

Annual and Sustainability Report 2023

Resilience and stability | Annehem Fastigheter AB



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Introduction to the Directors' Report

The Directors' Report is an integrated part of the Annual Report and the various sections can be found on the pages set out below.

Strategy, targets and target achievement

More information on pages 11–12.

Sustainability

More information on pages 21–22, 29 and 51–55.

The share

More information on page 46.

Risks and risk management

More information on pages 47–50.

Financial information

More information on pages 56–57.



This is Annehem

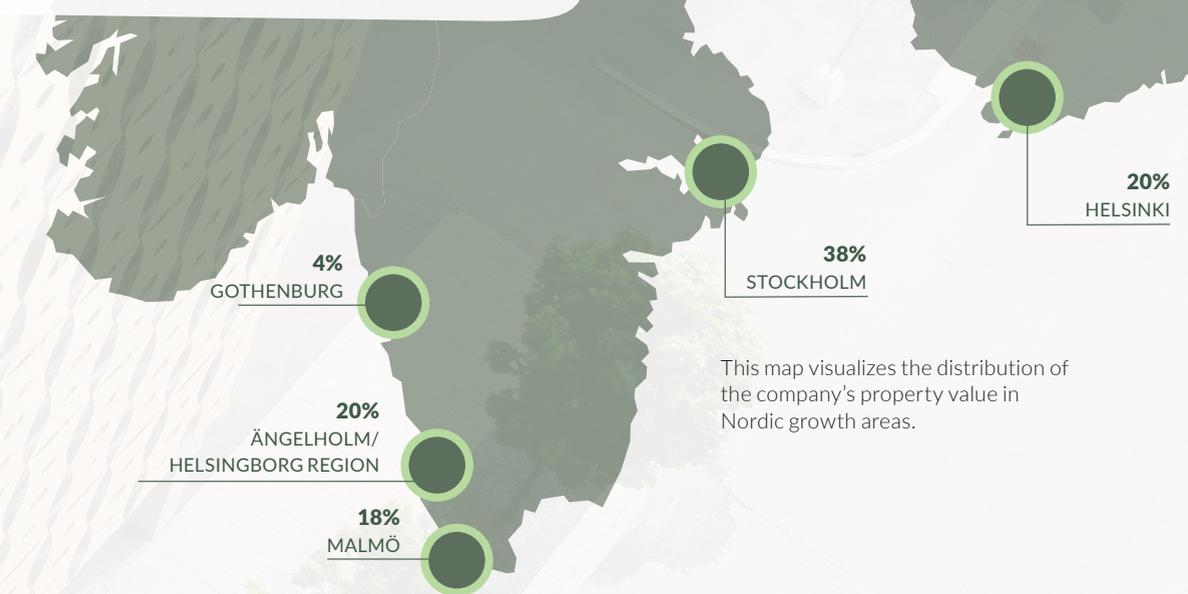
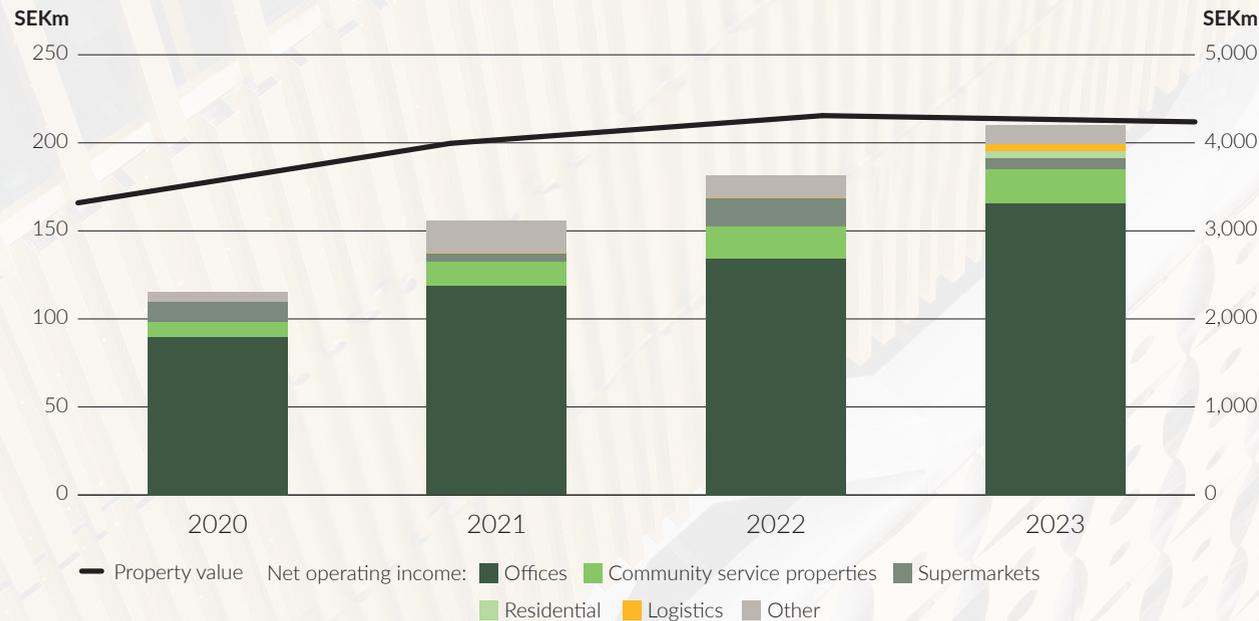
Annehem is a growth-driven property company with customer-centric property management. We create attractive and sustainable properties for the long term where our tenants develop and thrive. We are systematically engaged in increasing sustainability performance throughout our portfolio.

Our modern properties account for the bulk of our property portfolio. They have a high level of sustainability performance and are found in attractive locations in Nordic growth areas. We also manage older properties with great sustainability potential, where we are enabling a substantial transition. Most of the portfolio currently comprises office properties that are complemented with selected properties in the segments of logistics properties, community service properties, and residential homes.

82%

of the property value is environmentally certified

Property value and net operating income performance



This map visualizes the distribution of the company's property value in Nordic growth areas.



The year in brief



First residential property taken into possession

Carl Florman 1, a 3,259-sqm Nordic Swan ecolabelled residential property in Malmö with 60 apartments at an underlying property value of SEK 135 million, was taken into possession in January 2023.



New CFO and Head of Sustainability at Annehem

In November, Adela Colakovic took over as the new CFO of the company, and in August Christin Hertzberg took over the newly inaugurated role of Head of Sustainability. Both are members of Annehem's executive management.



Saab extends lease agreement in Ljungbyhed Park

Saab extended its lease in Ljungbyhed Park for a further ten years. As part of the lease extension, the building – which encompasses approximately 5,000 sqm – will be modernized and made more energy efficient.



Municipal preschool completed in Valhall Park

Annehem and Ängelholm Municipality collaborated to modernize an older building in Valhall Park into a preschool for 110 children. The building is located adjacent to large green spaces for the children to explore and play in.



Commercial property in Norway divested

In September 2023, Annehem sold the Carl Berner Torg property in Oslo, Norway, in line with the company's strategy of focusing on commercial, community service and residential properties. The sale took place at an underlying property value of NOK 246 million to the existing tenant.



Acquisition of office property and rights issue

In December, Annehem acquired The Corner, a modern office property with a high sustainability profile in Hyllie, the business district in Malmö, at an underlying property value of approximately SEK 420 million. To finance the acquisition and other value-creating investments, it was decided to carry out a rights issue of approximately SEK 300 million in 2024.

2.2

Interest-coverage ratio

Net operating income, SEK million

2021	155.8
2022	181.3
2023	209.7

43.4%

Net loan-to-value ratio

Income from property management, SEK million

2021	86.2
2022	74.2
2023	90.5

95%

Economic occupancy rate

Key figures

	2023	2022
Rent revenue, SEK million	247.2	217.9
Net operating income, SEK million	209.7	181.3
Income from property management, SEK million	90.5	74.2
Income from property management excl. currency effects, SEK million	92.7	90.5
Income from property management excl. currency effects per share, SEK	1.57	1.53
Income for the period, SEK million	-200.6	207.3
Earnings per share for the period, SEK	-3.40	3.51
Economic occupancy rate, %	94.9	95.8
Surplus ratio, %	84.8	83.2
Return on equity, %	-8.7	8.3
EPRA NRV per share, SEK	41.2	44.1
Net loan-to-value ratio, %	43.4	38.3
Equity/assets ratio, %	49.9	53.4
Interest-coverage ratio, RTM, multiple	2.2	2.7
Proportion of property portfolio that is sustainable, %	75.0	81.0

* According to the EU Taxonomy Regulation, in fair value

74

Customer Satisfaction Index (CSI)

According to CFI Fastighetsbarometern's annual index. 74 is in line with the industry average.



CEO's comments

Annhem is investing for the future

2023 will go down in history as a year filled with geopolitical turbulence and macroeconomic fluctuations. The trend in inflation impacted the interest-rate path, the capital market and the economic cycle, thus changing the conditions for generating both growth and profitability in the property sector.

In light of the challenging business environment, I am pleased with Annhem's performance in 2023. With our strong underlying property operations, low loan-to-value ratio with bank financing, and our long-term owners, Annhem was able to demonstrate both resilience and stability during the year. We invested in and strengthened our existing operations, and in the fourth quarter we were able to make an aggressive decision to acquire The Corner office property in Malmö and to decide on our intent to carry out a rights issue in early 2024.





“We are committed and professional, with a long-term perspective. As a property owner and manager, we want to be perceived as a facilitator that meets the needs of our tenants and supports a sustainable transition.”

Strong underlying operations

We manage a high-quality property portfolio in attractive locations in the Nordics. We work close to our tenants and have a constructive dialogue with them to meet their needs and challenges. This has been particularly important in 2023, when many tenants reviewed both their costs and their leases. Our efforts have yielded results.

Our rent revenue increased in 2023 by 13.5 percent to SEK 247.2 million (217.9), with SEK 23.6 million attributable to the existing property portfolio through rent increases and lettings. In addition, SEK 5.7 million is attributable to an expanded property portfolio.

