meets the standards of completeness, comprehensibility and consistency imposed by the prospectus regulation. Further, this approval should not be considered as any endorsement, neither of the issuer referred to in the Swedish Prospectus nor of the quality of the securities that are the subject of the Swedish Prospectus, and investors should make their own assessment as to the suitability of investing in the securities. The Swedish Prospectus was approved by the SFSA on 2 December, 2020. The validity period for the Swedish Prospectus will expire on 2 December, 2021. The obligation to supplement the Swedish Prospectus in the event of significant new circumstances, factual errors or material inaccuracies does not apply when the Swedish Prospectus is no longer valid.

LEGAL GROUP STRUCTURE

The Company's business is conducted in accordance with the Swedish Companies Act. Annehem Fastigheter AB (publ) (registration number 559220-9083) is a Swedish public limited liability company which was founded on 25 September 2019 and registered with the Swedish Companies Registration Office on 2 October 2019. The Company's LEI-code is 5493001IZXU12M8NYV95. The Company's registered office is situated in Ängelholm.

Set forth below are all Annehem Fastigheter's subsidiaries as well as the ownership structure as of the date of this Prospectus. All subsidiaries set forth below are directly or indirectly wholly-owned by Annehem Fastigheter. For more information on subsidiaries in Annehem Fastigheter, please see note 13 in the section "Historical financial information – The Group's financials as at and for the financial years ending 31 December 2017, 2018 and 2019 – Notes". The Company is as of the date of this Prospectus the parent company of 18 subsidiaries, including subsidiaries in Sweden, Finland and Norway. The Group structure is shown in the chart below.

Legal group structure



MATERIAL AGREEMENTS

The separation from Peab

Prior to the distribution of Annehem Fastigheter, the Company's operations have been demerged from the Peab Group. In order to regulate the demerger, Peab AB and Annehem Fastigheter have entered into a so-called demerger agreement, with several sub-agreements (the "**Demerger Agreement**"). Furthermore, there is a need for continued cooperation between the parties concerning the development of the district Sadelplatsen in Ulriksdal, within which both parties' own properties regarding joint functions and facilities which will be relevant in the further development of the area. The Demerger Agreement also regulates inter alia future provision of historical information, confidentiality issues and the providing of certain services in Finland.

Credit agreement

Refer to the section "*Capitalisation, indebtedness and other financial information – Capital structure after 30 September 2020*" for more information on Annehem Fastigheter's credit agreement.

Acquisition and transfer agreements

The Group has exclusively acquired the properties owned by the Group and the property-owning companies from the Peab Group. Acquisition and transfer agreements generally follow market practices regarding warranty period and limitations for amounts and liability.

On 21 October 2020, Annehem Fastigheter, through subsidiaries, entered into two share purchase agreements with companies within the Peab Group through which Annehem Fastigheter indirectly acquires commercial properties under construction in Helsingborg and Solna, respectively. The preliminary dates for which the properties will be taken into possession are 1 May 2021 for the Helsingborg property and 11 November 2021 for the Solna property. The underlying property value amounts to SEK 131 million for the Helsingborg property and SEK 275 million for the Solna property. The acquisition agreements follow market practices regarding the scope of the guarantees, warranty period and limitations for amounts and liability.

Furthermore, Annehem Fastigheter has on 28 October 2020, through subsidiaries, entered into two share purchase agreements with companies within the Peab Group through which Annehem Fastigheter indirectly acquires rental properties under construction in Malmö and Partille, respectively. The properties will be taken into possession after completion of the contract, which is expected to take place during Q1-Q2 2022 for the Malmö property and Q4 2023 for the Partille property. The underlying property value amounts to SEK 135 million for the Malmö property and SEK 250 million for the Partille property. The acquisition agreements follow market practice with regard to the scope of guarantees, warranty period and limitations for amounts and liability.

Leases

As of 30 September 2020, the Group has entered into approximately 276 leases for premises primarily deemed for commercial operations. The majority of the leases that the Group consider material are based on the Swedish Property Federation's (Sw. *Fastighetsägarnas*) standard lease form, which

is widely used on the Swedish property market. As a general rule, one or more appendices containing specific provisions about the tenancy relationship are included with these leases. In cases where the leased premises undergo a more extensive renovation or remodelling prior to the beginning of the rental period, a project implementation appendix is usually attached which regulated the parties' work during the time of the preparation of the premises.

Pursuant to the leases, a fixed base rent is charged with an index-based rent supplement that is adjusted to annual changes in the Swedish Consumer Price Index (Sw. *konsumtprisindex*) (CPI). The Group's leases have varying notice periods from nine months' to a couple of years. The notice periods of the Group's leases vary between nine months and a couple of years. If the lease is not terminated by either of the parties, the lease is extended on unchanged terms and conditions for a period of three to five years.

Consulting and management agreement with Peab

Due to the fact that personnel responsible for the development and the management of properties, land areas and projects within the Peab Group have been transferred to employment within the Group, Annehem Fastigheter has entered into an agreement with relevant companies within the Peab Group of which Annehem Fastigheter, as a supplier, provides consulting services within property management and property development for a number of named projects. The agreement follows market practice for such agreements and may be terminated by Annehem Fastigheter with a notice period of six months.

Agreement regarding airport management functions

Annehem Fastigheter has, through subsidiaries, entered an agreement with Ängelholms Flygplats AB pursuant to which Ängelholm Flygplats AB provides airport management functions such as airport manager, chief operating manager, environmental manager etc. on a consulting basis to the Group and its operation of Ljungbyhed's airport. The agreement is ongoing with a notice period of six months.

INTELLECTUAL PROPERTY RIGHTS

The Company is the holder of the domain name *annehem.se*. Annehem Fastigheter uses the trademark "Annehem Fastigheter" and the appurtenant logotype in its business. No intellectual property rights within the Company is subjected to any pledges or other kind of liability. As far as the Company knows, there are no violations, infringements or similar that could affect any material intellectual property rights, and the Company has not received any demands regarding infringement of the rights of third parties.

DISPUTES

Annehem Fastigheter is not and has not been a party in any legal or arbitration proceeding (including cases that are pending or that the Company is aware could arise) during the last twelve months which have had, or may have, material effects on Annehem Fastigheter's financial position or earnings. Within the ordinary course of business, Annehem Fastigheter is from time to time involved in disputes or other proceedings, and Annehem Fastigheter has insurance in place aimed at covering this kind of claims.

INSURANCE

The Group's insurance coverage covers insurance for risks associated with the Group's operations as property owners which, among other things, include corporate insurance for property, liability, legal expenses and loss of rent as well as CEO and board liability insurance. The Company believes that the insurances in the Group are on a par with other companies in the same industry and that they are well adapted with regards to the risks that are normally associated with the Group's operations. However, there is no guarantee that the Group will not suffer losses that are not covered by insurance or are sufficiently covered so that an unforeseen cost does not arise.

RELATED PARTY TRANSACTIONS

For information on related-party transactions, please see note 1 and 8 in the section "Historical financial information – Unaudited interim report for the nine-month period ending 30 September 2020 – Notes" and note 1 in the section "Historical financial information – The Group's financials as at and for the financial years ending 31 December 2017, 2018 and 2019 – Notes" respectively.

Annehem Fastigheter has received rental guarantees from Peab for 100% of the vacant spaces in Peab Center Malmö and Ultimes I and II. The rental guarantees have been issued from 1 March 2020 for Peab Center Malmö and from 1 July 2020 for Ultimes I and II. Each respective rental guarantee is valid for 36 months from each respective date. In the event that the vacancies are leased to other guests, the guarantee does not drawn upon. For the period 1 January – 30 September 2020, the rental guarantees amounted to SEK 4.3 million.

The following related-party transactions, which separately or altogether are material to Annehem Fastigheter, were carried out after 30 September 2020 until the date of this Prospectus:

- During the fourth quarter of 2020, the Company has acquired and taken the property Carl Berner Torg in Oslo into possession, with an underlying agreed property value of NOK 293 million.
- The Company has entered an agreement regarding acquisition of four properties with an agreed underlying property value of SEK 791 million.
- The Company has signed letters of intent with Peab regarding acquisition of properties on market terms.¹⁾ Upon completion, the properties will amount to a total area of 86 thousand sqm and Annehem Fastigheter estimates the total underlying property value to be SEK 4,900 million by time of completion. These letters of intent are non-binding and there is thus a risk that Annehem Fastigheter will not be able to carry out these acquisitions.
- The Company has entered into four acquisition agreements concerning parts of the property Ängelholm Barkåkra 50:3:
 - (i) An acquisition agreement concerning area as well as buildings that are currently used primarily for production facilities and testing track rented by a car manufacturer. Buyer is a company partly owned by the Peab Group. The purchase price amounts to approximately SEK 22 million. Land surveying operation is ongoing as of the date of this Prospectus.²⁾
 - (ii) An acquisition agreement concerning land area. Buyer is a company within the Peab Group. The purchase price amounts to approximately SEK 15 million. Land surveying operation is ongoing as of the date of the Prospectus.²⁾

- (iii) An acquisition agreement concerning land area as well as a hangar building. Buyer is a company within the Peab Group. The purchase price amounts to approximately SEK 5 million. Land surveying operation will be initiated after the admission day.

- (iv) An acquisition agreement of which a district heating system located on the property is transferred to companies within the Peab Group. The transfer takes place free of charge. In addition to the mentioned transfer, Annehem Valhall Park AB and the acquiring company within the Peab Group have entered into a cooperation agreement concerning the modernisation of the district heating system as well as the ensuring of delivery of district heating to the property Ängelholm Barkåkra 50:3 after the transfer.

- The Company has entered into an acquisition agreement concerning part of the property Malmö Stenekullen 2. The acquirer is a company within the Peab Group and the purchase price amounts to approximately SEK 23 million.

INTERESTS OF ADVISORS

Nordea will provide financial advisory and other services to the Company in connection with the admission to trading of the B shares on Nasdaq Stockholm, for which Nordea will receive customary remuneration. As of the date of this Prospectus, Nordea is lender to Annehem Fastigheter, refer to the section "Capitalisation, indebtedness and other financial information – Capital structure after 30 September 2020" for more information.

From time to time, Nordea will provide services in the ordinary course of business and in connection with other transactions, to Annehem Fastigheter and parties affiliated with Annehem Fastigheter.

Advokatfirman Vinge KB has been legal counsel in connection with the admission to trading of the B shares on Nasdaq Stockholm. These may provide additional legal services to the Company.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of (i) Annehem Fastigheter's articles of association and certificate of registration, (ii) annual reports of the Company and its subsidiaries, as applicable, for the financial years 2019, 2018 and 2017, including auditors' reports, and (iii) valuation reports on 30 September 2020 are held available for inspection during the validity period of the Prospectus, during office hours at the Company's head office at Drottning Kristinas Esplanad 10, SE-170 67 Solna, Sweden. These documents, excluding the annual reports as well as the certificate of registration, are also available in electronic form on Annehem Fastigheter's website, www.annehem.se. With the exception of the information expressly incorporated in this Prospectus by reference, the information on a specified website is not part of this Prospectus and has not been reviewed or approved by the relevant authority.

¹⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

²⁾ The disinvestment has been considered in the Company's combined financial statements on 30 September 2020.

TAX CONSIDERATIONS IN SWEDEN

Below is a summary of certain Swedish tax issues related to the distribution and the admission for trading of the B shares in the Company on Nasdaq Stockholm for private individuals and limited liability companies that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended to provide general information only regarding the B shares in the Company as from the admission for trading on Nasdaq Stockholm.

The summary does not cover:

- The A shares in the Company;
- situations where shares are held as current assets in business operations;
- situations where shares are held by a limited partnership or a partnership;
- situations where shares are held in an investment savings account (Sw. *investeringssparkonto*);
- the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds shares in the Company that are deemed to be held for business purposes (for tax purposes);
- the special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies or to shares acquired by means of such shares;
- the special rules that may be applicable to private individuals who make or reverse a so-called investor deduction (Sw. *investeraravdrag*);
- foreign companies conducting business through a permanent establishment in Sweden; or
- foreign companies that have been Swedish companies.

Furthermore, special tax rules apply to certain categories of companies. The tax consequence for each individual shareholder depend on such shareholder's particular circumstances. Each shareholder is advised to consult an independent tax advisor regarding the tax consequences that could arise from the distribution and the admission for trading of the B shares in the Company on Nasdaq Stockholm, including the applicability and effect of foreign tax legislation and provisions in tax treaties.

DISTRIBUTION OF SHARES IN THE COMPANY

The distribution of shares in the Company is intended to be in accordance with the so-called "Lex Asea-provisions", which means that no immediate taxation is incurred upon the distribution of shares. Under the so-called "Lex Asea-provisions", the shareholders of Peab who are entitled to participate in the distribution will have the acquisition value for their shares in Peab distributed between these shares and the shares received in the Company. The distribution of the acquisition value is based on the change in the value of the shares in Peab that arises as a result of the distribution of the shares in the Company. Peab intends to request for a general guideline from the Swedish Tax Agency on the allocation of the acquisition value. Information regarding the distribution is expected to be available on each company's website and on the Swedish Tax Agency's website, www.skatteverket.se.

HOLDING OF SHARES IN THE COMPANY

Private individuals

For private individuals' resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains is taxed in the capital income category. The same applies to shareholders who receive excess share rights in the Company that are sold on their behalf. The tax rate for the capital income category is 30 percent.

The capital gain or the capital loss is computed as the difference between the consideration, less selling expenses, and the acquisition value. The acquisition value of the shares in the Company is to be determined on the basis of the general guideline that the Swedish Tax Agency is expected to announce. The acquisition value for each share right in the Company should amount to one-fifth of the acquisition value of one share in the Company, which is expected to be determined on the basis of the Swedish Tax Agency's general

guideline. The acquisition value for all shares of the same class and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). As an alternative, the so-called standard method (Sw. *schablonmetoden*) may be used at the disposal of listed shares. This method means that the acquisition value may be determined as 20 percent of the consideration less selling expenses.

Capital losses on listed shares are fully deductible against taxable capital gains realised in the same year on shares, as well as on listed securities taxed as shares (however not mutual funds, (Sw. *värdepappersfonder*), or hedge funds, (Sw. *specialfonder*) containing Swedish receivables only, (Sw. *räntefonder*)). 70 percent of capital losses not absorbed by these set-off rules are deductible in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. This tax reduction is 30 percent of the net loss that does not exceed SEK 100,000 and 21 percent of any remaining net loss. A net loss cannot be carried forward to future tax years.

For private individuals resident in Sweden for tax purposes, a preliminary tax of 30 percent is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee.