We reported strong net operating income of SEK 209.7 million (181.3), an increase of 15.7 percent compared with 2022. Higher rental income and more efficient property management in 2023 enabled us to achieve our long-term goal of 20 percent growth in income from property management, despite high interest expenses. Our income from property management amounted to SEK 90.5 million (74.2). With stable and long-term tenants, our occupancy rate remained high at 94.9 percent (95.8).

The valuation of our properties decreased SEK 266.0 million during the year, attributable primarily to increased return requirements: the average valuation yield at 31 December 2023 totalled 5.24 percent (4.91).

Investments in the existing portfolio

In 2023, we invested SEK 95.8 million in our existing portfolio, primarily in our business parks. These investments have had a positive impact on our valuations. Going forward, I see great potential in these parks for generating value in investments, lettings and especially in continuing our green transition.

Ljungbyhed Park, with its airport and the surrounding operations, comprises a natural space linked to both aviation and Sweden's defence forces, which makes the park a site of interest given the current geopolitical situation. In this park, Annehem also facilitates research and development in the sustainable aviation of the future together with partners including Lund University. Annehem recently invested in improvements to the surfacing of the runways to create better conditions for aviation operations at the airport. During the summer, Saab extended its lease agreement for its premises at Ljungbyhed Park for ten years. In conjunction with this there will be a major reconstruction of the nearly 5,000 sqm that are leased to Saab, with major enhancements to energy efficiency in addition to our modernizing the spaces.

In Valhall Park outside Ängelholm, there is a large number of buildings that house various public service functions – primarily education but also preschools. Annehem has made investments here, and has partnered with Ängelholm Municipality to give life to an older building by modernising it and adapting it for just over 100 municipal preschool places. The lease with Ängelholm Municipality extends until 2032 and covers just over 2,000 sqm.

All properties can make a sustainable transition

Annehem's management philosophy is anchored in the belief that all properties can make a sustainable transition. I have described the efforts in our parks above, where we are investing in measures that promote the re-use of our older properties and substantially increase their performance, especially as regards sustainability. Our modern properties had already met strict sustainability and environmental certification standards right from the start. But we are not stopping there; our efforts continue with various types of routine initiatives such as energy audits with measures to further reduce energy



consumption, increase the number of green leases, and initiatives for increased biodiversity. Read more about our initiatives to generate long-term sustainable growth on page 15.

Annehem's employees and management organisation play a key role in these efforts. I am extremely proud of our employees, who are engaged in and dedicated to moving us forward to our vision of being the most sustainable property company in the Nordics.

We will grow in select growth areas

When Annehem was founded and listed in 2020, we took over a portfolio from Peab of modern office properties in attractive growth areas in the Nordics. At that time, the foundation was also laid for our long-term growth plan to develop our property portfolio. Our initial portfolio consisted primarily of office properties. Our original portfolio was supplemented, in pace with our realising our plan up through the present and in line with our strategy, with both residential homes and logistics facilities, while we sold off a retail property in Oslo.

In 2023, we took possession of our first residential property, Carl Florman, with 60 apartments in the expansive Johanneslust district outside Malmö. In the spring of 2024, the residential portfolio will expand further when we take possession of Partille Port 11:70 with 90 apartments in the Partille district of Gothenburg. Our plan also included an investment in a logistics facility in Almnäs, outside Södertälje, with PostNord moving in as tenant in 2022. In addition, we have a joint venture with Peab to acquire and develop land in Sundsvall's logistics park into a logistics facility, with letting activities already under way.

Our original growth plan additionally included a number of letters of intent with the possibility of taking possession in the future. These include attractive office properties that are being developed in close proximity to our existing portfolios in

Stockholm, Helsinki and Malmö. For us, these letters of intent are interesting potential acquisitions and we will monitor their development going forward.

Our ambition is to continue growing, and to supplement the initial plan from listing with further acquisitions. Our investment strategy is governed first by the fact that we aim to grow in the geographically strong locations where we already operate. These locations have both great potential going forward while facilitating synergies with our current property management. We also aim to improve our diversification and acquisitions in logistics, community service properties and residential homes. Additionally, the acquisitions should naturally be profitable and sustainable.

The Corner – an attractive acquisition that fits our future plan

Given the business environment situation, the interest rate situation and a transaction market at a standstill, the realisation of further acquisitions had to be put on hold throughout most of 2023. But at the same time we have been inquisitive and have surveyed and carefully followed market trends.

That is why, in light of a more stabilised interest rate situation and incipient optimism, it felt very good to finalise the acquisition of The Corner at the end of 2023. The Corner is a newly produced, modern and flexible office property with a high sustainability profile in the best location in the rapidly growing Hyllie business district in Malmö. It is located close to our Stenekullen 2 property. The Corner fits well with our investment strategy and meets our stringent requirements for the properties we acquire. The underlying property value is SEK 420 million, and we acquired the property at an initial yield of 5.6 percent, resulting in a price level of approximately 15–18 percent under the top level for a newly constructed property in the area two years ago. I am convinced that this

acquisition is being made at a point in time that will benefit us over the long term.

Strengthened financial position provides new opportunities

In 2023, we worked intensively on the company's financing to create conditions for Annehem's future growth. Parts of the fixed-interest derivatives portfolio have been restructured, and the fixed-rate period has been extended in order to reduce the interest-rate risk. The interest-coverage ratio RTM amounted to 2.2 (2.7) at 31 December 2023, which is in line with our objective.

We remain financed by banks, and the dialogue we have with our creditors is good. At the end of the year, the sale of the Carl Berner Torg property in Oslo brought in approximately NOK 70 million in cash and cash equivalents. The Corner is half financed by banks, and in conjunction with the acquisition we successfully concluded a rights issue in 2024 that yielded proceeds of approximately SEK 300 million. The rights issue financed the acquisition in the amount of SEK 210 million. This also strengthens our cash and bank balances further and facilitates both continued investments in our existing portfolio and new acquisitions that can further diversify our property portfolio.

Annehem is investing for the future

We are committed and professional, with a long-term perspective. As a property owner and manager, we want to be perceived as a facilitator that meets the needs of our tenants and supports a sustainable transition.

Today, we are a smaller property company with an ambition to grow big. We want to lay the foundation for well-managed, transparent and attractive operations that generate long-term value for both tenants and shareholders. To improve compa-

rability with other European industry colleagues, Annehem joined the European Public Real Estate Association (EPRA), which promotes and represents the European property sector for listed companies. With this, we obtain a better comparison of our financial key figures, and EPRA's sustainability best practice recommendations help members to improve their sustainability activities.

During the year, our former head of Group accounting Adela Colakovic took up the challenge of stepping into the role of Annehem's CFO, which I am very pleased about. Yet another employee has been added to the team, and that is Christin Hertzberg, who started as our Head of Sustainability after the summer. Along with Gustav Eriksson, our Head of Property Management, we are forming a strong management team that works closely with our employees.

I still have tremendous respect for the challenges that lie ahead, but I see that the property market is now trending in a positive direction even if the recovery will take some time. Annehem's performance in 2023, in combination with the successful rights issue in March 2024 and the confidence placed in us by our shareholders, strengthens our self-confidence going forward.

I would like to thank my coworkers, our tenants and shareholders who, together with us, are making Annehem's transition possible!

Monica Fallenius

CEO



Why invest in Annehem?

Annehem builds long-term values by investing in, managing and adding value to a sustainable property portfolio in Nordic growth areas with good population growth. With a clear strategy, a stable financial position and strong owners, Annehem generates long-term shareholder value.



A high-quality, diversified property portfolio

Annehem manages and develops a diversified property portfolio of high-quality modern and environmentally certified properties in attractive Nordic growth cities. This modern property portfolio comprises primarily office properties that are supplemented with carefully selected properties in the segments of logistics, community service and residential properties. The company has established a strong foundation, with 82 percent of the property value being environmentally certified and 82 percent having at least energy class B.



A property management model that generates value

Annehem adds value through active property management, and focuses in the long term on increasing the value of its properties by measurably increasing sustainability performance. The company has developed and is building lengthy customer relationships and works with its tenants to meet their needs and support them in their efforts to become more sustainable. This is laying the foundation for strong and persistent net operating income, which has grown by 72 percent since the company's listing in 2020.



Stable financial position facilitates profitable growth

Annehem is a growth company that is gradually increasing its income from property management with select new acquisitions. Through the company's portfolio strategy, with a focus on attractive locations, sustainability and diversification, Annehem both ensures quality and creates conditions for a good risk-adjusted return over the long term. The company has a strong balance sheet, with a loan-to-value ratio of 43 percent, with loan financing that consists primarily of bank loans that are mainly interest-rate hedged. The company's sustainable properties facilitate both green financing and lower operating expenses. Annehem has strong long-term owners who support the company's journey of growth.



Annehem Fastigheter AB has been a *Designation Green Equity* company on Nasdaq since 2022. The designation is proof that over 50 percent of Annehem's sales derive from green activities and that the business will continue to invest in a significant share of green investments.



Value generation

Annehem is building long-term relationships and values through customer-centric property management. We see potential in working for the long term, in both our daily operations and with our larger investment decisions. Through this, we are creating sustainable growth and deepening our relationships with tenants and society as a whole.



Our vision

We are to be the most sustainable property company in the Nordics

Annehem has a high sustainability profile and an ambitious vision. This provides us with a clear orientation in our work and our decisions. We will work to become a property company that grows profitably and sustainably, through acquisitions but also through green transitions in our property management together with our tenants.



Business concept and strategy

Our business concept

Annehem owns and manages high-quality commercial, community service and residential properties located near good transport links. The properties are located in growth areas in the Nordics and possess a clear environmental profile. Through customer-centric property management, we build long-term relationships and values.

Our strategic cornerstones

Our four strategic cornerstones guide us in our long-term efforts toward the vision of becoming the most sustainable property company in the Nordics. Our strategy generates stability, profitability and a long-term perspective in our operations.

Develop a sustainable and modern property portfolio in attractive locations in Nordic growth areas

Newly built, environmentally certified properties in locations with good transport links attract long-term tenants.

Focus on sustainable and effective property management through adding value and transition

Annehem Fastigheter has a high and measurable level of environmental performance. The company is engaged in increasing the value of its existing portfolio, which we are gradually adding value to in order to facilitate a green transition, thereby achieving sustainable and efficient property management.