Limited liability companies

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and taxable dividends, is taxed as income from business operations at a rate of 21.4 percent. The tax rate is reduced to 20.6 percent for tax years beginning after 31 December 2020. Capital gains and capital losses are calculated in the same way as described above for private individuals.

Deductible capital losses on shares may only offset taxable capital gains on shares and other securities taxed as shares. A net capital loss on shares that cannot be utilized during the year of the loss, may be carried forward (by the limited liability company that has suffered the loss) and offset against taxable capital gains on shares and other securities taxed as shares in future years, without any limitation in time. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted from another legal entity's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through so-called group contributions) and both companies request this treatment for a tax year having the same filing date for each company (or, if one of the companies' accounting liability ceases, would have had the same filing date). Special tax rules may apply to certain categories of companies or certain legal persons, e.g. investment companies.

Shareholders that are not tax resident in Sweden

For shareholders not resident in Sweden for tax purposes that receive dividends on shares in a Swedish limited liability company, Swedish withholding tax is normally withheld. The same withholding tax applies to certain other payments made by a Swedish limited liability company, such as payments as a result of redemption of shares and repurchase of shares through an offer directed to all shareholders or all holders of shares of a certain class. The withholding tax rate is 30 percent. The tax rate is, however, generally reduced under an applicable tax treaty. In accordance with the so-called "Lex ASEA-provisions" dividend

in the form of shares in the Company is exempt from Swedish withholding tax. However, the distribution of shares in the Company could result in tax consequences in other jurisdictions. In Sweden, withholding tax deductions are normally carried out by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee. The tax treaties Sweden has entered into generally enable withholding tax deduction to be made in accordance with the tax rate stipulated in the treaty, provided that Euroclear Sweden or the nominee, as applicable, has received necessary information on the tax residency of the investor entitled to the dividend. Further, investors entitled to reduced tax rate under applicable tax treaties may seek a refund from the Swedish Tax Agency if the full withholding tax rate at 30 percent has been withheld.

Shareholders not resident in Sweden for tax purposes – which are not conducting business through a permanent establishment in Sweden – are normally not liable for capital gains taxation in Sweden upon disposals of shares. Shareholders may, however, be subject to taxation in their state of residence.

According to a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares, including share rights, in the Company, if they have been residents of Sweden due to a habitual abode in Sweden or a stay in Sweden for six consecutive months at any time during the calendar year of disposal or the ten calendar years preceding the year of disposal. In a number of cases though, the applicability of this rule is limited by tax treaties.

DEFINITIONS

Annehem Fastigheter, the Company or the Group	Annehem Fastigheter AB (publ), the Group in which Annehem Fastigheter AB (publ) is the parent company or a subsidiary in the Group, depending on the context.
CBD	Central Business District.
EUR	Euro.
Euroclear Sweden	Euroclear Sweden AB.
The Code	The Swedish Corporate Governance Code.
SEK	Swedish kronor.
SEK billion	Billions of Swedish kronor.
EUR million	Millions of euro.
SEK million	Millions of Swedish kronor.
NOK million	Millions of Norwegian kronor.
Nasdaq Stockholm	The regulated market operated by Nasdaq Stockholm AB.
Nordea	Nordea Bank Abp, Swedish branch.
Peab	Peab AB (publ), the Group in which Peab AB (publ) is the parent company or a subsidiary of the Peab Group, depending on the context.
Peab Group	Peab AB (publ) and its subsidiaries.
Thousand sqm	Thousand square metres.
USD	US dollar.

HISTORICAL FINANCIAL INFORMATION

<i>Unaudited interim report for the nine-month period ending 30 September 2020</i>	F-1
<i>Consolidated combined income statement</i>	F-1
<i>Consolidated combined statement of comprehensive income</i>	F-1
<i>Consolidated combined balance sheet</i>	F-2
<i>Consolidated combined statement of changes in equity</i>	F-3
<i>Consolidated combined cash flow statement</i>	F-3
<i>Notes</i>	F-4
<i>The auditor's report on historical financial information</i>	F-7
<i>The Group's financials for the financial years ending 31 December 2017, 2018 and 2019</i>	F-8
<i>Consolidated combined income statement</i>	F-8
<i>Consolidated combined statement of comprehensive income</i>	F-8
<i>Consolidated combined balance sheet</i>	F-9
<i>Consolidated combined statement of changes in equity</i>	F-10
<i>Consolidated combined cash flow statement</i>	F-11
<i>Notes</i>	F-12
<i>The auditor's report on historical financial information</i>	F-31

UNAUDITED INTERIM REPORT FOR THE NINE-MONTH PERIOD ENDING 30 SEPTEMBER 2020

CONSOLIDATED COMBINED INCOME STATEMENT

SEK million	Jul-Sep		Jan-Sep		Full-year 2019
	2020	2019	2020	2019	
Rent revenue	39.1	23.0	108.4	67.2	96.5
Other property income	8.7	3.5	18.9	7.6	13.2
Total income	47.8	26.5	127.3	74.8	109.7
Property expenses					
Operating costs	-8.3	-7.1	-27.9	-21.2	-29.2
Maintenance costs	-3.6	-3.1	-7.0	-7.4	-12.7
Property tax	-2.9	-0.4	-4.6	-1.1	-2.7
Property administration	-	-1.3	-2.4	-2.8	-4.9
Net operating income	33.0	14.6	85.4	42.4	60.2
Central administration	-15.1	-2.6	-29.7	-6.8	-10.2
Other operating income	0.9	-	3.1	1.5	2.1
Other operating costs	-0.5	-	-3.0	-	-
Interest income	0.3	-	0.5	0.5	0.5
Interest expenses	-9.5	-5.1	-36.0	-14.1	-21.0
Income from property management	9.0	7.0	20.3	23.5	31.5
Changes in value of properties, realised	-	-	-	-	0.1
Changes in value of properties, unrealised	12.5	-0.7	16.4	-8.2	98.1
Income before tax for the period	21.6	6.3	36.7	15.3	129.7
Current tax	-	0.1	-0.6	-0.7	3.6
Deferred tax	-4.3	-0.6	-8.5	-0.1	-30.6
Net income for the period attributable to the parent company's shareholders	17.3	5.7	27.6	14.5	102.7
Average number of shares, before and after dilution ¹⁾	58,992,548	58,992,548	58,992,548	58,992,548	58,992,548
Earnings per share, before and after dilution, SEK	0.29	0.10	0.47	0.25	1.74

¹⁾ The number of shares is based on shares that Annehem Fastigheter had on the date of this Prospectus.

CONSOLIDATED COMBINED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jul-Sep		Jan-Sep		Full-year 2019
	2020	2019	2020	2019	
Profit for the period	17.3	5.7	27.6	14.5	102.7
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Translation difference from foreign operations for the period	1.2	1.4	4.9	-5.8	3.7
Total other comprehensive income	1.2	1.4	4.9	-5.8	3.7
Comprehensive income for the period attributable to parent company shareholders	18.5	7.1	32.5	8.8	106.4

CONSOLIDATED COMBINED BALANCE SHEET

SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
ASSETS			
Fixed assets			
Capitalized expenses for development work	0.9	-	-
Investment properties	3,003.1	1,533.2	2,437.2
Machinery and equipment	4.6	3.1	2.9
Total fixed assets	3,008.5	1,536.2	2,440.2
Current assets			
Accounts receivable	1.0	10.0	11.4
Accounts receivable, related parties	1.7	1.8	1.1
Current receivables	6.0	3.0	2.4
Current tax receivables	1.5	-	-
Other receivables from related parties	151.6	15.3	68.3
Cash and cash equivalents	60.7	55.9	40.4
Total current assets	222.4	86.1	123.6
TOTAL ASSETS	3,230.9	1,622.3	2,563.7
EQUITY AND LIABILITIES			
Equity			
Share capital	0.1	-	0.1
Ongoing share issue	0.4	-	-
Other contributed capital	1,787.8	396.9	749.6
Reserves	4.9	6.6	3.7
Retained earnings including net income for the year	229.6	114.0	202.0
Equity attributable to the parent company's shareholders	2,022.8	517.5	955.5
Non-current liabilities			
Liabilities to related parties, interest-bearing	-	68.6	59.3
Non-current interest-bearing liabilities	725.4	685.3	353.5
Other non-current liabilities	0.1	0.1	-
Deferred tax liabilities	70.4	31.7	61.6
Total non-current liabilities	795.8	785.7	474.5
Current liabilities			
Liabilities to related parties, interest-bearing	27.6	290.0	727.1
Current interest-bearing liabilities	265.6	-	313.1
Liabilities to related parties, accounts payable	22.6	2.3	50.6
Accounts payable and other liabilities	30.6	4.1	5.3
Current tax liabilities	15.7	-	-
Other current liabilities	50.2	22.7	37.5
Total current liabilities	412.3	319.2	1,133.8
Total liabilities	1,208.1	1,104.8	1,608.2
TOTAL EQUITY AND LIABILITIES	3,230.9	1,622.3	2,563.7

CONSOLIDATED COMBINED STATEMENT OF CHANGES IN EQUITY

SEK million	Note	Jan-Sep		Full-year 2019
		2020	2019	
Opening balance, equity		955.5	389.3	389.3
Profit for the period		27.6	14.5	102.7
Other comprehensive income for the period		2.1	3.5	0.6
Comprehensive income for the period		29.7	18.0	103.4
<i>Transactions with shareholders</i>				
Ongoing share issue		0.4	-	-
Dividend to Peab		-	-	-13.0
Shareholders' contributions		2,000.0	-	4.9
Other transactions with shareholders	5	-926.8	110.2	470.8
Closing balance, equity attributable to parent company shareholders		2,022.8	517.5	955.5

CONSOLIDATED COMBINED CASH FLOW STATEMENT

SEK million	Note	Jul-Sep		Jan-Sep		Full-year 2019
		2020	2019	2020	2019	
Income from property management ¹⁾		9.0	7.0	20.3	23.5	31.5
<i>Items not affecting cash flow</i>						
Depreciation ²⁾		0.3	0.1	0.6	0.4	0.5
Income tax paid		-0.8	-	-0.6	-0.7	3.7
Changes in working capital						
Operating receivables		126.0	12.8	-79.5	7.5	-45.9
Operating liabilities		40.8	-0.2	9.8	-12.2	52.1
Cash flow from operating activities		175.3	19.8	-49.5	18.5	41.9
Investing activities						
Investments in existing properties		-56.5	-1.8	-110.4	-27.3	-61.1
Acquisition of investment properties		-	-	-422.0	-548.9	-1,338.8
Investments in machinery and equipment		-0.1	-0.8	-0.7	-1.6	-1.6
Investments in intangible rights		-	-	-0.9	-	-
Cash flow from investing activities		-56.6	-2.6	-533.9	-577.7	-1,401.5
Financing activities						
Capital contribution		700.0	-	2,000.0	-	-
Ongoing share issue		0.4	-	0.4	-	-
Borrowings		20.0	3.5	344.5	462.8	895.4
Repayment of loans		-735.0	-17.7	-779.0	-0.2	-2.3
Cash flow from financing activities		-14.6	-14.2	1,566.0	462.6	893.1
Cash flow for the period		104.1	3.0	982.6	-96.7	-466.5
Cash and cash equivalents at the beginning of the period		53.7	51.2	40.3	35.7	35.7
Exchange rate difference in cash and cash equivalents		0.6	0.9	0.8	0.4	1.8
Transactions with shareholders	5	-97.7	0.9	-962.8	116.5	469.3
Cash and cash equivalents at year-end		60.7	55.9	60.7	55.9	40.3

¹⁾ Net interest items are included in income from property management and comprises in principle only interest payments.

²⁾ Non-cash items refers to depreciation on machinery and equipment, which does not affect cash flow.

NOTES

NOTE 1

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim report is designed in accordance with the EU-endorsed IFRS standards and the EU-endorsed interpretations of applicable standards, IFRIC. This condensed consolidated interim report was prepared in accordance with IAS 34 Interim Financial Reporting, and applicable provisions of the Swedish Annual Accounts Act. The accounting policies are unchanged compared with the combined financial statements in the Prospectus.

Disclosures in accordance with IAS 34.16A occur in the financial statements and also in associated notes in other parts of the interim report.

Transactions with shareholders and related parties

Capital contributions, dividends, Group contributions and other transactions, such as transfers of shares between Peab AB and Annehem Fastigheter AB, were recognised in "Other transactions with shareholders" in equity in these Combined financial statements. Transactions with companies in the Peab Group as part of normal business operations were presented as transactions with related parties.

NOTE 2

ESTIMATIONS AND ASSESSMENTS

The preparation of the interim report requires management to make assessments, estimations and assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, income and expenses. The final outcome can deviate from the results of these estimations and assessments.

Valuation of investment properties

Annehem Fastigheter's property portfolio is measured on the balance sheet at fair value and changes in value are recognised in profit or loss. The fair value is based on internal measurements that are performed regularly and the properties are also valued each year by external independent appraisers, in accordance with the valuation policy. The value of properties is not only affected by the supply and demand in the market but by several other factors, partly property-specific factors such as leasing rate, rent level and operating costs, partly market-specific factors such as direct-return requirement and cost of capital derived from comparable transactions in the property market. A deterioration in property as well as market-specific conditions can lead to drop in the value of properties, which could have an adverse impact on Annehem Fastigheter's operations, financial position and earnings.

The valuation requires an assessment of and assumptions on future cash flows and determination of the discount factor (return requirement). As a means of reflecting this uncertainty in assumptions made and assessments, the property value is normally stated in an uncertainty range of +/- 5-10 percent.

Tax assessments

Loss carryforwards were not capitalised as it is not likely that the Group will be able to utilise them to offset future taxable profits.

Classification of acquisitions

The IFRS 3 accounting standard indicates that acquisitions must be classified as business combinations or asset acquisitions. An individual assessment is required of the nature of the acquisition for each transaction. Annehem Fastigheter's company acquisitions in 2020 and also prior to this date solely encompass properties and no material processes, which is why the transactions are considered to be asset acquisitions.

NOTE 3

SEGMENTS

Annehem Fastigheter's operations comprise two operating segments, meaning the operations consist of two business operations that generate income and costs. The operating segments are organised as follows:

1. Capital Region, including Stockholm, Helsinki and Oslo (to be taken over in Q4-20)
2. South Region, including Malmö, Ljungbyhed, Ängelholm and Gothenburg

SEK million	Jan-Sep 2020			
	Capital	South	Group staff	Total
Rent revenue	65.0	45.3	-1.9	108.4
Net operating income	55.1	28.9	1.4	85.4
Income from property management	34.4	3.2	-17.3	20.3
Profit before tax	24.4	29.6	-17.3	36.7
Investment properties, fair value	2,107.1	896.0	-	3,003.1

Group staff includes the parent company and holding company within the Group, which are not operational companies. Transactions within Group staff include management fees and other administrative expenses.