Generate risk spread over time through a diversified and sustainable property portfolio

Our portfolio of office properties is complemented with selected properties in the segments of logistics and community service properties as well as residential homes. All of our properties feature a high level of sustainability performance and/or potential.

A focus on acquisitions and a stable financial position facilitate profitable growth

Annehem Fastigheter has a clear growth plan for the property portfolio, enabled by a strong financial position with a high equity/assets ratio and low loan-to-value ratio.



Our targets

FINANCIAL TARGETS

Growth and returns	Target	Outcome in 2023	Outcome in 2022
Average annual growth in property portfolio over time ¹	20%	2%	8%
Fair value of property portfolio in 2027	SEK 8 billion	SEK 4.4 billion	SEK 4.3 billion
Average annual growth in income from property management over time	20%	22%	-14%
Return on equity	At least 10 percent per year	-8.7%	8.3%
Risk and dividends	Target	Outcome in 2023	Outcome in 2022
Equity/assets ratio	≥30%	49.9%	53.4%
Net loan-to-value ratio over time	≤60%	43.4%	38.3%
Interest-coverage ratio, long-term	≥2.2x	2.2 x	2.7x
Dividend policy	The profits shall essentially be reinvested in order to utilise growth opportunities and achieve Annehem's growth targets		

SUSTAINABILITY TARGET

	Target for 2024	Outcome in 2023	Outcome in 2022
Energy intensity (kWh/Atemp, property energy) ²	9% reduction	81 (-5%)	79 (-6%)
Proportion of property portfolio that is sustainable in accordance with the EU Taxonomy Regulation ³	90%	75%	81%
CO ₂ e emissions (tonnes CO ₂ e, Scope 1 & 2) ²	30% reduction	135 (-80%)	153 (-78%)

¹ The target refers to development over time, from the company's listing through 2027. The outcome refers to the annual change compared to the previous years.

² Reduction compared with 2021. Note that the outcome for 2022 has been adjusted.

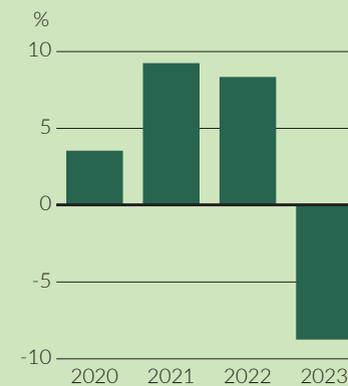
³ The reduction compared with previous years is due to the sale of Carl Berner Torg. Nevertheless, we are holding firm to the target of achieving a share of 90 percent by 2024.

75%
of the
property
value is
sustainable*

*According to the EU Taxonomy Regulation based on fair value

80%
reduction
of CO₂e
emissions
since 2021

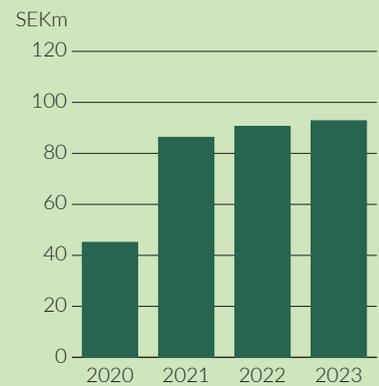
Return on equity



Fair value of property portfolio



Income from property management excl. currency effects





Sustainable properties generate great value

Investing in sustainable properties is investing in the future and promoting long-term sustainable development. The property sector needs to take responsibility for its impact throughout the value chain, from investment and development to property management and adding value. Only by doing so can the sector create a positive change and a transition that generates long-term value for property owners, investors and society as a whole.

A changed playing field

The property sector accounts for a large portion of society's environmental impact and has an important responsibility in the transition toward a more sustainable and green sector. The property sector's social initiatives have also gained attention with increased societal challenges. The playing field has changed over the last decade. Today there are stringent sustainability requirements from financiers, investors and tenants, together with a comprehensive sustainability framework, this comprises a driver for change in the sector. There are incentives for companies that fulfil the requirements: long-term sustainability often pays off through better terms for financing, lower operating expenses and longer leases. From a shareholder perspective, the company becomes a more attractive long-term investment. Apart from the business and economic gains, the impact on the environment and society is minimised. The shift towards a greener property portfolio takes place in the management and value-adding processes in the existing portfolio, and through new and sustainable acquisitions.

All properties can make a sustainable transition

For Annhem, building a diversified portfolio of properties with high sustainability profiles in strong Nordic growth areas

is a conscious decision. The transition in the property sector is increasing the demand for modern, flexible and energy-efficient properties in the metropolitan regions. Most of Annhem's portfolio comprises modern, environmentally certified office properties that are complemented with selected logistics properties, community service properties, and residential homes. In addition, around 82 percent of the property value was built in the last five years. Annhem's current position in this transition ensures that we can continue to attract long-term tenants while facilitating a sustainable transition for them.

Annhem manages a smaller share of older properties with great sustainability potential. We work systematically and closely with our suppliers in property management in order to improve sustainability performance together with our tenants. Our management philosophy is based on the idea that all properties can make a sustainable transition. This means that we apply our management model to all our properties, regardless of type and sustainability level. Read about our sustainable property management model on page 14.

Our long-term sustainability target is for at least 90 percent of our property portfolio to be environmentally certified, Taxonomy-aligned and with green financing.





A sustainable Annehem

Annehem adds value through active and long-term property management, which measurably increases sustainability performance across the entire property portfolio. We identify synergies and best practices between our different property types and tenants to create sustainable and profitable growth.

Our goal

A sustainable, modern and diversified property portfolio with high sustainability performance and a focus on active, long-term property management and adding value.

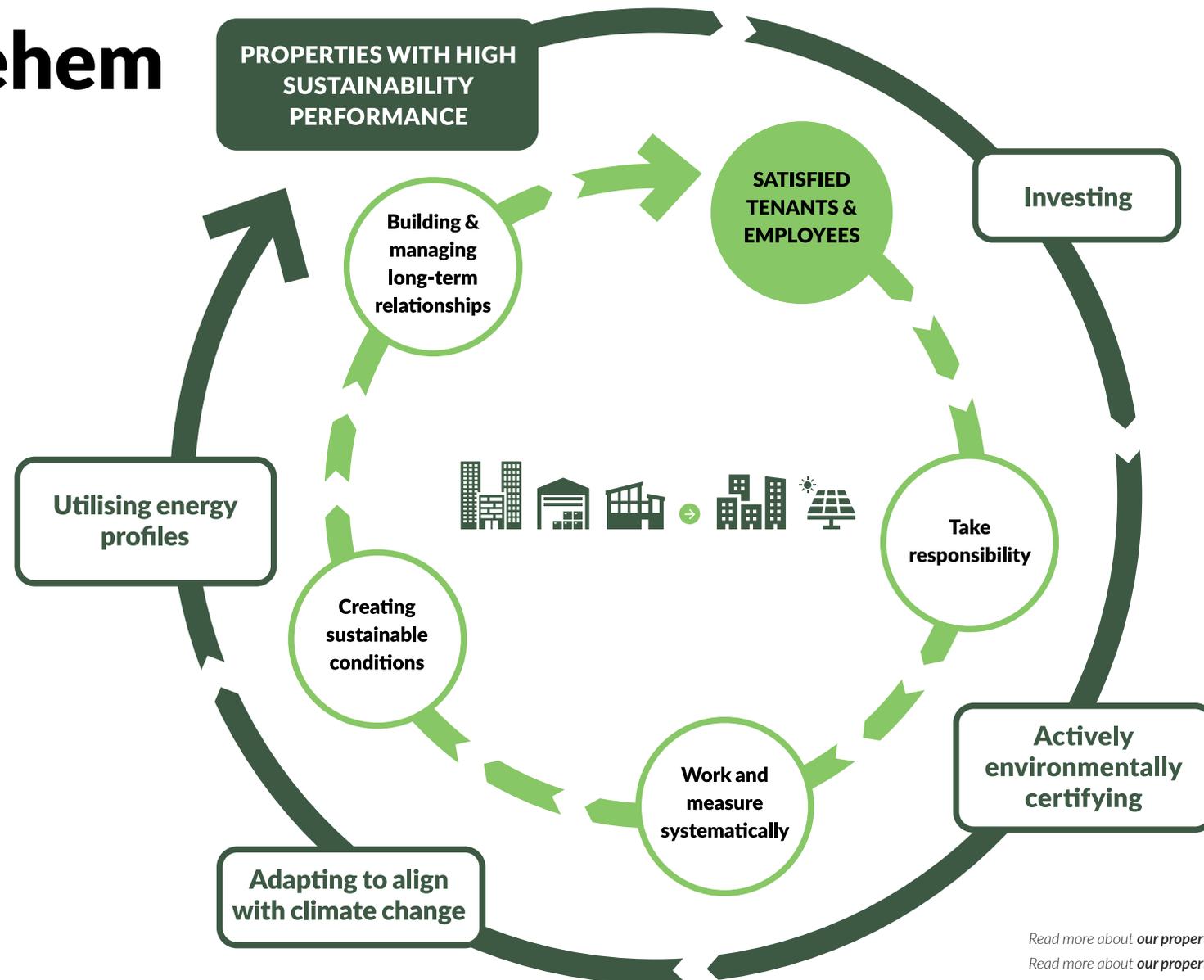
We continually develop our properties by:

- **Investing** in energy measures and renovation
- **Actively environmentally certifying** buildings and working with operational improvements
- **Adapting our properties** to align with climate change
- **Utilising the property types'** different energy profiles to supply self-generated energy

We create more satisfied and longer-term tenants and employees by:

- **Building and managing** long-term relationships
- **Creating sustainable conditions** by helping and collaborating with our tenants, and internally
- **Work and measure** systematically by using technology to drive development
- **Take responsibility** for our operations and impact, and review and collaborate with our suppliers

Through this work, we promote the generation of business value for Annehem and sustainable value generation where we actively promote and measure the impact of the UN Sustainable Development Goals.



Read more about **our properties** on page 20.
 Read more about **our property management** on page 27.
 Read more about **sustainable value generation** on page 51.



Sustainable value generation for us

Through conscious decisions in our daily and long-term activities, we strive to integrate sustainability into all aspects of our operations. At Annehem, we see great potential in working for the long term, in both daily operations and with our larger investments. This is how we generate long-term, sustainable growth.