SEK million	Jan-Sep 2019			
	Capital	South	Group staff	Total
Rent revenue	28.8	38.4	-	67.2
Net operating income	21.1	21.3	-	42.4
Income from property management	14.2	9.3	-	23.5
Profit before tax	14.2	1.1	-	15.3
Investment properties, fair value	892.2	640.9	-	1,533.1

NOTE 4

OTHER PROPERTY INCOME

Specification of other property income

SEK million	Jul-Sep		Jan-Sep		Full-year
	2020	2019	2020	2019	2019
Property tax	2.9	0.4	4.6	1.1	2.7
Other property income	5.8	3.1	14.4	6.6	10.5
Total other property income	8.7	3.5	18.9	7.6	13.2

Other property income largely comprises invoiced media costs (electricity, heating, water) to tenants, invoiced property tax, rent guarantees, and income from leasing ad hoc housing.

NOTE 5**ESTABLISHMENT OF GROUP**

On 27 August 2020, the Board of Peab announced its intention to propose to the extraordinary general meeting to resolve on a distribution of all of Peab's shares in Annehem Fastigheter to Peab's shareholders and to list Annehem Fastigheter's B shares on Nasdaq Stockholm. On 12 November 2020, Peab's extraordinary general meeting resolved in accordance with the Board's proposal. The first day of trading in Annehem Fastigheter's B shares on Nasdaq Stockholm is expected to be 11 December 2020.

The Boards of Peab and Annehem Fastigheter believe the division of the business, and in accordance with Lex Asea distributing and separately listing Annehem Fastigheter, provides the conditions for each company to focus on its core operations and thereby offer the best alternative to achieve long-term value growth. Peab will then be able to focus its operations on building and developing properties, while Annehem Fastigheter can concentrate on owning and managing fully developed properties.

IFRS does not specifically address the preparation of combined financial statements. The term "combined financial statements" refers to the financial information prepared by combining the financial information for jointly controlled entities that do not correspond to the definition of a group under IFRS 10. An important requirement for the preparation of these combined financial statements is that all entities have the same common control through Peab's ownership. In the combined financial statements, transactions cannot be eliminated as in normal consolidated financial statements which is why certain items are entered on the "transactions with shareholders" line. Transactions with shareholders primarily refers to payments for acquisitions of subsidiaries that on 31 December 2019 were part of the combined financial statements but were not legally owned by Annehem Fastigheter (SEK -833.9 million), payment received for assets not included in the combined financial statements (SEK +36.6 million) and the transfer of assets without payment (SEK -155.0 million).

The legal Annehem Fastigheter AB (publ) Group that forms the basis for this interim report is the Group that will exist on the date of this Prospectus.

The creation of the Group was concluded as of 30 September 2020, and the balance sheet on 30 September 2020 is thus consolidated from this date.

NOTE 6**CHANGES IN PROPERTY PORTFOLIO**

Annehem Fastigheter owned assets in the form of fully developed properties on 30 September 2020 at a fair value of SEK 3,003.1 million. All properties are 100-percent owned by the Company. Annehem Fastigheter has also signed an agreement with Peab to acquire additional properties when completed. Two properties will be taken over in 2021, situated in Solna and Helsingborg, at a fair value totalling SEK 406.0 million. Carl Berner Torg is a property in Oslo that the Company acquired from Peab and took over in the fourth quarter of 2020. The property has an estimated fair value of NOK 293 million, is 3,640 sqm and is fully leased for 15 years to Coop Norway.

Changes in property portfolio during the interim period

Additional property names	City	From	Area, sqm	Annualised rental value, SEK million	Fair value incl leases ¹⁾ , SEK million
Peab Center Malmö	Malmö	1 March 2020	4,937	14.8	210.0
Sadelplatsen 4 ²⁾	Solna, Stockholm	1 May 2020	13,494	14.9	345.0
Total			18,431	29.7	555.0

¹⁾ Leases refer to ground lease.

²⁾ The property largely comprises a garage (475 spaces) and in addition office premises.

Summary of value trend

Changes in property portfolio SEK million	Jan-Sep		
	2020	2019	Full-year 2019
At start of period	2,437.2	938.8	938.8
Properties acquired	422.0	575.2	1,339.1
Investments in existing properties	110.8	27.3	61.2
Properties divested	-	-	-
Realised changes in value	-	-	-
Unrealised changes in value ¹⁾	33.0	-8.2	98.1
At end of period	3,003.1	1,533.1	2,437.2

¹⁾ Unrealised changes in value include exchange rate effects for properties in Finland. Mortgage costs of SEK 24.1 million are excluded.

Acquisitions and investments

During the first quarter of 2020, Peab Center was acquired in Malmö with an area of 4,937 sqm and rental value of SEK 12.7 million per year. During the second quarter, Sadelplatsen 4 was acquired in Solna, with an area of approximately 13,500 sqm, garage space (10,500 sqm) and offices (2,994 sqm), with a rental value of SEK 15.7 million per year. Investments in existing properties totalled SEK 110.4 million during the period, of which SEK 46.7 million in Sadelplatsen 4.

NOTE 7**FINANCING****Description of the financing situation**

On 30 September 2020, Annehem Fastigheter had interest-bearing liabilities of SEK 1,018.6 million, yielding a loan-to-value ratio of 32 percent. The interest-bearing liabilities comprised both related parties and external loans and are specified as follows:

Related parties (Peab)	SEK 27.6 million
External	SEK 991.0 million

The external loans relate to the Finnish properties (SEK 674.3 million), the acquisition of Peab Center Malmö (SEK 120.0 million) and Sadelplatsen 4 (SEK 196.7 million). No derivative instruments are entered in the Group.

Change in loan structure during the period

SEK million	Jan-Sep		Full-year 2019
	2020	2019	
Interest-bearing liabilities at start of period	1,453.1	558.2	558.2
Repayment of loans from related parties ¹⁾	-779.0	-	-
Loans raised with related parties ¹⁾	20.2	229.8	650.0
External bank loans raised	324.4	255.9	244.9
Interest-bearing liabilities at end of period	1,018.6	1,043.9	1,453.1

¹⁾ Pertains to loans between Annehem Fastigheter and Peab.

Key figures relating to loan portfolio

	Jan-Sep		Full-year 2019
	2020	2019	
Debt/equity ratio, multiple	0.5	2.0	1.5
Average interest rate, %	2.9%	1.8%	2.1%

Available liquidity

SEK million	Jan-Sep		Full-year 2019
	2020	2019	
Cash and cash equivalents	60.7	55.9	40.4
Unutilised revolving credit facility	-	-	-
Unutilised overdraft facilities	-	-	-
Total	60.7	55.9	40.4

Fixed-interest and loan maturity structure

Year	Fixed-interest periods		Loan maturity	
	SEK million	%	SEK million	%
within one year	926.2	91%	200.8	20%
1-2 years	-	-	725.4	71%
3-4 years	-	-	-	-
4-5 years	-	-	-	-
more than five years	92.4	9%	92.4	9%
Total on 30 September 2020	1,018.6	100%	1,018.6	100%

Sensitivity analysis

The average interest for the January-September 2020 period, based on a weighted average of interest-bearing liabilities on 1 January and 30 September respectively amounted to 1.79 percent. The effect of changes in average interest rates on profit is presented in the table below:

Effect of change in average interest rate

	Change, %	2020
Interest expense for current fixed-interest periods and changed interest rates	+/-0.5%	5.1
Interest expense for current fixed-interest periods and changed interest rates	+/-1.0%	10.2
Interest expense for current fixed-interest periods and changed interest rates	+/-1.5%	15.3

NOTE 8
TRANSACTIONS WITH RELATED PARTIES

The various subsidiaries of the Group have been charged with interest expenses as a result of acquisitions from Peab AB and the related borrowing insofar as this is internal. In addition, the Company was charged a management fee by Peab AB for the Group-wide services provided to Annehem Fastigheter.

Rent guarantees were issued for 100 percent of the vacant spaces in Peab Center Malmö (from 1 March 2020) and Ultimes I & II (from 1 July 2020) by Peab, and apply for 36 months from the date of acquisition. If the vacancies are leased to other guests, the guarantees are not paid. The rent guarantees amounted to SEK 4.3 million on 30 September 2020.

In addition, Annehem Fastigheter entered into commitments to acquire properties from Peab.

Transactions with related parties

Year	Jul-Sep		Jan-Sep		Full-year
	2020	2019	2020	2019	
Acquisition of properties	-	-	507.8	538.4	1,338.8
Interest expense, loans with related parties	-6.7	-6.1	-25.1	-10.3	-11.7
Management fee	-	-2.6	-6.3	-7.9	-10.7

Transactions for the period relating to the acquisition of properties include the property in Malmö (Stenekullen 2) and the property in Stockholm (Sadelplassen 4), both acquired from Peab.

NOTE 9
SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- During the fourth quarter of 2020, the Company acquired and took into possession the property Carl Berner Torg in Oslo at an underlying agreed property value of NOK 293 million. After 30 September 2020, the Company signed an agreement to acquire four properties at an agreed underlying property value of SEK 791 million.
- The Company has entered letters of intent with Peab regarding acquisitions of properties on market terms. By completion, the area of the properties amount to 86 thousand sqm and Annehem Fastigheter estimates that the total underlying property value amounts to SEK 4,900 million by completion. These letters of intent are non-binding and there is thus a risk that Annehem Fastigheter will not be able to finalise these acquisitions.
- Annehem Fastigheter has entered into a credit agreement with SEB, Nordea and Swedbank. The credit agreement comprises an amount of approximately SEK 1,9 billion¹⁾ divided into three tranches in SEK, EUR and NOK, which may be drawn upon on different occasions.

¹⁾ Calculated based on exchange rates of NOK/SEK 0.95 and Euro/SEK 10.30.

AUDITOR'S REPORT OF THE REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Annehem Fastigheter AB (publ)
Corporate ID Number 559220-9083

Introduction

We have conducted a review of the Group's accompanying combined financial interim statements for Annehem Fastigheter AB (publ) on 30 September 2020 and for the nine-month period ending on this date.

The accompanying combined financial interim statements comprise the balance sheet, income statement, statement of other comprehensive income, statement of changes in equity and statement of cash flows as well as supplementary disclosures to these interim reports (the "combined financial interim statements").

The Board of Directors and the CEO are responsible for preparing and presenting the combined financial interim statements in accordance with IAS 34. Our responsibility is to express a conclusion of the combined financial interim statements on the basis of our review.

Review scope

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of inquiries, primarily of individuals with responsibility for financial issues and accounting issues, conducting an analytical review and implementing other review procedures.

A review is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards. The review procedures used in a review do not allow us to obtain such a level of assurance that we would be aware of all significant circumstances that may have been identified if an audit had been carried out. The expressed conclusion on the basis of a review does not have the level of assurance of a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, no circumstances have emerged to give us reason to consider the accompanying combined financial interim statements are not, in all material respects, prepared in accordance with IAS 34.

Stockholm, 2 December 2020

KPMG AB

Peter Dahllöf
Authorised Public Accountant

THE GROUP'S FINANCIALS FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2017, 2018 AND 2019

CONSOLIDATED COMBINED INCOME STATEMENT

SEK million	Note	2019	2018	2017
Rent revenue	3	96.5	86.7	88.7
Other property income	3	13.2	11.1	11.9
Total income		109.7	97.8	100.5
Property expenses	4			
Operating costs		-29.2	-25.3	-23.1
Maintenance costs		-12.7	-13.8	-15.7
Property tax		-2.7	-0.9	-0.9
Property administration		-4.9	-4.9	-5.4
Net operating income		60.2	52.9	55.4
Central administration	4	-10.2	-7.5	-8.7
Other operating income	4	2.1	0.6	1.3
Interest income	11	0.5	0.1	0.1
Interest expenses	11	-21.0	-11.2	-10.2
Income from property management		31.5	34.8	37.8
Changes in value of properties, realised		0.1	-	-
Changes in value of properties, unrealised		98.1	34.4	18.7
Income before tax for the period		129.7	69.3	56.5
Current tax	6	3.6	-3.6	-4.0
Deferred tax	6	-30.6	-9.1	-9.8
Net income for the year attributable to the parent company's shareholders		102.7	56.6	42.7
Average number of shares, before and after dilution ¹⁾		58,992,548	58,992,548	58,992,548
Earnings per share, before and after dilution, SEK		1.74	0.96	0.72

¹⁾ The number of shares is based on shares that Annehem Fastigheter had on the date of this Prospectus.

CONSOLIDATED COMBINED STATEMENT OF COMPREHENSIVE INCOME

SEK million	2019	2018	2017
Profit for the year	102.7	56.6	42.7
Other comprehensive income			
<i>Items that have been or may be reclassified to profit for the period</i>			
Translation differences on translation of foreign operations	0.6	2.0	1.0
Comprehensive income for the year attributable to parent company shareholders	103.4	58.6	43.7

CONSOLIDATED COMBINED BALANCE SHEET

SEK million	Note	31 Dec 2019	31 Dec 2018	31 Dec 2017	1 Jan 2017
ASSETS					
Fixed assets					
Investment properties	7	2,437.2	938.8	872.0	833.5
Machinery and equipment	8	2.9	1.8	1.1	0.8
Total fixed assets		2,440.2	940.6	873.1	834.3
Current assets					
Accounts receivable		11.4	15.1	10.3	9.5
Accounts receivable from related parties	5	1.1	5.1	2.6	1.7
Current receivables	9	2.4	2.1	1.6	1.1
Other receivables from related parties	5	68.3	14.7	14.2	16.5
Cash and cash equivalents		40.4	35.7	27.0	6.8
Total current assets		123.6	72.8	55.7	35.7
TOTAL ASSETS		2,563.7	1,013.4	928.8	870.0
EQUITY AND LIABILITIES					
Equity					
Share capital		0.1	-	-	-
Other contributed capital		749.6	287.0	277.5	280.5
Reserves		3.7	3.1	1.0	-
Retained earnings including net income for the year		202.0	99.3	42.7	-
Equity attributable to the parent company's shareholders	10	955.5	389.3	321.2	280.5
Liabilities					
<i>Non-current liabilities</i>					
Liabilities to related parties, non-current	5	59.3	58.4	70.9	69.3
Non-current interest-bearing liabilities	11	353.5	357.9	343.2	335.0
Deferred tax liabilities	6	61.6	24.5	11.6	1.6
Total non-current liabilities		474.5	440.9	425.7	406.0
<i>Current liabilities</i>					
Liabilities to related parties, interest-bearing	5, 11	727.1	141.9	138.3	135.5
Current interest-bearing liabilities	11	313.1	-	-	-
Liabilities to related parties, accounts payable	5, 11	50.6	14.5	16.3	18.9
Accounts payable and other liabilities		5.3	6.0	6.5	5.5
Other current liabilities	12	37.5	20.8	20.8	23.6
Total current liabilities		1,133.8	183.2	181.9	183.4
Total liabilities		1,608.3	624.1	607.6	589.4
TOTAL EQUITY AND LIABILITIES		2,563.7	1,013.4	928.8	870.0

CONSOLIDATED COMBINED STATEMENT OF CHANGES IN EQUITY

2019, SEK million	Note	Share capital	Other contributed capital	Reserves	Retained earnings including net income for the year	Total equity
At the beginning of the year, 1 January		–	287.0	3.1	99.3	389.3
Profit for the year		–	–	–	102.7	102.7
Other comprehensive income for the year		–	–	0.6	–	0.6
Comprehensive income for the year		–	–	0.6	102.7	103.4
<i>Transactions with shareholders</i>						
Dividend to Peab		–	-13.0	–	–	-13.0
Shareholders' contributions		–	4.9	–	–	4.9
Other transactions with shareholders	5, 10	0.1	470.7	–	–	470.8
At year-end, 31 December		0.1	749.6	3.7	202.0	955.5

2018, SEK million	Note	Share capital	Other contributed capital	Reserves	Retained earnings including net income for the year	Total equity
At the beginning of the year, 1 January		–	277.5	1.0	42.7	321.2
Profit for the year		–	–	–	56.6	56.6
Other comprehensive income for the year		–	–	2.0	–	2.0
Comprehensive income for the year		–	–	2.0	56.6	58.6
<i>Transactions with shareholders</i>						
Dividend to Peab		–	-10.9	–	–	-10.9
Shareholders' contributions		–	–	–	–	–
Other transactions with shareholders	5	–	20.4	–	–	20.4
At year-end, 31 December		–	287.0	3.1	99.3	389.3

2017, SEK million	Note	Share capital	Other contributed capital	Reserves	Retained earnings including net income for the year	Total equity
At the beginning of the year, 1 January		–	280.5	–	–	280.5
Profit for the year		–	–	–	42.7	42.7
Other comprehensive income for the year		–	–	1.0	–	1.0
Comprehensive income for the year		–	–	1.0	42.7	43.7
<i>Transactions with shareholders</i>						
Dividend to Peab		–	-0.2	–	–	-0.2
Shareholders' contributions		–	–	–	–	–
Other transactions with shareholders	5	–	-2.9	–	–	-2.9
At year-end, 31 December		–	277.5	1.0	42.7	321.2

CONSOLIDATED COMBINED CASH FLOW STATEMENT

SEK million	Note	2019	2018	2017
Income from property management ¹⁾		31.5	34.8	37.8
<i>Adjustments for non-cash items</i>				
Depreciation ²⁾		0.5	0.4	0.4
Income tax paid		3.7	-3.6	-4.0
		35.7	31.6	34.2
Changes in working capital				
Operating receivables		-45.9	-7.7	0.5
Operating liabilities		52.1	-2.4	-4.5
Cash flow from operating activities		41.9	21.5	30.3
Investing activities				
Investments in existing properties		-61.1	-14.5	-8.2
Acquisition of investment properties		-1,338.8	-	-
Investments in machinery and equipment		1.6	-1.1	-0.7
Cash flow from investing activities		-1,401.4	-15.7	-8.9
Financing activities				
Borrowings	11	895.4	12.7	8.4
Repayment of loans	11	-2.3	-24.1	-7.2
Cash flow from financing activities		893.1	-11.4	1.2
Cash flow for the period		-466.4	-5.5	22.6
Cash and cash equivalents at the beginning of the period		35.7	27.0	6.8
Exchange rate difference in cash and cash equivalents		1.8	1.2	0.6
Transactions with shareholders	5	469.3	13.1	-3.1
Cash and cash equivalents at the end of the period		40.4	35.7	27.0

¹⁾ Net interest items are included in income from property management and comprises in principle only interest payments.

²⁾ Non-cash items refers to depreciation on machinery and equipment, which does not affect cash flow.

NOTES

NOTE 1

GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES IN ANNEHEM FASTIGHETER'S COMBINED FINANCIAL STATEMENTS

The Board of Peab AB presented a proposal to an extraordinary general meeting to distribute all shares in the newly formed company Annehem Fastigheter AB, which owns Peab's wholly owned, fully developed commercial properties, through the distribution of shares in Annehem Fastigheter. The extraordinary general meeting took place on 12 November 2020 and a decision was taken to approve the distribution proposal.

These combined financial statements ("financial statements") apply to the parent company Annehem Fastigheter AB and its subsidiaries and have been prepared to report the Group's historical financial information for the financial years 2017, 2018 and 2019.

Annehem Fastigheter AB's registered office is located in Ängelholm, Sweden. The combined financial statements were approved for publication by Annehem Fastigheter's Board of Directors on 2 December 2020.

All figures are reported in SEK million, unless otherwise stated.

This section provides a general summary of the basis used in preparing the combined financial statements.

Basis for preparing the statements

The combined financial statements have been prepared pursuant to the International Financial Reporting Standards (IFRS) as adopted by the EU. Certain supplementary disclosures were provided in accordance with additional requirements of the Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RFR 1 Supplementary Accounting Rules for Groups.

IFRS does not specifically address the preparation of combined financial statements. The term "combined financial statements" refers to the financial information prepared by combining the financial information for entities under common control, which does not fulfil the requirements of a group under IFRS 10 Consolidated Financial Statements. The combined financial statements are intended to present the Group's historical financial information. An important requirement for the preparation of these historical financial statements is that all entities have the same common control through Peab AB's ownership and are thereby part of Peab Group. The formation of the Group encompasses transactions between entities under the same common control that took place after the reporting period but before the publication of these financial statements. Since neither these transactions nor the combined financial statements are covered by any IFRS standard, management should in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) develop and apply an accounting policy that is, among other things, relevant and reliable. An appropriate and established method that management considers relevant and reliable is to combine the entities that make up the Group. Given that Annehem Fastigheter AB has not previously prepared consolidated financial statements nor combined financial statements, these combined financial statements are the first financial statements under IFRS for Annehem Fastigheter AB for which IFRS 1 is applied (First-time Adoption of International Financial Reporting Standards). IFRS 1 stipulates the rules and principles that must be followed when a reporting entity applies IFRS standards

for the first time, with 1 January 2017 as the transition date to IFRS. According to IFRS 1, accounting policies as stated in IFRS shall be the same from the start of the first comparable year in 1 January 2017 and during all subsequent periods. These accounting policies are to comply with all IFRS standards effective on 31 December 2019 with certain mandatory and optional exceptions.

In the presentation of the combined financial statements, the Group has elected to apply the optional exception in IFRS 1 that the cumulative translation difference for all foreign operations is regarded as zero in the opening balance for 2017.

The accounting policies chosen by the Group are identical to those chosen by the Peab Group, with the exception of IAS 40 Investment Property and IFRS 1 First-time Adoption of International Financial Reporting Standards with the application date for the financial year beginning on 1 January 2017 to 31 December 2019; such as IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases. The Peab Group applied IFRS 9 and IFRS 15 prospectively as of 1 January 2018 and IFRS 16 prospectively as of 1 January 2019. The Peab Group's comparative figures for 2017 were restated when IFRS 15 came into force, but no restatements took place of comparative figures for IFRS 9 (2017) or IFRS 16 (2017 and 2018). In the application of IAS 40, the Peab Group opted for the accounting policy to measure investment properties at cost less accumulated depreciation and any impairment (cost method) while the Group chose to measure its investment properties at fair value (fair value method).

The Peab Group reported its four business areas as operating segments where property management has been included in the Project development operating segment. The Group has identified the Capital Region and South Region as its reportable operating segments.

Given that not only separate legal entities were transferred as part of the formation of the Group but also parts of legal entities, the following was also taken into consideration when preparing the combined financial statements to establish the assets, liabilities, income and costs as well as cash flow included. Investment properties are deemed to have been acquired at the later of 31 December 2016 and the date when the property was available to let with a cost corresponding to the property's fair value. For Swedish properties acquired through the acquisition of shares, when the property's tax value is lower than its fair value, the assumed acquisition cost has been decreased by 5 percent of the difference between the property's tax value and its fair value, which is a common price mechanism in Sweden for property. The accounting policies have been consistently applied to all recognised periods and for all entities included in the combined financial statements.

Distribution of income and expense items

The basis for the distribution of income and expense items for the Group was primarily each subsidiary's legal financial statements adjusted to apply IFRS. Each subsidiary was charged by other Group companies in the Peab Group with internal cost distribution for property management and certain central costs, such as property development, IT and HR functions. The

cost distribution is based on actual costs incurred by the Peab Group. As a result, related costs for the formation of the Group are included in the combined financial statements. However, previous unallocated central costs in the Peab Group, primarily costs pertaining to Peab's executive management team activities and the Project development business area's management, were not allocated to the Group. Certain less significant assets in Annehem Fastigheter AB's subsidiaries related to uncompleted commercial properties were divested. In these combined financial statements, divested assets, associated liabilities, associated income and associated costs have been excluded.

Fees and remuneration to auditors

The Company's auditing costs have historically been included in Peab's audit costs.

Financial expenses and capital structure

Financial expenses charged to Annehem Fastigheter's entities are based on actual costs for loans and interest paid to the Peab Group's central finance function for those entities, which were separate legal entities during past periods and that are now part of the Group.

The Group's historical capital structure presented in these combined financial statements is not necessarily representative of a separate entity's capital structure, as external borrowing was managed centrally as set out in Peab's financial policy. A surplus in the Group account is presented as receivables from the Peab Group and a deficit in the Group account as a liability to the Peab Group.

Current tax

In the combined financial statements, tax is recognised on the basis of taxable earnings generated by the legal entities included in the combined financial statements. Tax items related to received and granted Group contributions are recognised as transactions with shareholders after recognition of the tax effect as current tax in the income statement and with the same amount in the cash flow statement as income tax paid.

Earnings per share

In these combined financial statements, the calculation of earnings per share is based on the number of shares outstanding Annehem Fastigheter is expected to have on the date of this Prospectus. This is considered more relevant than the actual average number of shares in Annehem Fastigheter AB. The calculation of earnings per share for each year as presented in these combined financial statements, is based on the Group's net profit attributable to the parent company's shareholders divided by the expected number of shares outstanding when listed. Refer to Note 10 Equity and earnings per share for more information.

Transactions with shareholders and related parties

Capital contributions, dividends, Group contributions and other transactions, such as transfers of shares between various Group companies in the Peab Group and Annehem Fastigheter AB, were recognised in "Other transactions with shareholders" in equity and in the cash flow statement in the combined financial statements. Transactions between Group companies and balances with companies in the Peab Group as part of normal business operations were presented as transactions and balances with related parties. Refer to Note 5 for more information.

Events after the balance sheet date

On the issue of the potential impact of events after the balance sheet date, Annehem Fastigheter has in accordance with IAS 10 chosen the principle that the financial statements only take into account the latest period report, namely the 2019 financial year. The 2018 and 2017 financial years are therefore considered completed.

FUNDAMENTAL ACCOUNTING POLICIES FOR THE GROUP

Measurement basis

Assets and liabilities are recognised at their historical cost, except for investment properties that is the consolidated balance sheet are measured at fair value.

Classification

Fixed assets comprise amounts expected to be recovered or paid more than 12 months after the balance sheet date. Non-current liabilities consist of amounts that fall due for payment first after more than 12 months after the balance sheet date and other amounts for which the company has an unconditional right to defer the payment to a date more than 12 months after the balance sheet date. Other assets and liabilities are recognised as current assets and current liabilities, respectively.

Functional currency and presentation currency

The parent company's functional currency is the Swedish krona (SEK), which is also the presentation currency for the Group.

Assessments and estimations in the financial statements

The preparation of the financial statements requires assessment when applying the accounting policies and estimations when measuring assets, liabilities, income and costs. Estimations and assumptions are based on historical experience and other factors considered relevant. Estimates and assumptions are regularly reviewed and compared with actual outcomes. Significant assessments and estimations are described in more detail in Note 2.

Consolidated financial statements

Subsidiaries are companies over which Annehem Fastigheter AB has a direct or indirect controlling interest. Controlling interest is achieved when the parent company has direct or indirect control over the investment object, is exposed or entitled to a variable return from its holding in the investment object and can exercise control over the investment object to influence the size of its return.

The subsidiary's financial statements are included in the consolidated financial statements from the date on which the controlling interest arises and are included in the consolidated financial statements until the date it ceases.

Asset acquisitions

When acquisitions of subsidiaries entail an acquisition of net assets that do not constitute an operation, the cost is allocated to the individual identifiable assets and liabilities based on their fair value on the acquisition date. Transaction expenses are added to the cost of the acquired net assets in asset acquisitions. Deferred tax on temporary differences is not initially recognised. For further information, refer to the section Taxes. Annehem Fastigheter recognises deductions received for deferred tax as unrealised changes in value on the property directly on

the date of the acquisition. Changes in value on contingent considerations are added to the cost of acquired assets.

Transactions eliminated on consolidation

Intra-Group receivables and liabilities, income or costs and unrealised gains or losses arising from intra-Group transactions among Group companies are eliminated in their entirety when preparing the consolidated financial statements.

Segment reporting

An operating segment is a part of the Group that conducts operations from which it can generate income and incur costs and for which independent financial information is available. The Group's operations are divided into two operating segments: Capital Region (Stockholm, Oslo¹⁾, Helsinki) and South Region (Malmö, Gothenburg, Ängelholm).

Operating segments are reported in the Group's external financial statements in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the result of the operating segments. In Annehem Fastigheter, the chief operating decision maker is the CEO, as the CEO has the main responsibility for allocating resources and evaluating the result.

Rent revenue and property income

Rent revenue is notified in advance and accrued in earnings on a straight-line basis during the lease period. All leases are classified as operating leases. In addition to rental charges, rent revenue includes supplementary billing, mainly property tax. Income that is classified as property income includes supplementary billing, for example electricity, heating, water and property upkeep. Property income is recognised in the period when the service is rendered and delivered to the tenant. Rental charges and property income are paid in advance and advance rent is recognised as prepaid rent revenue. In cases where a lease is granted a time-limited rent reduction and charged a higher rent in another period, the respective underpayment or overpayment is accrued over the term of the lease. Discounts, such as a reduction for phased occupancy, are charged to the period in which they arise.