Taking possession of properties with high sustainability profiles

Our new acquisitions are to have high sustainability potential, and in 2023 we strengthened our portfolio by taking possession of two modern, sustainable properties in Malmö: Carl Florman 1, a Nordic Swan-ecolabelled residential property that was taken into possession in the first half of the year, and The Corner, a new office property production certified under Swedish Green Building Council Silver, taken into possession in the second half of the year.



New life for older building

As a stage in our work to adapt and utilize the potential of our existing portfolio, we partnered with Ängelholm Municipality during the year to give life to an older building from the 1940s in Valhall Park. The building has been modernised and adapted to house a municipal preschool for 110 children.



Initiative for biodiversity

Annehem joined Pollinera Sverige's initiative for biodiversity, to create biologically sustainable areas in Valhall Park. During Pollination Week 2023, we transformed lawns into meadows, setting out beehives and insect hotels as well as supporting local nature preservation initiatives.



Equality at the top

For the third consecutive year, Annehem was nominated as one of Sweden's most equitable listed companies. In 2023, Annehem came eleventh. We are pleased and proud of this, since gender distribution, inclusion, attendance rate and confidence index are key aspects of our social sustainability activities.



” During the year, we partnered with our customers and energy suppliers on ventures that resulted in measurable energy savings. These advances have motivated us to continue working towards our goals. ”

Gustav Eriksson, Head of Property Management



Initiatives for saving energy

Along with other players in the property sector, Annehem has joined the #Hus-FörHus campaign to inspire and encourage energy savings, with a sharp focus on the energy-intensive winter season. Higher energy consumption and rising prices in the winter mean that efforts at reduced energy use are becoming increasingly important.

The goal is to inspire and help more people save energy through collaboration, knowledge sharing and inspiration. Together with our industry colleagues in #Hus-FörHus, we manage large spaces and can thereby have an impact on energy use. We have also encouraged our customers and partners to engage in the energy optimisation initiative.



Market

Annehem operates in the Nordic property market. The company's properties are located in growth areas with good transport links to and from city centres, which generates flexibility for tenants and long-term stability for the company.



Overstretched market with positive future outlook

Economic developments in 2023 put pressure on both consumers and companies. The Nordic property markets experienced a drastic rise in financing costs as well as increased return requirements, but there are hopes for more stable market conditions in 2024.

Macroeconomic overview

Geopolitical tensions continued during the year as a consequence of Russia's ongoing invasion of Ukraine and the conflict between Israel and Hamas. At the same time, the global economy has been stress-tested in conjunction with the bank crisis in the US in early 2023 with a few US niche banks in the spotlight, which raised questions about the broader stability in the finance sector. Impediments to global growth have remained, with sky-high inflation figures and key policy rate increases from central banks around the world leaving their mark on the global economy.

Growth in the Nordic countries where Annehem owns property has varied. In 2023, growth in the Nordic economy was 0.5 percent on an annual basis, while according to SEB Nordic Outlook 2024, Sweden and Finland experienced negative growth of 0.4 and 0.5 percent, respectively. At the same time, the rate of inflation remained a significant challenge for central banks around the world. To alleviate inflation

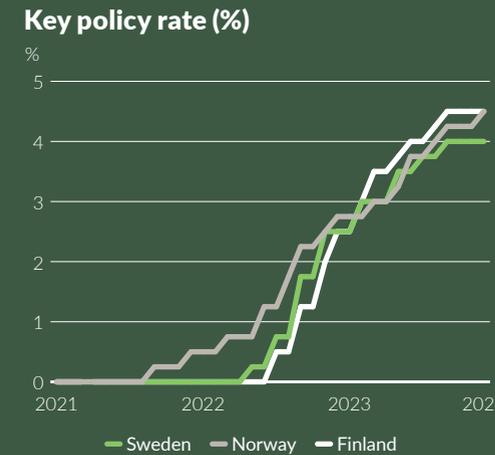
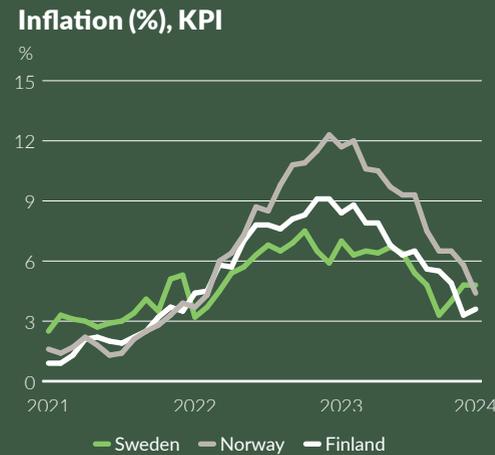
in Sweden, the Riksbank implemented a number of increases to the key policy rate. According to SEB Nordic Outlook 2024, the key policy rate in Sweden at year-end was 4.0 percent, while the key policy rate in both Norway and Finland was 4.5 percent.

The drastic increases to the key policy rate had an effect, and inflation had a clear downward trend in the second half of 2023. At year-end 2023, inflation according to the KPI in Sweden was at 4.4 percent while according to Trading Economics 2024 it was 4.8 and 3.6 percent respectively in Norway and Finland. The hope is that a downward trend in inflation with the subsequent drop in interest rates will serve as a catalyst for strengthening these economies going forward.

The property market

The interest-rate trend is crucial for the Nordic property market over both the short and long term. Many property companies were compelled to review their sources of

96%
Share of rental value that is indexed



” The interest-rate trend is crucial for the Nordic property market over both the short and long term. ”



financing as a result of drastic increases in interest expenses, which led to heightened pressure on bank financing. Here, the green component has proven to be a competitive advantage in obtaining better financing terms. There are, for example, clear signs that banks are rewarding sustainable properties in connection with refinancing. At the same time, the credit market for bond financing has been cautious and expensive, with only a few property companies choosing to refinance their bonds during the year.

Property companies with commercial properties can offset their cost increases to some extent through the index clauses included in their leases. On the other hand, current regulations in the housing market make it more difficult for property owners to fully offset inflation and interest rate-driven cost increases.

The occupancy rate for office properties has largely recovered in the Nordic countries where Annehem operates, and is approaching pre-pandemic levels. According to the Newsec Property Outlook for the autumn of 2023, the Nordic capitals constitute clear examples of this recovery pattern.

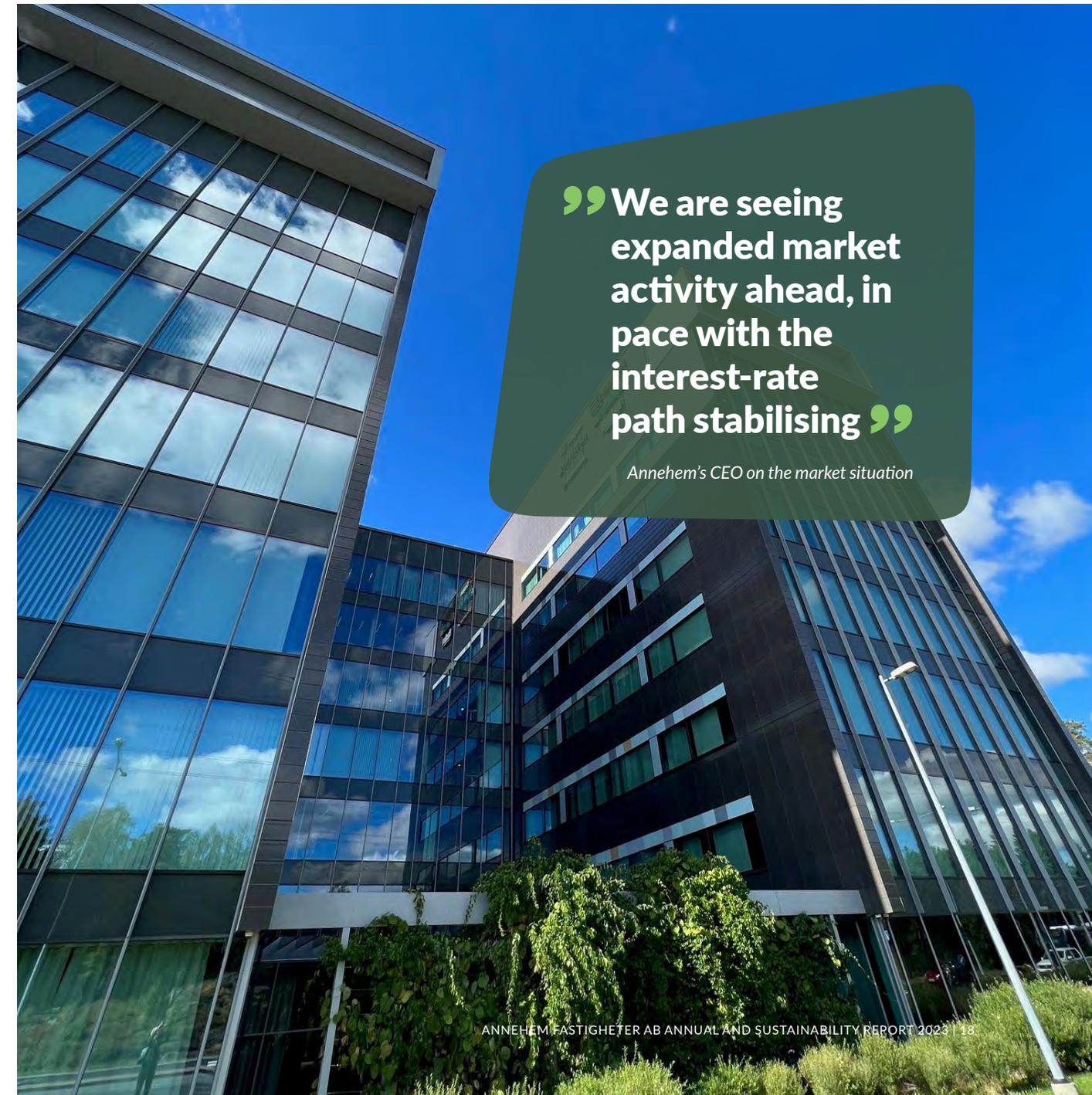
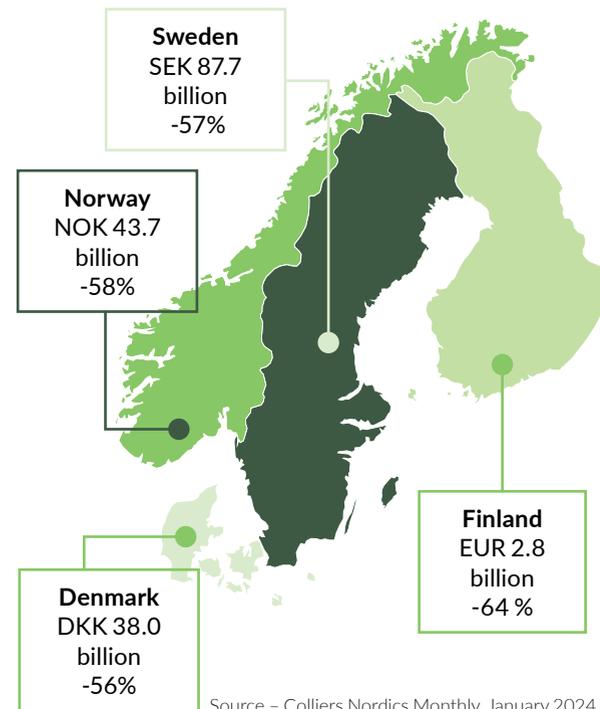
The transaction market in the Nordics

The global situation has left its mark on the Nordic transaction market in the property sector, with volumes at record lows. According to Colliers Nordics Monthly for January 2024, the total transaction volume in the Nordics for 2023 was SEK 19.4 billion, a decrease of 58 percent year-on-year. Most of the fall occurred early in the year, whereas the volumes recovered somewhat over the rest of the year. The volume in Sweden decreased 57 percent, and according to Colliers Nordics Monthly for January 2024 a similar pattern was observed in Norway and Finland, with a decrease of 58 and 64 percent, respectively.

Foreign investors, property funds and financially strong private players were net buyers during the year, while listed property companies were the largest net sellers, according to Colliers Nordic Property Outlook 2024. Property companies with high levels of debt needed to divest properties in order to increase liquidity and reduce indebtedness.

According to Colliers Nordic Property Outlook 2024, logistics accounted for the largest share of the Nordic transaction volume with 26 percent, followed by residential homes with 25 percent and office properties with 23 percent. With increased interest expenses and differing price expectations, buyers and sellers found some distance between them during the year. As the end of 2023 approached, so did a new equilibrium in the transaction market, which gives hope for a more active property market going forward. Property companies with stable financing possibilities are well positioned to utilise good business opportunities over the long term.

Transaction volume in the Nordics 2023, outcome and change per country



“We are seeing expanded market activity ahead, in pace with the interest-rate path stabilising”

Annehem's CEO on the market situation



MARKET TRENDS IN FOCUS

1. Situation and flexibility

The expansion in the metropolitan regions is continuing at the expense of other parts of the country. Modern properties in attractive locations with good transport links are becoming more important for attracting and retaining long-term tenants. In the office segment, for example, proximity to transport links has become an important factor in attracting employees and to offer flexibility in easily dividing their working hours between home and office.

2. Increased pace of digitisation

The continuing advance of digitisation introduces a steady stream of new services into society. For the property sector, this means opportunities to implement smart services and systems in daily property management activities. Digital solutions have a central role in, for example, optimising and monitoring the operation of properties and facilitating more efficient energy performance. At the same time, digital tools can improve dialogue and collaboration with tenants. For the property sector, AI-related tools also entail interesting possibilities for development.

3. Sustainability – a requirement

Sustainability activities have gradually increased in significance in the property sector, owing to both the sectors' significant share in Sweden's total climate emissions and the legal and reporting requirements that are driving the sustainable transition. Tenants, investors and society have extensive sustainability expectations for property companies, with a special focus on environmental performance and social sustainability initiatives. Property owners need to provide sustainable and comfortable properties that meet their tenants' expectations and requirements.

4. The housing shortage is worsening

The prevailing economic climate has had a robust impact on housing construction, and a housing shortage continues to prevail in many Nordic growth cities. Increased construction and capital costs have hampered new production of residential homes, which has aggravated the housing shortage. At the same time, core inflation is trending downwards in the Nordic countries, which gives hope for interest-rate decreases going forward. Property owners who invest in and provide high-quality rental housing at reasonable rent levels are well positioned to meet the increased demand in the rental market going forward.



Properties

Annehem's property portfolio comprises primarily modern properties with a high sustainability profile. At year-end 2023, the portfolio comprised a total of 26 investment properties. Annehem has a clear plan for growing profitably and sustainably in the growth cities where we operate.



A sustainable and modern property portfolio

Annehem has a clear strategy for building a diversified property portfolio with a high level of sustainability potential in strong growth areas in the Nordics. This creates a solid platform for long-term risk diversification and a sustainable management model.

The strategy is reflected in the company's existing portfolio, which primarily comprises modern and high-quality environmentally certified properties. 82 percent of the property value has been constructed in the past five years, 82 percent has at least energy class B and 82 percent is environmentally certified.

The portfolio is focused on geographic areas with high population growth. Growth is supported by the ongoing urbanisation and sustainability trend in the Nordics and the properties are located with good transportation links to and from city centres.

Modern and sustainable properties

The majority of our portfolio today comprises modern, sustainable office properties, but Annehem intends to create a larger and more diversified portfolio by acquiring select logistics, community service and residential properties in the growth cities where we operate. Through geographic proximity of its properties, the company creates good conditions for sustainable property development.

Unique business parks with significant potential

Valhall Park in Ängelholm and Ljungbyhed Park in Ljungbyhed are also included in the property portfolio, with a total of 13 properties in a space of approximately 638 hectares with many different types of operations.

While Ljungbyhed Park is a cluster for training, research and development on the ground and in the air based on the existing airport, Valhall Park is a broad business park for training operations, companies and recreation.

Both business parks include offices and logistics properties as well as light industry together with associated service such as residential housing, educational facilities, conference centres and sports halls.

The parks comprise a portfolio with older buildings with great sustainability potential. Annehem works closely with suppliers in property management in order to – together with its tenants – improve sustainability performance and promote a substantial sustainable shift in this part of the property portfolio.





Portfolio by the numbers

At the end of 2023, the property portfolio comprised 26 investment properties with a value of SEK 4,413 million and a total lettable area of 202,004 sqm. The total rental value on 31 December 2023 amounted to SEK 315.6 million, of which SEK 238.5 million comprised the Sweden Region and SEK 77.1 million the Rest of Nordics Region.

The contracted economic occupancy rate at the end of the year was 95 percent. The average weighted remaining contract period for the property portfolio was 4.2 years. The assessment is that the property portfolio's average weighted remaining contract period is satisfactory and provides a solid platform for continued stable growth.

Changes in the property portfolio

In 2023, Annehem implemented several strategic changes in its property portfolio. In Sweden Region, Annehem took possession of two properties with a clear sustainability profile in Malmö: Carl Florman 1, which is the company's first residential property, and The Corner, an office property. In Rest of Nordics Region, Annehem divested the Carl Berner Torg retail property in Oslo, in line with the company's strategy of focusing on commercial, community service and residential properties.

Property value by geography



Stockholm	38%
Helsinki	20%
Gothenburg	4%
Malmö	18%
Ängelholm/Helsingborg	20%

Rental value by property type



Residential	2%
Offices	79%
Community service properties	9%
Supermarkets	3%
Logistics	2%
Other	5%

75%

of the property value is sustainable*

*According to the EU Taxonomy Regulation based on fair value

82%

of the property value has at least energy class B

>82%

of the property value has been built in the past five years

95%

economic occupancy rate

Property overview (including sustainability data)

City	Property designation	Area, sqm	Rent revenue, SEK million	Annualised rental value	Type of premises	Certification	Green electricity	Energy class	Taxonomy aligned
Södertälje	Almnäs 5:28	2,158	5.6	5.6	Logistics	Swedish Green Building Council Silver	Yes	B	Yes
Stockholm	Sadelplatsen 3 (Ulriksdal Center)	12,455	44.7	44.7	Offices	BREEAM Good	Yes	B	Yes
Stockholm	Sadelplatsen 4	13,494	16.6	20.0	Offices/garage	BREEAM in use Very Good	Yes	B	Yes
Stockholm	Ledvolten 1	4,268	15.3	15.3	Offices	BREEAM Very Good	Yes	B	Yes
Helsinki	Ultimes I&II (Ultimes Business Garden)	17,015	73.8	77.1	Offices/garage	LEED Platinum	Yes	B	Yes
Malmö	Stenekullen 2	4,937	13.7	15.4	Offices	Swedish Green Building Council Silver	Yes	A	Yes
Malmö	Kamaxeln 2	950	1.7	1.7	Light industry	Not certified	Yes	G	No
Malmö	Carl Florman 1	3,259	6.7	7.0	Residential homes	Svanen	Yes	B	Yes
Malmö	Hemvistet 2 (The Corner)	7,432	26.2	26.9	Offices	Swedish Green Building Council Silver	Yes	B	No
Partille	Partille Port 11:60	6,431	14.9	15.3	Supermarket/retail	BREEAM in use Very Good	Yes	B	Yes
Helsingborg	Jupiter 11	4,807	10.6	10.6	Offices	Swedish Green Building Council Silver	Yes	B	Yes
Ängelholm	Barkåkra 50:3 (Valhall Park)	51,564	39.5	40.8	Park	Not certified	Yes	Mixed	Mixed
Ljungbyhed	Sjöleden 1:5-1:17 (Ljungbyhed Park)	73,234	29.5	35.4	Park	Not certified	Yes	Mixed	Mixed
Total		202,004	298.9	315.6					



Our properties

Sweden Region includes properties in Stockholm, Skåne and Gothenburg. The majority of the portfolio comprises office properties, but there are also two business parks in Skåne.

The Nordic growth areas, in locations close to transportation links where Annehem has properties, have been carefully selected to attract long-term tenants.

Stockholm

The properties in the Stockholm region are located in Ulriksdal in Solna Municipality, and Almnäs in Södertälje Municipality. Annehem owns three properties in Ulriksdal that consist primarily of office premises, gyms and parking lots. The property in Almnäs is a logistic building.