Income from the sale of property

Income from the sale of property is recognised on the date the property is vacated, provided there are no specific terms or conditions in the purchasing contract that entail the controlling interest, risk and benefits are transferred earlier to the purchaser. Gains/losses from the sale of properties are recognised as changes in value and correspond to the difference between the obtained selling price less selling expenses, calculated tax and the carrying amount on the most recent date of valuation, plus investments implemented following the latest date of valuation.

Property expenses

Property expenses comprise both direct and indirect expenses to manage a property and consist of costs for operation, upkeep, leasing, administration, property tax and maintenance of the property portfolio.

Central administration

Costs for central administration comprise costs for Group-wide functions and ownership of the Group's subsidiaries. The parent company's costs for, among other things, the executive management team, personnel administration, IT, marketing activities, investor relations, audit fees and financial statements are included in central administration. The item central administration also includes depreciation of other tangible assets.

Employee benefits

Short-term remuneration

Short-term remuneration to employees is reported as an expense when the related services are performed. The expected costs of bonus payments are recognised as an accrued cost when the Group has a valid legal or informal obligation to make such payments for services rendered and the obligations can be reliably estimated.

The Company had no employees for the years 2017–2019 and therefore no remuneration of employees. The Company has paid a management fee for services performed by Peab.

Pensions

The Group's pension plans are defined contribution plans. Pension plans are only classified as defined contribution pension plans when the Group's obligations are limited to the contributions the Group has undertaken to pay to an insurance group or to another independent legal entity. In such cases, the size of an employee's pension depends on the size of the contributions the Group pays to this legal entity and the yield it generates on the capital. The Group's obligations concerning contributions to defined contribution plans are expensed in profit/loss for the year as they are earned by the employee performing work for the Group during the period. Unpaid contributions are recognised as liabilities.

Leases – lessee

The Group has a small number of leases as lessee in the form of four ground leases. Annehem Fastigheter has chosen to recognise all leases with full retrospective application.

When signing an agreement, Annehem Fastigheter determines whether the agreement is, or contains, a leasing agreement based on the substance of the agreement. An agreement is, or contains, a leasing agreement if the agreement transfers during a certain period the right to decide over the use of an identified asset in exchange for compensation. Annehem Fastigheter applies the practical exceptions pertaining to current leasing and leases for which the underlying asset is of low value. Current leasing is defined as a lease with an initial lease term of up to 12 months after taking into account any option to extend the lease. The Group has defined contracts where the underlying asset could be purchased for up to SEK 50,000 and within the Group comprises, for example, office inventory, as leases where the underlying asset is of low value. Lease payments for current leasing and leases for which the underlying asset is of low value are expensed on a straight-line basis over the lease term in central administration.

Ground leases

The Group has four ground leases that meet the definition of a lease. The lease liability is initially measured based on the

¹⁾ The Company acquired and took over a property in Oslo in the fourth quarter of 2020.

established size of the ground rents on the commencement date discounted by the rate implicit in the contract, i.e. the ground rent rate. The right-of-use asset's value is considered to be equal to the lease liability adjusted for any prepaid ground rents. Since the ground lease is deemed to entail a perpetual commitment to the lessor at the same time as the site has a perpetual useful life, the right-of-use asset is not depreciated and the lease liability is not amortised. Ground rents paid are presented in full as an interest expense. The lease liability is remeasured when the ground rents are renegotiated, to reflect the change in size of the ground rents. In the event of such revaluation of the lease liability, the right-of-use asset is adjusted by the corresponding amount. Following the initial valuation according to IFRS 16, the Group measures right-of-use assets relating to ground lease at fair value as part of investment properties in accordance with IAS 40.

The Group as lessor

As landlord, the Group has operating leases with customers, see Note 7. Accounting policies for recognition of rent revenue and property income are stated in the paragraph concerning income above.

Investment properties

Investment properties are properties classified as fixed assets held to earn rent revenue or for capital appreciation, or a combination of both. Investment properties include buildings, land, land improvements and fixtures and fittings in buildings. Even properties under development and redevelopments which are intended to be used as investment properties when fully developed are classified as investment properties.

Investment properties are measured at fair value in accordance with the accounting standard IAS 40. Initially, investment properties are recognised at cost, which includes expenses directly attributable to the acquisition. Fair value is the amount estimated to be received in a transaction on the valuation date between well-informed and independent parties acting in an orderly market. The valuation is based on discounted future cash flows where uncertainty exists as regards the assessment of future rent revenue, vacancy rates, operating costs, interest rate trends and direct-return requirements.

At the end of each year, all properties are valued by external, independent appraisers. The Group conducts internal quarterly valuations of the entire property portfolio. The external valuations are used as reconciliation data for the internal valuations. The external valuations take priority when there are differences between the internal and external valuations. All property valuations are carried out by an appraiser with adequate expertise for each type of property and geographic market.

The properties are valued according to valuation principles pursuant to IPD's guidelines. These state that all properties must be inspected on each valuation date, with an in-depth inspection every three years. Internal valuations are prepared using the valuation policy prevailing at any given time.

Fair value has been determined through a combination of applying the location/price method and the yield method. The yield method is based on the preparation of a cash flow statement for each property. The cash flow statement comprises an assessment of the present value of the property's future net operating income during the calculation period and the present value of the property's residual value at the end of the calculation period. The calculation period is either five or ten

years, and the residual value has been assessed using a perpetual capitalisation of an estimated market-based net operating income the year following the end of the calculation period. The perpetual capitalisation is effected using a direct-return requirement derived from the prevailing transaction market for comparable properties, and both direct and indirect (properties sold as a company) transactions were taken into account. Cash flow for operating, maintenance and administrative expenses is based on commercial and standardised payments for operation, maintenance and property administration after which corrections are made for discrepancies. Investments are calculated using the investment needs that are deemed to exist. Classification is conducted at level 3 in accordance with IFRS 13 Fair Value Measurement. Development rights may be included in fair value for investment properties.

Both unrealised and realised changes in value are recognised in net profit for the year. Realised changes in value pertain to value changes from the most recent interim report until the divestment date for properties sold during the period, after taking into account capitalised investment expenditure for the period. Unrealised changes in value pertain to other value changes that do not arise from acquisitions, sales or capitalised investment expenditure.

Additional expenses are added to recognised value of investment properties only if it is likely that the future economic benefits associated with the expenditure will accrue to the company and the acquisition cost can be reliably calculated. All other subsequent costs are expensed in the period in which they arise. Expenditure on the replacement of identified components plus entirely new components is also added to the carrying amount, when these satisfy the above criteria. Repairs and maintenance are expensed when the expenditure arises.

Tangible assets

Tangible assets consist of machinery and equipment. Tangible assets are recognised at cost less accumulated amortisation and any impairment. Additional expenses that meet the criterion for classification as an asset are included in the asset's carrying amount. Expenses for ongoing maintenance and repairs are recognised as costs when they arise. Depreciation of tangible assets is expensed so the cost of the item, less any estimated residual values at the end of the useful life, is depreciated straight-line over its estimated useful life. If an item has been divided into different components, each component is depreciated separately over its useful life. Depreciation begins when the tangible asset can be used. The useful life of tangible assets is estimated at:

- Vehicles and construction machinery 5–10 years
- Other machinery and equipment 3–10 years

Financial instruments

Recognition and initial measurement

Accounts receivable and issued debt instruments are recognised when they are issued. Other financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

A financial asset or financial liability is measured on initial recognition at fair value plus, in case of financial instruments that are not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

Classification and subsequent measurement

Financial assets in Annhem Fastigheter, with the exception of derivative assets, are classified at amortised cost as:

- the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial liabilities in Annhem Fastigheter, with the exception of derivatives, are measured at amortised cost as they are not held for trading or have been identified as valued at fair value on initial recognition. Derivatives are measured at fair value in profit and loss, unless they are identified as hedging instruments. Annhem Fastigheter has no derivatives, and does not apply hedge accounting as of the date of these financial statements. Annhem Fastigheter has no financial items measured at fair value as of the date of these financial statements.

All financial assets classified as measured at amortised cost are valued using the effective interest method. Amortised cost is the amount at which a financial asset or financial liability is valued after initial recognition less repayments, plus or minus accumulated allocations when using the effective interest method on any difference between the original amount and the amount on the due date and, for financial assets, adjusted taking into account any loss reserve. The effective interest rate for a financial asset or financial liability is determined on initial recognition. The effective interest rate is the exact discount rate for estimated future payments and disbursements during the expected life of the financial instrument at the recognised gross value of the financial asset or the accrued acquisition value of the financial liability.

Impairment – anticipated credit losses

The Group recognises loss reserves for anticipated credit losses on all financial assets measured at amortised cost

The Group values the loss reserve at an amount corresponding to anticipated credit losses for the remaining time to maturity, with the exception of the following which are valued at 12 months anticipated credit losses: investments in debt instruments with low credit risk on the balance sheet day; and other debt instruments and bank balances for which the credit risk (meaning risk of default during the expected life of the financial asset) has not increased significantly since initial recognition.

The loss reserve for accounts receivable, contract assets and lease receivables is always at an amount corresponding to anticipated credit losses during the receivables' remaining time to maturity. The Group uses a matrix to calculate the loss reserve with anticipated loss percentages divided into the number of days a receivable is overdue and the receivable's customer category. The loss percentages are based on historical experience and specific conditions and expectations at the end of the reporting period.

The decision on whether the credit risk of a financial asset has increased significantly since initial recognition and when calculating anticipated credit losses, the Group uses reasonable and supportable information that is relevant and available without unnecessary costs or effort. This includes quantitative and qualitative information and analysis based on the Group's historical experience and credit assessments and includes forward-looking information.

The Group considers that the credit risk for a financial asset has increased significantly if it is past due by more than 30 days.

The Group considers that a financial asset has defaulted when: it is unlikely that the borrower will pay the entire credit commitment to the Group, when the Group has no right of recourse to realise collateral (if such is held); or the financial asset is past due by more than 90 days.

The Group considers a debt instrument to be of low credit risk when its credit rating corresponds to the global definition of "investment grade," which is considered Baa3 or higher for Moody's or BBB- or higher for Fitch Ratings and Standard & Poor's.

Anticipated credit losses for the entire term is an anticipated credit loss arising from all potential defaults during the expected life of a financial instrument.

12-months anticipated credit losses comprise credit losses that arise from a default that may occur within 12 months of the balance sheet date (or a shorter period if the anticipated life of the instrument is shorter than 12 months).

The maximum period considered when calculating anticipated credit losses is the maximum contract period during which the Group is exposed to credit risk.

Anticipated credit losses comprise a probability-weighted estimate of credit losses. Credit losses are measured as the current value of all deficits in cash flows (i.e. the difference between the company's cash flow according to a contract and the cash flow the Group anticipates receiving). Anticipated credit losses are discounted with the effective interest rate on the financial asset.

On every balance sheet date, the Group assesses whether financial assets recognised at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events occur that have a negative impact on the estimated future cash flows for the financial asset.

Loss reserves for financial assets at amortised cost are deducted from the asset's gross value.

Write-off

The gross value of a financial asset is written off when the Group no longer has any feasible expectations of recovering part of or the entirety of a financial asset.

Derecognition from the statement of financial position

The Group derecognises a financial asset from its statement of financial position when the contractual rights to the cash flows from the asset expire or if it transfers the rights to receive the contractual cash flows through a transaction in which essentially all risks and rewards of ownership have been transferred or in which the Group does not transfer or retain essentially all the risks and rewards of ownership and does not retain control of the financial asset.

The Group derecognises a financial liability from its statement of financial position when the obligations specified in the agreement are discharged, cancelled or expire. The Group also derecognises a financial liability when the contractual terms are modified and cash flows from the modified liability are materially different. In such a case, a new financial liability is recognised at fair value based on the modified terms. As of the date of these financial statements, no modification has taken place of financial liabilities.

When a financial liability is derecognised, the difference between the carrying amount allocated to the derecognised

component and the consideration paid is recognised in profit or loss.

Provisions

A provision is recognised on the balance sheet when the Group has a formal or informal commitment as a result of an occurred event, and it is likely that an outflow of financial resources is required to settle the commitment and a reliable estimate of the amount can be made. A present-value calculation is carried out to take into account material time values pertaining to future payments.

NOTE 2

ESTIMATIONS AND ASSESSMENTS

The preparation of Annehem Fastigheter's financial statements requires management to make assessments, estimations and assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, income and expenses. The final outcome can deviate from the results of these estimations and assessments.

Valuation of investment properties

Annehem Fastigheter's portfolio of investment properties is measured on the balance sheet at fair value and changes in value are recognised in profit or loss. The fair value is based on internal measurements that are performed regularly and the properties are also valued each year by external independent appraisers, in accordance with the Group's valuation policy. The value of properties is not only affected by the supply and demand in the market but by several other factors, partly property-specific factors such as leasing rate, rent level and operating costs, partly market-specific factors such as direct-return requirement and cost of capital derived from comparable transactions in the property market. A deterioration in property or market-specific conditions can lead to drop in the value of properties, which could have an adverse impact on Annehem Fastigheter's operations, financial position and earnings.

The valuation also requires an assessment of and assumptions on future cash flows and determination of the discount factor (return requirement). As a means of reflecting this uncertainty in assumptions made and assessments, the property value is

Contingent liabilities

Contingent liabilities are provided when there is a possible obligation attributable to events that have occurred, the occurrence of which can only be confirmed by one or more uncertain future events out of the control of the Group, or when there is an undertaking not recognised as a liability or provision because it is not likely that the use of resources will be required or the amount cannot be calculated with sufficient reliability.

normally stated in an uncertainty range of +/- 5–10 percent. For more information regarding the valuation of investment properties, see Note 7.

Classification of acquisitions as asset acquisitions and deferred tax

Acquisitions of companies is classified either as business combinations or as asset acquisitions according to IFRS 3. An individual assessment is required for each transaction. Should the corporate acquisition essentially only comprise properties and not significant processes, the acquisition is classified as an asset acquisition. Other corporate acquisitions are classified as business combinations. Annehem Fastigheter's company acquisitions in 2020 and also prior to this date solely encompass properties and no material processes, which is why the transactions are considered to be asset acquisitions.

When an asset is acquired, deferred tax is not recognised separately at the time of acquisition. Instead the asset is recognised at a purchase value corresponding to the asset's fair value after deductions for a discount received for deferred tax. Deferred tax is only recognised for changes in the carrying amount and changes in the fiscal value arising after the acquisition date.