Solna

Ulriksdal is an expanding district with good transport links, and is characterised by an attractive environment close to both green spaces and to the city of Stockholm. There are offices, residential homes, gyms, shops, a preschool and restaurants. Over the next few years, the area is expected to have about 15,000 workplaces and approximately 2,500 residential homes.

Annehem has also signed non-binding letters of intent with Peab regarding the acquisition, on market terms, of three additional properties in Ulriksdal (see the growth plan on page 26 for more information).

Södertälje

Almnäs is a logistics hub between Södertälje and Nykvarn. The strategic location next to the E20 and E4 motorways promote good, sustainable business for logistics operations.

Property value
by geography



Sweden Region

- Stockholm, 1,658.9 million
- Skåne, 1,687.8 million
- Gothenburg, 186.0 million

Rental value
by geography



Sweden Region

- Stockholm, SEK 85.6 million
- Skåne, SEK 137.8 million
- Gothenburg, SEK 15.1 million

Stockholm Solna



Sadelplatsen 3

Ulriksdal Center was completed in 2019 and comprises modern office space across nine floors and a lunch restaurant on the ground floor. The office premises offer open, flexible floorplans with a high standard for technical systems and surface finishes. Sadelplatsen 3 has been fully let.



Sadelplatsen 4

The property was completed in 2020 and mainly comprises a multi-storey car park with seven levels and space for 475 vehicles, of which 33 have charging for electric vehicles. The upper sections of the building consist of three floors of modern premises with one gym and the remainder office space. The site premises spaces have been fully let, but the multi-storey car park has spaces available to let.



Ledvolten 1

Approximately 90 percent of the property is leased to a medtech company. The building mainly comprises office premises but also laboratories and custom-made areas, known as clean-rooms, for the tenant's operations. Ledvolten 1 has been fully let.



Södertälje



Almnäs 5:28

Almnäs is a logistics property near Södertälje with good transport links. The property was completed in 2022 and is fully let to a logistics company. The property also includes development rights of about 2,000 sqm.



Our properties

Skåne

The properties in the Skåne region are located in Malmö, Ängelholm and Helsingborg. Annehem owns four properties in Malmö that comprise primarily offices and residential homes. In Ängelholm and Helsingborg, the property portfolio consists of the two business parks and an office property. The proximity between the properties creates conditions for coherent and efficient property management.

Malmö

Malmö is an expanding metropolis with a good rate of population growth. The city's geographic placement close to Copenhagen attracts strong national and international tenants. Annehem's property portfolio in Malmö is concentrated in three districts: Hyllie, Johanneslust and Husie.

Annehem has signed a non-binding letter of intent regarding the acquisition of an additional three properties on market terms in the rapidly growing business district of Hyllie, where Annehem currently has two office properties (see growth plan on page 26 for more information).

Ängelholm and Helsingborg

The Valhall Park and Ljungbyhed Park business parks consist of 13 properties in total. Under Annehem's management, the parks have developed well, and today Valhall Park is a broad business park for training activities, companies and recreation while Ljungbyhed Park is a cluster for training, research and development on the ground and in the air. In these parks, Annehem offers a unique infrastructure for operations with specific requirements, such as the important work by Lund University's Faculty of Engineering to electrify aircraft in Ljungbyhed Park.

Annehem owns approximately 5,900 thousand sqm of land adjacent to the existing buildings in the park. The company believes that the potential for development for this land going forward is good, given that it is situated in a strategically good location. At the same time, there are good opportunities for further development of existing operations at these sites.

The property in Helsingborg is located in the northern part of the city, and comprises office premises and a gym.

Gothenburg

The property in the Gothenburg region is located in the Partille district.

Partille

Partille Port is an entirely new district in Partille that is being constructed adjacent to Partille Arena. A total of approximately 1,000 residential homes, a swim centre and retail properties will be constructed up through 2027.

In March 2024 Annehem will take possession of a new residential property in the Partille Port district that is located immediately adjacent to the existing portfolio. The property, which is Nordic Swan ecolabelled, comprises 90 apartments and 70 sqm of associated premises.

Skåne Malmö



The Corner

The property has a lettable area of 7,432 sqm and is located next to the City Tunnel (Citytunneln) underground station in the rapidly growing Hyllie business

district in Malmö. The property has been fully let, with three-year rental guarantees for vacant spaces starting from 1 January 2024.



Carl Florman 1

The property is located in the Johanneslust district in eastern Malmö, which is undergoing robust expansion. The residential property comprises two Nordic

Swan ecolabelled buildings of 60 apartments, which are fully let to tenants.

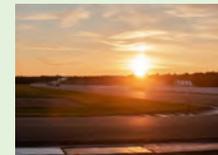
Ängelholm and Helsingborg



Jupiter 11

The property is situated in Helsingborg. It was completed in the spring of 2021 and comprises office premises and a gym, divided between two buildings.

Approximately 633 sqm is currently vacant but the property is covered by a rental guarantee for 36 months that expires in May 2024.



Ljungbyhed Park

Ljungbyhed Park is a business park and campus in Klippan Municipality in north-western Skåne. The park is currently a cluster for training, research and

development on the ground and in the air. The business park encompasses a total area of 73,234 sqm with a mix of offices, logistics, light industry, educational facilities and a broad range of activities.



Stenekullen 2

The property is located in Hyllie, just south of Malmö close to the E20 motorway. It was completed in 2020 and is the first of a planned collection of five buildings. At present, 1,492 sqm is vacant.



Kamaxeln 2

The building comprises 950 sqm of office and warehouse space across two floors just east of Malmö near to the E6 motorway. It was completed in 2001 and includes an associated site area of 2,901 sqm. The property has been fully let.



Valhall Park

Valhall Park is a broad business park for training operations, companies and recreation located in Ängelholm. The park has good transport links and is close to the E6 motorway, rail and air

services. The area offers flexible office premises and service facilities such as hotel and conference facilities, educational facilities, gyms and a padel centre with a total area of 52,000 sqm.

Gothenburg Partille



Partille Port

The property is located in the Partille Arena area and mainly comprises retail space but also includes a gym and restaurants. The building was completed in 2019 and is rented to

businesses including a supermarket, a gym, a pharmacy and restaurants, and the occupancy rate is good.



Our properties

Rest Of Nordics Region comprises Finland and Norway. The portfolio in Oslo was divested during the year, and the current portfolio comprises two office properties in Helsinki.

Helsinki

Annehem's property portfolio in Helsinki is concentrated in Sockenbacka, a growing office and industrial area approximately 6 kilometres outside central Helsinki with good transport links. In this area, Annehem owns Ultimes I&II, two modern, high-quality office properties with a high sustainability profile. The property is let to 95 percent. An associated multi-storey car park with 475 spaces is located in a separate property.

To further strengthen Annehem's presence in Helsinki, the company has signed a non-binding letter of intent with Peab regarding the acquisition, on market terms, of three additional properties adjacent to the existing portfolio in Helsinki (see growth plan on page 26 for more information).

Oslo

Annehem expanded to Norway at the end of 2020 when it acquired and took possession of a retail property in Grünerløkka in central Oslo. The property was divested to the existing tenant in 2023, in line with the carrying amount. The divestment follows Annehem's strategy of focusing on offices, residential homes, community service properties and logistics. Going forward, Oslo remains an important market for Annehem.

Property value by geography



Rest Of Nordics Region
■ Helsinki, SEK 879.9 million

Rental value by geography



Rest Of Nordics Region
■ Helsinki, SEK 77.1 million

Finland

Helsinki

Ultimes I&II

The area is an office and industrial park approximately 7 kilometres outside Helsinki's inner city. Here, Annehem owns two modern, high-quality office properties with a high sustainability profile. Ultimes I&II is located where the district begins, next to a major roundabout where the municipality is planning a health centre. Outside the property, a rapid-transit tram has been operating since the autumn of 2023, which has further improved the transport links. Moreover, the properties are LEED Platinum certified and meet the requirements for energy class B. As of 31 December 2023, 1,191 sqm is vacant. An associated multi-storey parking garage with 475 spaces is located adjacent to the properties.





Overview of properties with acquisition agreements

Property region	Taken into possession	Agreed underlying property value, SEK million	No. of properties	Lettable area, sqm	Rental value, SEK million ¹	Contracted economic occupancy rate, %	Average weighted remaining contract period
Sweden Region							
- Sundsvall	2024/2025	28 ²	1	N/A	N/A	N/A	N/A
- Gothenburg	Q1 2024	250	1	4,962	11.6	N/A	N/A
Total acquired but not taken into possession		278	2	4,962	11.6	0	0

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

² Pertains only to land purchase

Overview of properties with letter of intent

Property region	Taken into possession	Estimated underlying property value on completion, SEK million ¹	No. of properties	Lettable area, sqm	Rental value, SEK million
Sweden Region					
- Stockholm	After 2025	2,700	3	40,000	115
- Malmö	After 2025	900	4	20,000	51
Rest Of Nordics Region					
- Helsinki	After 2025	1,300	3	26,000	79
Total properties with letter of intent		4,900	10	86,000	245

¹ The letters of intent with Peab are not binding for either party. The property value is based on Annehem's assessment of the underlying property value for the respective properties, which was conducted in conjunction with the company signing letters of intent in October 2020.

Our growth plan

We are a property company with a portfolio that comprises primarily office properties complemented with selected properties in the segments of logistics properties, community service properties, and residential homes. Annehem is to grow profitably and sustainably, with a focus on sustainable properties in the growth areas where we operate.

Growth going forward

Annehem's ambition is to increase income from property management by 20 percent annually and reach SEK 8 billion in property value by 2027. We are actively engaged in increasing our property portfolio value, both through value-generating investments in our portfolio and through acquisition of new properties in accordance with Annehem's investment criteria and strategy. The growth plan is supported by long-term relationships with new and existing tenants.

All acquisitions have high sustainability requirements and must be situated in attractive Nordic growth areas. The majority of Annehem's property portfolio currently comprises office properties, but going forward the ambition is for an increasing and select share of the portfolio to also comprise other property types, such as logistics, community service properties and residential homes.

Properties with acquisition agreements

Logistics

Annehem and Peab have formed a joint venture that has agreed to acquire 58,000 sqm of undeveloped land in corporate wrappers from Sundsvalls Logistik Park, a municipal company. The property will be taken into possession once agreements have been signed with tenants and construction permits are obtained. The intention is that Annehem will acquire 100 percent of the property when completed.