NOTE 3

OPERATING SEGMENTS

	Capital Region			South Region			Group staff			Group		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
Rent revenue	44.5	31.5	27.2	52.0	55.2	61.5	-	-	-	96.5	86.7	88.7
Other property income	0.6	-	-	12.6	11.1	11.9	-	-	-	13.2	11.1	11.9
Property expenses	-11.4	-6.2	-5.3	-38.2	-38.7	-39.9	-	-	-	-49.6	-44.9	-45.2
Net operating income	33.7	25.3	21.9	26.4	27.6	33.5	-	-	-	60.1	52.9	55.4
Central administration	-0.5	-	-	-9.6	-7.5	-8.7	-0.1	-	-	-10.2	-7.5	-8.7
Other operating income	0.1	-	-	1.8	0.6	1.0	-	-	-	1.9	0.6	1.0
Other operating costs	-	-	-	0.2	-	0.3	-	-	-	0.2	-	0.3
Interest income	0.5	0.1	0.1	-	-	-	-	-	-	0.5	0.1	0.1
Interest expenses	-11.6	-5.4	-4.6	-9.5	-5.8	-5.6	-	-	-	-21.1	-11.3	-10.2
Income from property management	22.2	20.0	17.4	9.3	14.9	20.5	-0.1	-	-	31.5	34.8	37.8
Changes in value of properties, unrealised	44.4	25.6	24.1	53.7	8.8	-5.4	-	-	-	98.1	34.4	18.7
Changes in value of properties, realised	-	-	-	0.1	-	-	-	-	-	0.1	-	-
Profit before tax	66.6	45.6	41.5	63.1	23.7	15.1	-0.1	-	-	129.7	69.3	56.5

The Group's operations are divided into two operating segments: Capital Region (Stockholm, Oslo, Helsinki) and South Region (Malmö, Gothenburg, Ängelholm, Ljungbyhed). Group staff includes the parent company and holding company within the Group, which are not operational companies. Transactions within Group staff include management fees and other administrative expenses.

The Capital segment primarily encompasses modern office properties and multi-storey car parks while South Region encompasses a mix of both recently fully developed office

properties and also two business parks in Ängelholm and Ljungbyhed, respectively. These parks mainly contain office operations but also, among other things, areas adapted, for example, to aviation-related training.

Rent revenue related to leases for the rental of the Group's investment properties. Other property income largely comprises reinvoiced media costs (electricity, heating, water) to tenants, reinvoiced property tax, and income from leasing ad hoc housing.

Refer to Note 1 for more information regarding segments.

Information per country

	Sweden			Finland		
	2019	2018	2017	2019	2018	2017
External income	70.4	66.3	73.3	39.3	31.5	27.2
Investment properties	1,539.8	484.8	461.5	897.4	454.0	410.5
of which, investments for the year	1,029.6	14.5	8.2	370.2	-	-
Machinery and equipment	2.9	1.8	1.1	-	-	-
of which, investments for the year	1.6	1.1	0.7	-	-	-

In 2019, the Group recognised income from a customer (Group) totalling SEK 59.5 million, of which SEK 12.2 million was recognised in Finland and SEK 47.3 million in Sweden. Income per country is based on where the property is located.

Peab is Annehem Fastigheter's largest tenant and represented 36 percent of the rental value on 31 December 2019.

Further information on investment properties per operating segment is presented in Note 7.

NOTE 4**OPERATING COSTS**

Other external expenses includes costs for consultant fees and other external services.

No personnel costs were paid as the Group had no employees between 2017 and 2019, rather services for management

and administration were provided by Peab, which invoiced a management fee to the Group.

No auditing costs are included in the Group for the years 2017–2019 as these costs were managed centrally by Peab.

Property expenses Group, SEK million	2019			2018			2017		
	Capital Region	South Region	Total	Capital Region	South Region	Total	Capital Region	South Region	Total
Operating costs	10.0	19.2	29.2	6.3	19.0	25.3	5.3	17.8	23.1
Maintenance	12.7	–	12.7	–	13.8	13.8	–	15.7	15.7
Property tax	1.4	1.3	2.7	–	0.9	0.9	–	0.9	0.9
Direct property expenses	24.1	20.5	44.6	6.3	33.7	40.0	5.3	34.4	39.7
Property administration	0.4	4.9	5.3	–	4.9	4.9	–	5.4	5.4
Total property expenses	24.5	25.4	49.9	6.3	38.6	44.9	5.3	39.8	45.1

Group – distribution per type of cost, SEK million	2019	2018	2017
Operating and maintenance costs	41.9	39.1	38.8
Other external expenses	9.7	7.1	8.0
Depreciation	0.5	0.4	0.4
Total	52.1	46.6	47.2

The largest cost items in operating costs pertain to direct property expenses such as electricity, heating, water, broadband, cleaning, property upkeep, snow clearance, gardening and property insurance.

Maintenance costs pertain to ongoing and planned maintenance.

Depreciation is related to machinery and equipment.

NOTE 5
TRANSACTIONS WITH RELATED PARTIES

SEK million	2019	2018	2017
Transactions with Peab:			
<i>Income statement</i>			
Costs for property and central administration	-5.1	-2.0	-2.8
Financial expenses	-11.5	-6.1	-5.9
Total	-16.6	-8.1	-8.7
<i>Balance sheet</i>			
Current receivables	69.3	19.8	16.8
Total	69.3	19.8	16.8
Non-current interest-bearing liabilities	59.3	58.4	70.9
Current interest-bearing liabilities	7.4	-	-
Group account	719.9	141.9	138.3
Other current liabilities	51.0	14.5	16.3
Total	837.6	214.7	225.5
<i>Transactions with shareholders recognised in equity</i>			
Acquired equity ¹⁾	454.8	-	-
New issue/shareholders' contributions	5.1	-	-
Cash dividends	-13.0	-10.9	-0.2
Group contributions, net	22.3	-7.2	-10.7
Other	-6.4	27.6	7.8
Total	462.8	9.5	-3.1

¹⁾ Equity in companies previously not included in the combined financial statements.

Annehem Fastigheter's property portfolio was part of Peab between 2017 and 2019, and the individual properties legally belonged to various parts of the Group. During these years, transaction intensity with Peab was substantial for Annehem Fastigheter's companies, mainly as regards financing operations through loans but also concerning property management operations. Annehem Fastigheter's profit was therefore impacted by interest expenses and management fees for services performed related to property management and central administration, since the Group had no employees. The pricing for the services performed by Peab for the Group followed the principles applied in Peab, which match market terms.

The parent company Annehem Fastigheter AB was legally formed at the end of December 2019, after which the acquisition of the Swedish properties took place at the beginning of January 2020. Since Annehem Fastigheter AB was not a legal entity between 2017 and 2019 and no real capital contributions from Peab were made, equity during this period has been divided between Other contributed capital and Retained earnings for the properties that were initially part of the Group and for those that have since become part of the Group. Other contributed capital refers to equity recognised by the Group company in question at the date of consolidation, adjusted by market value reduced by deferred tax, which is referred to as acquired equity in the table above. Deductions were also made for Ljungbyhed and Valhall Park for the parts of the property sold (Valhall Park) and are considered outside of the Company's operational area (Ljungbyhed).

Outstanding receivables and liabilities to Peab will be settled not later than the listing, with the exception of accounts receivable and accounts payable which will be settled on their normal maturity dates.

NOTE 6
TAXES
Tax recognised in profit or loss

Group	2019	2018	2017
Current tax expenses (-)/tax income (+)			
Current tax	3.6	-3.6	-4.0
Deferred tax expenses (-)/tax income (+)			
Deferred tax pertaining to temporary differences	-30.6	-9.1	-9.8
Total recognised tax expense	-27.0	-12.7	-13.8

Current tax for 2019 comprises the tax effect on Group contributions received from the Peab Group.

Reconciliation of effective tax

Group	2019	2018	2017
Profit before tax	129.7	69.3	56.5
Tax in accordance with tax rate for the parent company	(21.4%) -27.8	(22.0%) -15.2	(22.0%) -12.4
Effect of other tax rates for foreign subsidiaries	0.7	0.9	0.8
Non-deductible expenses	-2.0	-	-
Tax attributable to previous years	-0.0	-	-0.0
Impact from changed tax rates/and tax rules	1.0	0.2	0.2
Unrecognised tax on temporary differences ¹⁾	1.2	1.4	-2.4
Recognised effective tax	-27.0	-12.7	-13.8

¹⁾ Change in temporary differences investment properties without a corresponding tax effect due to rules on recognition of tax when an asset is acquired.

Deferred tax liabilities on the balance sheet

Group, SEK million	2019	2018	2017	2016
Deferred tax liabilities, net	61.6	24.5	11.6	1.6
Change, net	-37.1	-12.9	-10.0	-

Deferred tax liabilities relate to investment properties.

Specification of change in deferred tax liabilities, net

	2019	2018	2017
Change through profit or loss	-30.6	-9.1	-9.8
Translation differences through other comprehensive income	-0.1	-0.3	-0.1
Transactions with shareholders through equity	-6.5	-3.6	-
Total net change in deferred tax liabilities	-37.1	-12.9	-10.0

Changed tax rates

Starting 1 January 2019, the tax rate in Sweden was 21.4 percent for companies with a financial year beginning on or after 1 January 2019. The tax rate will be reduced to 20.6 percent for reporting periods beginning on or after 1 January 2021.

Unrecognised deferred tax assets

Tax loss carryforwards for which deferred tax assets have not been recognised in the balance sheet for 2019 amounted to SEK 6.5 million, SEK 4.1 million for 2018 and SEK 0 million for 2017.

Deferred tax assets were not recognised for these items, since it was not probable that the Group will be able to utilise them to offset future taxable profits.

NOTE 7**INVESTMENT PROPERTIES**

Specification of change for the year	2019	2018	2017
Fair value at the beginning of the year	938.8	872	833.5
Cost of investment properties, asset acquisition	1,338.8	-	-
Investments in existing properties	61.1	14.5	8.2
Unrealised changes in value	98.1	34.4	18.7
Translation difference	0.4	17.9	11.6
Fair value at the end of the year	2,437.2	938.8	872

Changes for the year per segment	Capital			South		
	2019	2018	2017	2019	2018	2017
Fair value at the beginning of the year	454.0	410.5	374.9	484.8	461.5	458.6
Cost of investment properties, asset acquisition	1,183.8	-	-	155.0	-	-
Investments in existing properties	21.8	-	-	39.3	14.5	8.2
Unrealised changes in value	44.4	25.6	24	53.7	8.8	-5.3
Translation difference	0.4	17.9	11.6	-	-	-
Fair value at the end of the year	1,704.5	454.0	410.5	732.8	484.8	461.5
Of which, business parks				530.0	469.1	443.7

Calculation assumptions per segment

	Capital			South			Of which, business parks in South		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Net operating income	70.5	21.3	20	56.8	40.9	38.7	45.5	39.8	37.6
Vacancy rate	0-5%	5%	5%	0-23%	0-24%	0-24%	16-23%	24%	13-16%
Direct return, weighted	4.40%	5.0%	5.0%	6.9%	7.6%	7.7%	7.5%	7.6%	8.1%
Interval, direct return	3.9-5.0%	5.0%	5.0%	5.0-11.2%	6.8-10.9%	6.0-13.0%	6.2-11.2%	6.8-10.9%	6.8-13.0%
Discount rate	6.0-7.0%	7.2-8.9%	7.2-8.9%	7.2-13.2%	7.5-12.9%	7.3-15.0%	8.2-13.2%	8.8-12.9%	8.8-15.0%
Discount rate residual value	6.0-7.0%	7.2-8.9%	7.2-8.9%	7.2-13.2%	7.5-12.9%	7.3-15.0%	8.2-13.2%	8.8-12.9%	8.8-15.0%
Discount rate, weighted	6.5%	7.3%	7.3%	9.0%	9.6%	10.0%	9.5%	9.6%	10.1%
Discount rate residual value, weighted	6.5%	7.3%	7.3%	9.0%	9.6%	10.0%	9.5%	9.6%	10.1%

Sensitivity analysis – impact on fair value and profit

SEK million	Change	2019
Change in net operating income	+/-5%	+122/-121
Change in direct-return requirement	+/-0.5%	-213/+258
Change in discount interest rate	+/-0.5%	-158/+181
Change in discount interest rate, residual value	+/-0.5%	-158/+181

Taxable residual values	31 Dec 2019	31 Dec 2018	31 Dec 2017
Investment properties	1,466.4	628.9	619.8

Significant obligations	Total investments	Remaining
Sadelplatsen 4, Solna	283	283
Stenekullen 2, Malmö	209	209
Total	492	492

Leases

Rent revenue is based on leases that are to be regarded as operating leases, where the Group is the lessor.

Contracted annual rent, SEK million	2019	2018	2017
<1 year	65.8	53.2	55.0
1–5 years	65.2	53.9	45.1
>5 years	19.3	1.8	2.7
Total	150.3	109.0	57.6

Realised and unrealised changes in value are recognised after income from property management in profit or loss. The measurement of fair values for all investment properties are classified on level 3 in the fair value hierarchy in IFRS 13.

Valuation techniques

The value of the properties has been assessed based on a market-adapted cash-flow estimate. The direct-return requirement used in the estimate derives from sales of comparable properties. The valuation used a combined location/price method, based on recognised comparable purchases and the yield method, meaning a transaction-based method. Significant factors when selecting required returns include an assessment of the object's future net operating income trend, changes in value and any development potential, as well as the maintenance condition of the property. Key value parameters are location and rent level, as well as vacancy rates. For each property, a cash flow forecast is prepared that extends at five or ten years into the future. The expected receipts match the terms of prevailing leases. For vacant spaces, an estimate is performed by individually assessing each property. The expected disbursements are estimated on the basis of historical property expenses. The inflation assumption in the valuation model on 31 December 2019 was 1.5–2.0 percent for 2020 and thereafter. The valuation is based on a present-value calculation of the estimated cash flow and the present value of the market value at the end of the calculation period.

NOTE 8**MACHINERY AND EQUIPMENT**

SEK million	2019	2018	2017
Purchases			
Opening balance	17.5	16.3	15.7
Investments for the year	1.6	1.1	0.7
Closing balance	19.1	17.5	16.3
Depreciation			
Opening balance	-15.6	-15.2	-14.9
Depreciation for the year	-0.5	-0.4	-0.4
Closing balance	-16.2	-15.6	-15.2
Carrying amount	2.9	1.8	1.1

NOTE 9**CURRENT RECEIVABLES**

SEK million	2019	2018	2017
Other current receivables	0.9	0.8	0.4
Prepaid expenses and accrued income	1.5	1.3	1.2
Total	2.4	2.1	1.6

Other current liabilities mainly comprise the tax account and VAT receivables.

Prepaid expenses and accrued income mainly comprise property tax.

NOTE 10**EQUITY AND EARNINGS PER SHARE****Share capital**

SEK million	31 Dec 2019	31 Dec 2018	31 Dec 2017
Opening number of shares	-	-	-
Formation of the Company	1,000		
Closing number of shares	1,000	-	-

Earnings per share

SEK million	31 Dec 2019	31 Dec 2018	31 Dec 2017
Net income for the year attributable to the parent company's shareholders	102.7	56.6	42.7
Average number of shares, before and after dilution	58,992,548	58,992,548	58,992,548
Earnings per share, SEK	1.7	1.0	0.7

Equity

The Company was formed on 2 October 2019 with a share capital of SEK 100 thousand distributed between 1,000 registered A shares with one vote per share and a quotient value of SEK 1,000 per share. All shares are fully paid.

The parent company Annehem Fastigheter AB was legally formed at the end of December 2019, after which the acquisition of the Swedish properties took place at the beginning of January 2020. Since Annehem Fastigheter was not a legal entity between 2017 and 2019 and no real capital contributions from Peab were made, equity during this period has been divided between Other contributed capital and Retained earnings for the properties that were initially part of the Group and for those that have since become part of the Group. Other contributed capital refers to equity recognised by the Group company in question at the date of consolidation, adjusted by fair value reduced by deferred tax. Deductions were also made for Ljungbyhed and Valhall Park for the parts of the property sold (Valhall Park) and are considered outside of the company's operational area (Ljungbyhed).

Earnings per share

In these combined financial statements, the calculation of earnings per share is based on the number of shares outstanding Annehem Fastigheter has on the date of this Prospectus. This is considered more relevant than the actual average number of shares in Annehem Fastigheter AB. The calculation of earnings per share for each year as presented in these combined financial statements, is based on the Group's net profit attributable to the parent company's shareholders divided by the number of shares in Annehem Fastigheter on the date of this Prospectus.

NOTE 11

FINANCIAL INSTRUMENTS

Group

SEK million	Note	2019		2018		2017	
		Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial liabilities at amortised cost
Financial assets not recognised at fair value							
Accounts receivable		11.4	-	15.1	-	10.3	-
Accounts receivable, related parties		1.1	-	5.1	-	2.6	-
Current receivables		2.4	-	2.1	-	1.6	-
Other receivables from related parties		68.3	-	14.7	-	14.2	-
Cash and cash equivalents		40.4	-	35.7	-	27.0	-
		123.6	-	72.8	-	55.7	-
Financial liabilities not recognised at fair value							
Liabilities to related parties, interest-bearing							
- non-current		-	59.3	-	58.4	-	70.9
Non-current interest-bearing liabilities		-	353.5	-	357.9	-	343.2
Liabilities to related parties, interest-bearing							
- current		-	7.4	-	-	-	-
Group account		-	719.7	-	141.9	-	138.3
Current interest-bearing liabilities		-	313.1	-	-	-	-
Liabilities to related parties, accounts payable		-	50.6	-	14.5	-	16.3
Accounts payable and other liabilities		-	5.3	-	6.0	-	6.5
Other current liabilities		-	37.5	-	20.8	-	20.8
		-	1,546.5	-	599.5	-	596.0

The carrying amount of accounts receivable, other receivables, cash and cash equivalents, accounts payable, borrowing and other liabilities is a reasonable approximation of fair value.

Financial risks

The Group is exposed to various types of financial risks through its operations.

- Credit risk
- Liquidity risk
- Market risk

Framework for financial risk management

Annehem Fastigheter's financial risks for 2017, 2018 and 2019 were managed in line with the risk management strategy applied by Peab. The risk management has also been administered by Peab. Peab's risk management is governed by the Finance Policy established by Peab's Board of Directors. The policy is a framework of guidelines and regulations in the form of a risk mandate and limitations in finance and treasury.

During 2020, Annehem Fastigheter has drawn up its own Finance Policy, which was adopted by Annehem Fastigheter's Board of Directors on 14 April 2020. The Group's Finance Policy for managing financial risks was established by the Board of Directors and creates a framework of guidelines and regulations in the form of a risk mandate and limitations in finance and treasury, as was the case previously under Peab's Finance Policy. Responsibility for the Group's financial transactions and risks is managed centrally by the CFO and the Group's Finance Department in the parent company. The overall objective of

the finance function is to provide cost-effective funding and to minimise the negative effects on Group profit/loss from market risks. The CFO regularly reports to the CEO and to the Group's Finance Committee.

Liquidity risk

Liquidity risk is the risk that the Group may experience difficulties in meeting its obligations associated with financial liabilities. A liquidity forecast in the short and long-term is regularly prepared. A liquidity forecast for the next three months is prepared on a weekly basis and a liquidity forecast for the next 12 months is prepared on a monthly basis. The forecast is to include all inflows and outflows as well as major investment needs and temporary working capital requirements as soon as these are identified. The consolidated liquidity forecast forms the basis of Annehem Fastigheter's borrowing or investment needs and control of Annehem Fastigheter's total liquidity situation. Liquidity needs in a longer perspective are calculated on an annual basis when the financial long-term forecast is updated.

A liquidity reserve for operations is to be available at any given time to guarantee Annehem Fastigheter's short-term solvency. The liquidity reserve includes short-term cash in bank, the market value of investments that can be freed up within three banking days along with the unutilised portion of confirmed

credit facilities with a remaining lease term of at least three months. Surplus liquidity is defined as all liquidity in addition to the liquidity reserve. In cases when it is deemed financially advantageous, the surplus liquidity may be invested to address a known future financing need, as an alternative to amortisation of interest-bearing external liabilities. Funds from borrowing paid in advance for later financing needs may also be invested.

Liquidity risk is closely related to financing risk. Financing and refinancing risk refers to the risk that Annehem Fastigheter, from time to time, is unable to obtain necessary financing or that financing cannot be renewed at the end of its duration, or that it can only be obtained or renewed at significantly higher cost or disadvantageous terms for Annehem Fastigheter.

Annehem Fastigheter's credit agreements with credit institutions contain the customary cancellation terms. If the Company or other companies in Annehem Fastigheter breaches its obligations or other financial commitments in a credit agreement, it could lead to the credit being cancelled with a requirement for immediate payment and collateral could be used. According to Annehem Fastigheter's credit agreement, Annehem Fastigheter has, for example, committed to the Company's equity/assets ratio not being less than a certain level. If a credit is cancelled for immediate payment it may, in accordance with cross default provisions, involve other obligations falling due for immediate payment as well. Furthermore, a decline in the general economic climate or disruptions in the capital or credit markets could lead to a limit to Annehem Fastigheter's access to financing and that Annehem Fastigheter's opportunities to refinance its credits disappear. If Annehem Fastigheter fails in the future to obtain the necessary financing, does not have adequate liquidity to fulfil its obligations or the possibility to refinance its credits or can only refinance its credits at significantly higher costs or on terms that are disadvantageous to Annehem Fastigheter, this could have a material negative impact on Annehem Fastigheter's operations and financial position.

Some of Annehem Fastigheter's agreements, primarily Annehem Fastigheter's credit agreements with credit institutions, may contain provisions that become relevant in connection with a change in control over the Company or another company in Annehem Fastigheter. Such a provision could, for example, give a credit institution the option of cancelling agreements if one or more, other than Peab's current largest shareholder, which will remain the Company's largest shareholder after the distribution of Annehem Fastigheter, and

some closely related parties to this shareholder, who act jointly, become owners, directly or indirectly, of shares or votes in the Company in excess of a certain percentage threshold value. Annehem Fastigheter's existing credit agreements contain such provisions that could be exercised if one or more, other than Peab's current largest shareholder, which will remain the Company's largest shareholder after the distribution of Annehem Fastigheter, and some closely related parties to this shareholder, who act jointly, gain control of a certain percentage of the shares or votes in the Company. In the event of such changes in control, certain rights for the counterparty or obligations for Annehem Fastigheter could come into effect, the results of which could include an impact on Annehem Fastigheter's continued financing. If Annehem Fastigheter's financing is impacted, it could lead to Annehem Fastigheter being compelled to divest properties at unfavourable prices and – over time – could have a negative impact on Annehem Fastigheter's income, which could lead to a material negative impact on the Company's financial position.

Interest-bearing liabilities

The following presents information on the Company's contractual terms regarding interest-bearing liabilities. For more information on the Company's exposure to interest-rate risk and the risk of exchange rate fluctuations, refer to Note 1.

SEK million	2019	2018	2017
Group account	719.8	141.9	138.3
Lease liabilities, non-current	90.6	49.7	47.7
Loans from related parties	66.7	58.4	70.9
Loans from credit institutions	575.9	308.3	295.5
<i>of which, current interest-bearing liabilities</i>	320.4	-	-
Total	1,453.1	558.2	552.4

The Group's interest-bearing liabilities comprise external loans in EUR in the Finnish companies with OP Bank in Finland, and related-party loans with Peab and liabilities in the Group account with Peab. The external interest-bearing liabilities with OP Bank carry an interest of between 0.70 percent + 6m Euribor and 2.5 percent + 4m Euribor, and fall due in 2020–2021. The related-party loans carry an interest of 2.5 percent + 3m Stibor and 0.70 percent + 6m Euribor.

The Company met all loan conditions during the current periods.

Available liquidity

SEK million	2019	2018	2017
Available cash and cash equivalents	40	36	27

At year-end, the Company's financial liabilities amounted to SEK 1,546.5 million and the maturity structure of the debt, plus interest maturity, is presented in the table below.

Maturity structure, financial liabilities – undiscounted cash flow
Group
2019

SEK million	Currency	Nominal amount original currency	Total	Outflow <1 year	1–2 years	3–5 years	>5 years
Bank loans	EUR	55.2	582.0	318.0	264.1	–	–
Liabilities to related parties	EUR	6.4	67.8	0.5	67.3	–	–
Liabilities to related parties – Group account Peab	SEK	719.7	731.3	731.3	–	–	–
Accounts payable – related parties	SEK	50.6	50.6	50.6	–	–	–
Accounts payable	EUR	0.0	0.1	0.1	–	–	–
Accounts payable	SEK	5.3	5.3	5.3	–	–	–
Other current liabilities	EUR	–	2.7	2.7	–	–	–
Other current liabilities	SEK	–	34.8	34.8	–	–	–
Total			1,474.6	1,143.3	331.4	–	–

2018

SEK million	Currency	Nominal amount original currency	Total	Outflow <1 year	1–2 years	3–5 years	>5 years
Bank loans	EUR	30.0	312.7	2.4	310.3	–	–
Liabilities to related parties	EUR	5.7	59.7	0.4	0.4	58.8	–
Liabilities to related parties – Group account Peab	SEK	141.9	147.7	147.7	–	–	–
Accounts payable – related parties	SEK	14.5	14.5	14.5	–	–	–
Accounts payable	EUR	0.0	0.1	0.1	–	–	–
Accounts payable	SEK	5.9	5.9	5.9	–	–	–
Other current liabilities	EUR	–	1.9	1.9	–	–	–
Other current liabilities	SEK	–	18.9	18.9	–	–	–
Total			561.4	191.8	310.8	58.8	–

2017

SEK million	Currency	Nominal amount original currency	Total	Outflow <1 year	1–2 years	3–5 years	>5 years
Bank loans	EUR	30.0	303.4	2.6	2.6	298.1	–
Liabilities to related parties	EUR	5.7	57.2	0.4	0.4	56.4	–
Liabilities to related parties – Group account Peab	SEK	153.2	153.2	138.3	14.9	–	–
Accounts payable – related parties	SEK	16.3	16.3	16.3	–	–	–
Accounts payable	EUR	0.2	2.0	2.0	–	–	–
Accounts payable	SEK	4.5	4.5	4.5	–	–	–
Other current liabilities	EUR	–	1.4	1.4	–	–	–
Other current liabilities	SEK	–	19.4	19.4	–	–	–
Total			557.5	185.0	18.0	354.6	–

In addition to the financial liabilities with undiscounted cash flow presented in the table above, the Group holds four ground leases with undiscounted annual ground rents of SEK 4.5 million. These leases are regarded as perpetual from the Group's perspective

since the Group has no right to terminate the agreements. All ground leases will be renegotiated within one year, which will impact the size of the ground rents.

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. IFRS divides market risks into three types: currency risk, interest-rate risk and other price risks. The market risks that mainly impact the Group comprise interest rate risk and currency risk.

The Group aims to manage and control market risk within established parameters while optimising the result of risk-taking within a given framework. The parameters are established with the aim that market risks in the short term (6–12 months) will only have a marginal impact on the Group's profits and position. In the longer term, however, permanent changes to exchange rates and interest will impact consolidated earnings.

Interest rate risk

The interest rate risk is the risk that the value of financial instruments may vary due to changes in market interest rates. The interest rate risk can result in changes in fair values and cash flows. Interest rate risk impacts Annehem Fastigheter through running interest expenses for loans and derivatives and also through changes in the market values of the derivatives. The aim of interest-rate risk management is to achieve the desired stability in Annehem Fastigheter's combined cash flows. Stable cash flows are important to promote property investments and to fulfil the requirements and expectations that lenders and other external parties have of Annehem Fastigheter. Annehem Fastigheter is primarily exposed to interest rate risk through the Group's borrowing. The interest-rate risk strategy comprises a balanced combination of floating rates and fixed rates.

Sensitivity analysis – interest rate risk

The impact of interest income and interest expenses during the coming twelve-month period in the event of a increase/decrease in interest rates of 1 percentage point on the balance sheet day would amount to +/- SEK 14.5 million (+/- SEK 5.6 million) – given the interest-bearing assets and liabilities on the balance sheet date.

Currency risk

Currency risk is the risk that fair values and cash flows of financial instruments may fluctuate with changes in the value of foreign currencies. The Group is exposed to currency risk on transaction as there is a mix of currencies used for sales, purchases, receivables and liabilities listed and the respective functional currency in the group companies. The functional currency for Group companies is primarily SEK and EUR. Transactions are mainly conducted in SEK and EUR.

Annehem Fastigheter invests in properties outside of Sweden through foreign subsidiaries. Investments in foreign currencies are exposed to currency risk when they are not financed in local currency. The investments are, as far as possible, to be financed locally in the subsidiaries.

Sensitivity analysis – currency risk

A 10-percent strengthening of the Swedish krona against other currencies on 31 December 2019 would entail a decrease in equity by SEK 20.0 million (SEK 7.6 million) and a decrease in earnings by SEK 3.7 million (SEK 3.6 million). The sensitivity analysis assumes that all other factors (such as interest rates) remain constant. The same conditions were applied to the year-earlier period.

Credit risk

Credit risk is the risk that a customer or counterparty in a financial instrument is unable to fulfil their commitments and thereby gives rise to a financial loss for the Group and it primary occurs from the Group's accounts receivable, lease receivables and investments in debt investments.