Residential homes

In conjunction with its listing in 2020, Annehem signed an agreement on the acquisition of two residential properties

from Peab. Carl Florman 1 in Malmö was taken into possession on 19 January 2023. The other residential property of 90 apartments with 4,892 sqm of living space in the Partille district of Gothenburg will be taken into possession in March 2024. Both of the properties are located in expanding areas and offer high-quality Nordic Swan-ecolabelled rental housing.

Properties with letter of intent Offices

Ahead of Annehem's listing, a letter of intent was prepared with Peab relating to a number of properties in Peab's project portfolio earmarked for development. The development rights are located in close proximity to the existing portfolio and the properties would therefore both strengthen the geographic position and enable more efficient property management, which would contribute to economies of scale. The properties would be suited to the company's growth strategy. Peab is planning to complete these properties, which are expected to mainly comprise offices for both the private and public sector (direct or indirectly tax-funded operations), after 2025.

The properties with letter of intent will total 86,000 sqm and Annehem has assigned them an estimated underlying property value, on completion, of approximately SEK 4,900 million. Annehem has signed letters of intent regarding acquisitions of the properties on market terms. These are non-binding, however, which means Annehem is not bound to acquire, and Peab is not bound to sell, any of the properties.



Tenants & property management

Annhem

Annhem strives to increase the value of its existing portfolio through sustainable, long-term property management and development. With the company's property management model and close relationships with its tenants, Annhem improves property performance throughout the portfolio and facilitates a sustainable transition for tenants.



Our tenants

Annehem strives to build long-term relationships with its tenants. This is reflected in both satisfied customers and long-term contract periods. Good long-term relationships increase our knowledge of our tenants' needs, such as continued efforts at improving the properties' sustainability performance and insights into how we can help tenants themselves to act sustainably.

Annehem has several long-term, stable tenants who pursue both commercial and public operations. Our tenants' satisfaction is important to us, and is measured annually for continued improvement. In 2023, we had a CSI of 74 on a scale of 1 to 100.

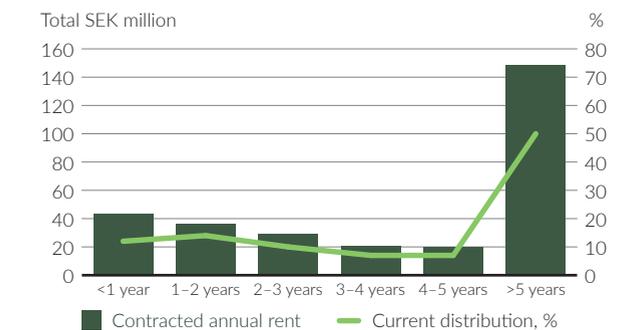
Peab is Annehem's largest tenant and accounted for 33 percent of the rental value on 31 December

2023. The average weighted remaining contract period on these contracts amounted to 5.7 years. The ten largest tenants comprise 61 percent of the rental value. The average weighted remaining contract period on 31 December 2023 amounted to 5.0 years for the ten largest tenants in terms of rental value and 4.2 years in total.

Overview of the ten largest tenants on 31 December 2023

Tenant	Rental value, SEK million	%-share	No. of leases
Peab	105,693,571	33%	29
ISS Finland	16,923,801	5%	10
Ängelholm's Municipality	14,219,390	5%	10
Carmeda AB	13,578,749	4%	1
Actic Sverige AB	9,704,843	3%	1
Coop Väst AB	8,701,754	3%	1
The Swedish Migration Agency	6,054,810	2%	4
Rudus OY	5,950,040	2%	3
Klippan's Municipality	5,869,334	2%	8
Post Nord	5,582,661	2%	1
Total	192,278,953	61%	68
Total	315,578,119		357

Annehem's lease maturity structure at 31 December 2023





Focus on sustainable property management & development

Annehem strives to increase the value of its existing portfolio through sustainable, long-term management and development. We create value for tenants, municipalities and our investors and financiers through synergies and best practices in property management. Our sustainable management model consists of seven parts, which we apply in our internal processes and safeguard in our external partnerships.

1. We create a sustainable property portfolio
The purpose of our management model is to create a measurable high sustainability performance across the entire property portfolio. The target is a 90 percent environmentally certified and Taxonomy-aligned property portfolio that uses green financing. As a property management company, we believe we can generate values and we strive to achieve long-term and stable change. This include work with climate change adaptation and energy investments.

Achieved in 2023
At the end of 2023, 82 percent (76) of the property portfolio was environmentally certified, 75 percent (81) was Taxonomy-aligned, and the share of green financing amounted to 87 percent (86).

2. We optimise energy consumption in our properties
Energy optimisation helps to reduce CO₂e emissions and increase net operating income while enabling green financing.

We supply parts of our portfolio with self-generated renewable energy.

Achieved in 2023
During the year, we engaged in energy optimisation of the entire portfolio, and in 2023 Partille Port's energy declaration was reclassified from energy class B from its previous rating of C. At the same time, we increased our share of self-generated renewable energy from our solar panels from 0.4 kWh/sqm to 0.8 kWh/sqm. The increase is attributable in part to a natural upturn in the existing portfolio, and in part to putting solar panels into operation at Carl Florman. Our involvement in the #HusFörHus initiative, where together with our largest tenant, we lowered the temperature in one of our office buildings by 1°C in mid-December 2022, resulting in 2.5-percent reduction in energy consumption between January and April 2023 (normal year-corrected).

3. We help our tenants to be sustainable
Annehem works together with our tenants to reduce environmental impact. We seek a dialogue to measure and reduce tenants' energy consumption and water use, and encourage waste recycling, where we see ourselves as an enabler. The collaboration is formalised through green leases.

Achieved in 2023
The number of green leases in 2023 increased from 27 percent in 2022 to 35 percent in 2023. These leases are important to us in our long-term sustainability activities together with our tenants, and we are proud of each new green lease that we sign.

4. We take responsibility
We act in a sustainable, environmentally aware and ethical manner, which we take responsibility for through

annual training. We make demands on our strategic suppliers and strive to develop our processes to make it easy to make the right choices. We measure and reduce our direct CO₂e emissions and the emissions we generate as part of our property management activities when we redevelop and maintain our properties.

Achieved in 2023
Our responsibility extends both internally and externally. In 2023, all employees underwent brief online training in information security to become informed and trained in such subjects as phishing* and other IT risks. Our largest supplier responded to a joint survey to continue building and securing our relationship, and how we work sustainably together. The LONA project – Ljung-bee-hed in Ljungbyhed Park, which is being conducted by the Ljungbyhed golf club in partnership with Klippan Municipality and Annehem – created areas of bare sand and meadows, and conducted controlled burning and removed vegetation to benefit pollinating insects.

5. We create satisfied tenants and long-term relationships
Satisfied tenants who stay for a long time are sustainable for the environment, the tenant and Annehem. This allows us to deepen relations and work together to find long-term, sustainable solutions in everyday operations. We also avoid unnecessary tenant-specific modifications, which often entail a significant climate burden, through long-term relationships.

Achieved in 2023
Satisfied tenants stay longer, such as our tenant Saab, who during the year extended its lease in Ljungbyhed Park for an additional ten years. In conjunction with the lease extension, the property is being modernised with a particular focus on energy optimisation. Our long-term partnership with

Ängelholm Municipality in Valhall Park gave an older building new life through modernisation and adaptation into a new municipal preschool.

6. We care about each other
Our employees are a prerequisite for our sustainable management model. We strive to be professional, committed and long-term enablers. In order to succeed, we must create a workplace where we are satisfied, healthy and that includes everyone.

Achieved in 2023
In 2023, all employees of Annehem gathered together on two occasions to create engagement, to socialise and discuss successes and challenges in the operations – and individually as well. Our ESI remains high at 81, which also returned a high result of 98 in feelings of inclusion. We encourage training and the use of physical fitness subsidies, and we are satisfied with our high attendance rate of 99 percent.

7. We use technology in the right way
As a property management company, we are good at using technology in the right way to create efficiencies and sustainability. We make deliberate choices when we use modern digital solutions and existing proven technology in our properties. In particular, we ensure that the technology we use is correctly calibrated.

Achieved in 2023
As a stage in developing and enhancing the efficiency of our sustainability activities, we initiated the implementation of a new sustainability system in late 2023. We set out long-range sensors for the purpose of digitally monitoring and enhancing the efficiency of some 30 buildings in Ljungbyhed Park. Our long-term goal is to improve our sustainability data and the reporting of this information.

*Phishing is a common method for scammers to access passwords, or bank and credit card information.



Property management in practice

Through its management and by adding value, Annehem aims to create a sustainable property portfolio that is distinguished by a systematic and long-term approach.

Long-term efforts in both parts of the portfolio

Our property management philosophy is based idea that all properties can transition sustainably. We apply our management model to all properties, regardless of property type and sustainability performance.

Our modern properties have a high sustainability performance, while our older properties in the business parks have high sustainability potential. Common to both is that we meet the needs in both the modern and the older properties through various property management and value-adding initiatives. We work to increase the value of the entire portfolio, where we are gradually adding value to facilitate a green transition.

Annehem is engaged with energy efficiency, optimisation and self-generated energy. Since 2021, energy intensity has fallen 5 percent. We are measuring our alignment of our entire portfolio with the EU Taxonomy for green investments. Since the limit values in the Taxonomy will be raised, and other legal requirements such as the CSRD will become applicable for Annehem, long-term sustainability initiatives will be required where Annehem as a property management company is a strength.

PROPERTY MANAGEMENT IN FOCUS

Modern properties

Our modern properties are thoroughly sustainable and have high technical and energy performance. With good sustainability performance in the modern portfolio, we work continuously to improve our properties. Our systematic and long-term efforts aim to increase sustainability performance and efficiency in order to reduce costs for both tenants and Annehem.

The modern portfolio is managed by Annehem's management organisation in partnership with carefully selected local suppliers. We ensure that our suppliers meet our requirements and work in accordance with our model for sustainable management.