The carrying amount of financial assets represents the maximum credit exposure.

Impairment of financial assets and lease receivables are recognised in profit/loss and have been minimal in historical terms.

A summary of the Group's credit risk exposure for accounts receivable and lease receivables is presented below.

Credit risk in accounts receivable and lease receivables

The Group has drawn up a credit policy under which every new customer is individually analysed in terms of creditworthiness before offering the Group's general payment and delivery terms. The Group's examination encompasses external credit assessments, if available, financial reports, information from credit rating agencies, industry information and in some cases bank references.

Annehem Fastigheter has a diversified customer base with several categories of tenants in various sectors. Peab is Annehem Fastigheter's largest tenant and represented 36 percent of the rental value on 31 December 2019. Furthermore, no single tenant represented more than 8 percent of the rental value. The ten largest customers (excl. Peab) represented 30 percent. Annehem Fastigheter uses advanced invoicing with respect to its rent receivables.

Annehem Fastigheter applies the simplified approach in IFRS 9 for calculating anticipated credit losses. The Group's credit losses have been very low. The Group's reserve for anticipated credit losses was SEK 0.5 million on 31 December 2019.

Credit exposure for accounts receivable and lease receivables per geographic region for each year is presented below.

Carrying amount

SEK million	2019	2018	2017
Sweden	10.6	20.3	12.9
Finland	1.9	–	–
Total	12.5	20.3	12.9

Credit risk in receivables from related parties

Receivables from related parties comprise receivables from Peab. The expected credit loss for receivables from related parties is considered negligible and was therefore not reported.

Credit risk in cash and cash equivalents

As regards cash and cash equivalents, the counterparties are Scandinavian banks and financial institutions with a rating of either at least A- (S&P) or at least A3 (Moody's) or other counterparty with a rating of either at least A (S&P) or at least A2 (Moody's).

The Group believes cash and cash equivalents has a low credit risk based on the counterparties' external credit assessment. The expected credit loss for cash and cash equivalents is considered negligible and was therefore not reported.

Capital management

According to the Board's policy, the Group's financial aim is to have a good financial position, which helps to maintain the confidence of investors, creditors and the market and forms a

platform for the continued development of business activities, at the same time as generating satisfactory long-term returns for shareholders. A balance between high equity returns, which benefits from a low level of equity interests, and the need for financial stability, which is achieved through a high level of equity interests. This is considered an optimum level, taking into account the risks in the Group's business operations. Adapting to this target constitutes part of the strategic planning and the level of the net debt/equity ratio is continuously monitored in internal reporting to the management team, the Board of Directors and its Finance Committee.

Capital is defined as total equity.

Capital

SEK million	2019	2018	2017
Total equity	955	389	321

Net debt/equity ratio

SEK million	2019	2018	2017
Interest-bearing liabilities	1,453.1	558.2	552.4
Less cash and cash equivalents and current investments	-40.4	-35.7	-27.0
Net debt	1,412.7	522.5	525.5
Net debt/equity ratio (Net debt / Total equity)	148%	134%	164%

The increase in net debt/equity ratio is due to a decrease in net debt to 260 percent and an increase in equity by 245 percent. The increase in net debt is a result of growth in the property portfolio during the year and the additional interest-bearing liabilities. The increase in equity is also a result of the growth in the property portfolio, which contributed with positive earnings for the period.

Cash flow from current operations is primarily to be reinvested in the business to capitalise on opportunities and achieve the growth target for the property portfolio of SEK 7 billion. No changes in the Group's capital management occurred during the year.

Neither the parent company nor any of the subsidiaries is subject to any external capital requirements.

Interest-bearing liabilities

The following presents information on the Company's contractual terms regarding interest-bearing liabilities.

SEK million	2019	2018	2017
Group account	719.8	141.9	138.3
Lease liabilities, non-current	90.6	49.7	47.7
Loans from related parties	66.7	58.4	70.9
Loans from credit institutions	575.9	308.3	295.5
<i>of which, current interest-bearing liabilities</i>	320.4	-	-
Total	1,453.1	558.2	552.4

The Group's interest-bearing liabilities comprise external loans in EUR in the Finnish companies with OP Bank in Finland, and related-party loans in relation to Peab and liabilities in the Group account in relation to Peab. The external interest-bearing liabilities with OP Bank carry an interest of between 0.70 percent + 6m Euribor and 2.5 percent + 4m Euribor, and fall due in 2020–2021. The related-party loans carry an interest of 2.5 percent + 3m Stibor and 0.70 percent + 6m Euribor.

The Company met all loan conditions during the current periods.

Change in loan structure during the period

SEK million	2019	2018	2017
Interest-bearing liabilities at start of period	558.2	552.4	539.8
Repayment of loans from related parties	-2.3	-24.0	-7.2
Loans raised with related parties	650.0	12.7	8.4
External bank loans raised	238.5	-	-
Currency translations	8.7	17.1	11.4
Interest-bearing liabilities at end of period	1,453.1	558.2	552.4

Financial income and expenses

SEK million	2019	2018	2017
Interest income	0.5	0.1	0.1
Interest expenses	-21.0	-11.2	-10.2
Total	-20.5	-11.1	-10.1

All interest income and expenses pertain to financial assets that are recognised at amortised cost and financial liabilities not measured at fair value through profit or loss.

NOTE 12

CURRENT LIABILITIES

SEK million	2019	2018	2017
Prepaid rent revenue	33.3	18.3	20.3
Other current liabilities	4.2	2.5	0.5
Total	37.5	20.8	20.8

Other current liabilities includes accrued expenses related to advanced rent revenue.

NOTE 13**SHARES IN GROUP COMPANIES**

The table below presents the companies that are part of the Group and when they were included in the accounts.

Company name	Corp. ID. No.	Registered office	%	x in the Group on 31 Dec		
				2019	2018	2017
Annehem Fastigheter AB	559220-9083	Ängelholm, Sweden	100%	x		
Directly owned						
Annehem Holding 3 AB	559262-8506	Ängelholm, Sweden	100%			
Annehem Holding 4 AB	559262-8548	Ängelholm, Sweden	100%			
Indirectly owned						
Annehem Holding 2 AB	559230-7028	Ängelholm, Sweden	100%			
Annehem Sadelplats Fastigheter 3 AB	556895-0116	Ängelholm, Sweden	100%	x		
Annehem Sadelplats Fastigheter 4 AB	556916-2596	Ängelholm, Sweden	100%			
CBT Nering AS	921682298	Oslo, Norway	100%			
Peab Invest Oy	1773022-9	Helsinki, Finland	100%			
Ultimes Ky	2568845-4	Helsinki, Finland	100%	x	x	x
Ultimes II Ky	2850052-5	Helsinki, Finland	100%	x		
Ultimes Parking Ky	2568844-6	Helsinki, Finland	100%	x	x	x
Property Gardener Oy	2558819-7	Helsinki, Finland	100%	x	x	x
Annehem Syd Holding 1 Fastigheter AB	559220-9752	Ängelholm, Sweden	100%			
Annehems Kamaxeln 2 Fastighets AB	559230-6889	Ängelholm, Sweden	100%	x	x	x
Annehem Partille Port 4 Fastigheter AB	556960-0280	Ängelholm, Sweden	100%	x		
Annehem Stenekull 2 Fastigheter AB	559034-8917	Ängelholm, Sweden	100%			
Annehem Syd Parker Holding Fastigheter AB	559230-6897	Ängelholm, Sweden	100%			
Annehems Valhall Park AB	556107-0003	Ängelholm, Sweden	100%	x	x	x
Ljungbyhed Park AB	556545-4294	Ängelholm, Sweden	100%	x	x	x

The list of companies above includes companies that were legally part of the Group when this Prospectus was issued. The companies marked with an "X" above were included in the combined financial statements at the end of each financial year. The companies not marked with an "X" are therefore companies that were established, or acquired, in 2020 but prior to the issuance of this report.

NOTE 14**LEASES****Leasing contracts where the company is lessee***Total lease expenses*

SEK million	2019	2018	2017
Total lease expenses – interest	-4.5	-2.4	-2.3
Total	-4.5	-2.4	-2.3

Lease expenses are recognised in their entirety as interest expenses for each year.

Cash outflow pertaining to leases corresponds to the total of lease expenses for each year.

The maturity analysis of lease liability is presented in Financial instruments in the section on liquidity risk.

Total lease liability (included as part of non-current interest-bearing liabilities)

SEK million	31 Dec 2019	31 Dec 2018	31 Dec 2017
Opening balance	47.7	47.7	49.7
New right-of-use assets	-	2.0	40.9
Closing balance	47.7	49.7	90.6

Total cash outflow related to lease liability amounted to SEK 4.5 million for 2019.

New leaseholds 2018–2019 pertains to Ultimes in Finland.

The Group has a small number of leases in the form of four ground leases. The ground leases are perpetual (or very long-term). The Company has chosen to recognise all leases with full retrospective application under the main rule of IFRS 1.7. The right-of-use assets from the ground leases are recognised as investment properties at fair value but as the ground leases affects the measurement of the investment properties, no separate remeasurement of the ground leases is carried out, rather the remeasurement of the investment properties is considered to take into account the remeasurement of the ground leases. The ground leases are presented in the balance sheet and in notes as part of investment properties.

NOTE 15**PLEGDED ASSETS AND CONTINGENT LIABILITIES**

SEK million	31 Dec 2019	31 Dec 2018	31 Dec 2017
For own liabilities and assets			
Real estate mortgages	543.7	567.2	860.0
Total	543.7	567.2	860.0

NOTE 16**EVENTS AFTER THE BALANCE SHEET DATE**

- On 5 February 2020, the Peab Board decided to propose to the Annual General Meeting to resolve on the distribution of all shares in Annehem Fastigheter.
- On 23 March 2020, the extraordinary general meeting elected Göran Grosskopf as Chairman of the Board and Jesper Göransson, Pia Andersson and Anders Hylén as members of the Board. Jörgen Lundgren is also appointed CEO and Jan Egenäs takes up his duties as CFO.
- In June and July 2020, Annehem Fastigheter's organisation is in place. Certain parts of Annehem Fastigheter's personnel are transferred from Peab to Annehem Fastigheter and some recruitment of other personnel takes place.
- On 28 August 2020, the extraordinary general meeting elects Karin Ebbinghaus and Lars Ljungälv as new members of the Board.
- On 1 September 2020, Adela Colakovic began her role as head of Group accounting.
- On 28 September 2020, the extraordinary general meeting resolves on:
 - the reverse split of shares and the introduction of A shares and B shares,
 - a new issue, after which Annehem Fastigheter's share capital amounts to SEK 500 thousands,
 - adoption of new Articles of Association, and
 - that Annehem Fastigheter is to be a public company.
- On 6 November 2020, the extraordinary general meeting resolves on:
 - the division of shares to a total of 58,992,548 shares, of which 6,863,991 A shares and 52,128,557 B shares.
- The following companies with accompanying properties were acquired from Peab and taken into possession by Annehem Fastigheter:
 - Annehem Sadelplatsen 4 AB in Solna with an underlying property value of SEK 190 million,
 - Annehem Stenekullen 2 AB in Malmö with an underlying property value of SEK 220 million, and
 - CBT Naering AS in Oslo with an underlying property value of NOK 293 million.
- The following properties were acquired without being taken into possession:
 - On 21 October 2020, Annehem Fastigheter acquired commercial properties under construction in Stockholm (Solna) and Helsingborg. The property in Stockholm (Solna) is scheduled to be taken into possession in Q1 2021 and the property in Helsingborg in Q2 2021. The underlying property value was SEK 275 million for the property in Stockholm (Solna) and SEK 131 million for the property in Helsingborg.
 - On 28 October 2020, Annehem Fastigheter acquired rental properties under construction in Malmö and Partille. The properties will be taken into possession when the contract is completed, which is scheduled to be Q2 2022 for the Malmö property and H1 2024 for the Partille property. The underlying property value was SEK 135 million for the Malmö property and SEK 250 million for the Partille property.
- During 2020, Peab paid shareholders' contributions to Annehem Fastigheter of SEK 2 billion to create an appropriate capital structure in Annehem Fastigheter.
- Annehem Fastigheter has entered into a credit agreement with SEB, Nordea and Swedbank. The credit agreement comprises an amount of approximately SEK 1,9 billion¹⁾ divided into three tranches in SEK, EUR and NOK, which may be drawn upon on different occasions.
- The Company has signed letters of intent with Peab to acquire the properties on market terms.²⁾ When completed, the properties will comprise 86 thousand sqm and Annehem Fastigheter has assigned them a total estimated underlying property value of SEK 4,900 million. These letters of intent are non-binding and there is a risk that Annehem Fastigheter will not be able to conduct these acquisitions.

¹⁾ Calculated based on exchange rates of NOK/SEK 0.95 and Euro/SEK 10.30.

²⁾ Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

THE AUDITOR'S REPORT ON HISTORICAL FINANCIAL INFORMATION

To the Board of Directors of Annehem Fastigheter AB (publ), Corp. ID. No. 559220-9083

REPORT ON COMBINED FINANCIAL STATEMENTS

Opinions

We have audited the combined financial statements for Annehem Fastigheter AB (publ) (hereafter referred to as the "Company" or together with its subsidiaries as the "Group") for the period of the three financial years ending 31 December 2019. The Group's combined financial statements are included on pages F-8–F-30 of this document.

In our opinion, the combined financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and present fairly, in all material respects, the financial position of the Group as of 31 December 2019, 31 December 2018 and 31 December 2017 and their financial performance and cash flow for each of the three financial years that ended on 31 December 2019 in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the combined financial statements and that they give a fair presentation in accordance with IFRS, as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, the Board of Directors and the CEO are responsible for the assessment of the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intend to liquidate the Company, to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the Group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- Conclude on the appropriateness of the Board of Directors' and the CEO's, use of the going concern basis of accounting in preparing the combined financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion about the combined financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

Stockholm, 2 December 2020

KPMG AB

Peter Dahllöf
Authorised Public Accountant

ADDRESSES

THE COMPANY

Annehem Fastigheter AB (publ)

Drottning Kristinas Esplanad 10

SE-170 67 Solna

Sweden

Tel: +46 10 456 18 00

www.annehem.se

FINANCIAL ADVISORS

Nordea Bank Abp, Swedish branch

Smålandsgatan 17

SE-105 71 Stockholm

Sweden

AUDITOR

KPMG AB

Vasagatan 16

SE-101 27 Stockholm

Sweden

LEGAL ADVISOR TO THE COMPANY

Advokatfirman Vinge KB

Smålandsgatan 20

SE-111 87 Stockholm

Sweden