Business parks

Our business parks have a rich history, and served as military wings for most of the 1900s. These sites were developed over time into business parks, with a diversity of companies and operations with many different needs. Many buildings in these parks are essentially older, and have been preserved and modernised through long-term systematic management and value-adding initiatives. When our tenants in these business parks want to grow and change their operations, we ensure that they can do so profitably and sustainably. We re-use, modernise and adapt these buildings to our tenants' growing needs.



We are a committed team

With a strong, clear set of core values and our shared drive and commitment, we are striving towards our vision of becoming the most sustainable property company in the Nordics. We develop the company jointly by always acting professionally and with a long-term perspective, and above all by being a facilitator.

Annhem is a company with ambitious targets for sustainability and growth. One condition for this exciting journey is clear values and “rules of the game” that are firmly embedded. Our Code of Conduct and its policy framework – which comprises not only the Code but also the Sustainability Policy, the Insider Policy and the Information Security Policy – are our ethical compass. Our policies are reviewed, updated and approved annually by the Board of Directors.

In addition to our policies, we always strive to maintain an open business climate and a high level of business ethics. To strengthen this, we have an external whistleblower function – an anonymous channel to raise an alarm concerning anything that is not in line with our values or ethical principles, or could seriously impact our organisation or the lives and health of people.

Our employees are driven and ambitious, and support one another with the goal of together doing what is best for the company, our tenants and partners. Our personnel handbook lays the ground for what is expected of both the employer and employees. We put great value on well-being and satisfaction, which we monitor annually through our employee satisfaction index (ESI) with a result of 81 (on a scale of 1 to 100) for

2023. We care about our employees’ balance between work and private life, which is something we support through both physical fitness subsidies and regular performance reviews. We also regard our high attendance rate – 99 percent – as something positive.

Our ESI assessment shows that we feel included at work based on such factors as gender, age, sexual orientation and identity. This is also reflected in our ranking in the Allbright Foundation’s annual review of Sweden’s most equitable listed companies, where we ranked 11th in 2023.

Employees	2023	2022
Average number of employees	15	17
Of whom women	60%	65%

Gender distribution in management

Employees	2023	2022
Parent Company		
Board of Directors	7	8
of whom women	2	2
Other senior executives	4	4
of whom women	3	2





ESI 81

on a scale of 1 to 100*

*According to the CFI employee survey

CSI 74

on a scale of 1 to 100*

*According to CFI Fastighetsbarometern

Ranked 11th

among Sweden's
most gender-equal
listed companies

We place a strong emphasis on creating well-being and inclusion and offer relevant skills development based on each employee's role and ambitions. A welcoming, open leadership is a requirement in Annehem's leadership philosophy. We will practice our values and lead by good example, but above all act in a sensitive manner and encourage everyone to contribute thoughts and ideas.

The operations are more dynamic in a small company like Annehem, and decisions are deeply embedded when everyone feels they are part of making them. To firmly establish this behaviour, we gather all our employees together twice a year for group discussions on challenges, opportunities and how to collaborate in the best way possible.

Our core values guide us through our daily activities and towards our vision, both internally and externally. We always strive to act professionally by being reliable and businesslike. At the same time, we aim to be engaged – meaning committed, sensitive and proactive – and to act as a facilitator since we are helpful and flexible, and devise creative solutions for our tenants and partners. What our core values have in common is the importance of always acting from a long-term perspective: taking responsibility, acting sustainably and creating stability.

Our values

Professional

We are reliable, professional and play on the same team.



Long-term

We take responsibility, act sustainably and create stability.



Committed

We are available, responsive and take proactive initiatives.



Enablers

We are helpful and flexible, and devise creative solutions.





Meeting with employees

Generating value through initiatives both large and small

Nina Osslén coordinates management and development activities in Ljungbyhed Park, and is the first point of contact for tenants in the business park. She generates value through initiatives both large and small.

We aim to develop together with our tenants

“Our property management organisation in the park is a long-term, committed and reliable partner for our tenants. My colleagues and I are dedicated to generating value, whether it is a matter of extensive reconstruction or managing smaller problem reports in the buildings. We aim to grow and develop together with our tenants, meeting their changing needs.”

“Our partnership with our tenant, Saab, who has been operating in Ljungbyhed Park since 1998, illustrates our approach to growing together. Saab’s long-term presence on the site is key to the continued development of the park. Their work today imposes new demands on building performance, and together with them we are adapting the property while we are facilitating a drastic reduction in energy consumption.”



Personal contact is a crucial factor

“My daily activities also include close personal contact, with my goal being to ensure the comfort and well-being of every tenant regardless of their individual needs. For the students who are training in aviation at the Lund University Faculty of Engineering, we strive to create a pleasant atmosphere during the time they are studying by actively engaging with their student union. This way, we ensure a high level of well-being for the students.”

Long-term perspective in our tenant relations

Jörgen Vestberg is a property manager at Annehem, and plays a central role in daily operations and in contacts with the company’s tenants. By being accessible, responsive and proactively taking the initiative, he creates positive long-term relationships with our tenants.

Management from the heart, and being close to tenants

“In my job, I am responsible for safeguarding daily operation in a number of our investment properties in Sweden Region. It is also important to create a personal relationship with the tenants, where confidence and security are key values for maintaining good relationships. We strive to be a company that is close to our tenants, which is made possible through a flat property management organisation where we can efficiently meet our tenants’ needs.”

“We also focus on promoting a positive environment for our tenants’ to work in. As a step in this process, we are proactive and take responsibility for meeting their unique needs. We establish contact well in advance, and act quickly to address any problems that turn up.”



Sustainability – an integrated part of our management process

“As property managers at Annehem, we see it as our responsibility to support our tenants in their efforts to become more sustainable. Their sustainability activities are a crucial and integral part of our property management process, and we are pursuing several initiatives both on our own and in partnership with our tenants. Together, we work continuously on energy-efficiency and energy-saving initiatives. We evaluate the implementation of other energy sources on an ongoing basis to promote more sustainable energy use.”



Corporate governance



Corporate governance in Annehem

Annehem Fastigheter AB is a Swedish public limited company. Corporate governance at Annehem aims to ensure that rights and obligations are distributed between the company's bodies in accordance with applicable laws, regulations and processes. Effective and transparent corporate governance offers the owners an opportunity to assert their interests towards the company's management while clarifying the division of responsibilities between the Board and management and also within the rest of the company. Such a clear and transparent corporate governance results in effective decisions, which enables Annehem to act swiftly when business opportunities arise. The Corporate Governance Report provides an overview of Annehem's corporate governance system and includes the Board's description of internal control and risk reporting relating to financial reporting. Corporate governance in Annehem is based on law, the Articles of Association and Nasdaq Stockholm's Rule Book for Issuers, and applies the Swedish Corporate Governance Code (the "Code") together with the rules and recommendations published by relevant organisations.

Annehem applies and is in compliance with the Code. 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 comply or explain principle).

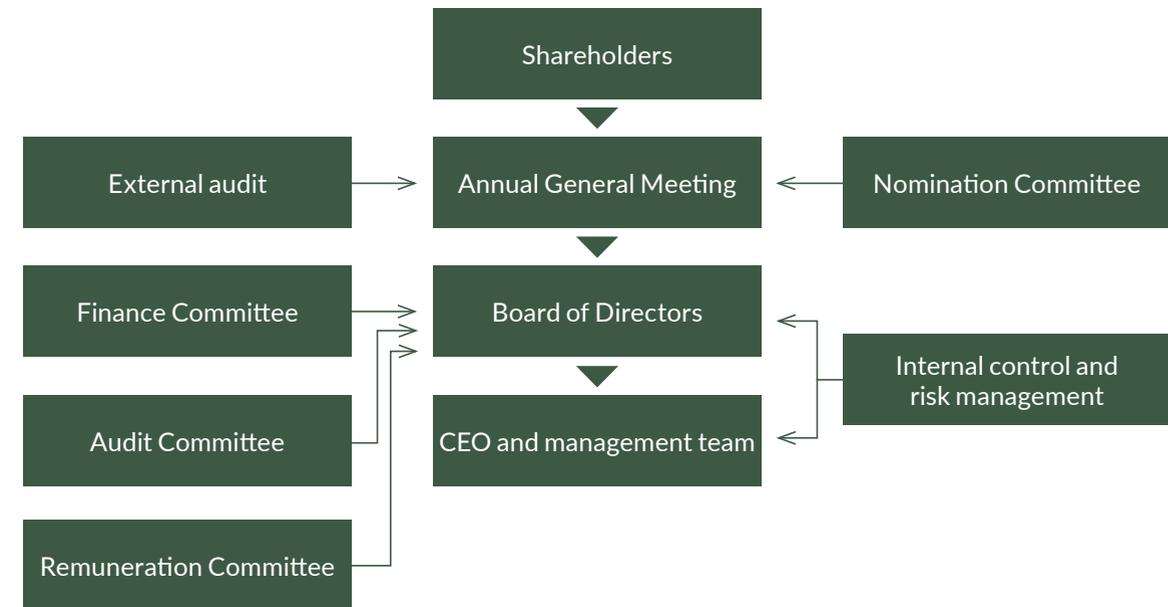
External rules

- Swedish Companies Act
- Nasdaq Stockholm's Rule Book for Issuers
- The Swedish Corporate Governance Code.
- IFRS

Key internal rules

- Articles of Association
- The Board's Rules of Procedure and CEO's instructions
- Signing authority, attestation order and financial handbook
- Policy for information, information security and IR, Insider policy
- Finance, valuation and sustainability policy
- Policy for IT, internal control, risk management, related parties and Annehem's relationship to Peab
- Processes for internal control and risk management etc.

Corporate governance in Annehem





Articles of Association

The registered name of the company is Annehem Fastigheter AB (publ). The company's registered office is in Ängelholm. 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. Changes to the Articles of Association take place in accordance with the provisions of the Swedish Companies Act. The Articles of Association, which also contain information about share capital, number of board members and auditors and provisions regarding the notice and agenda for the Annual General Meeting (AGM), are available in full on annehem.se. Annehem complies with the Code.

THE SHARE AND OWNERS

At year-end, Annehem had 29,030 shareholders. The company has two share classes, Class A shares that entitle the holder to ten votes at shareholders' meetings and Class B shares that entitle the holder to one vote at shareholders' meetings. The company's largest shareholder, Ekhaga Utveckling AB, held 23.9 percent of capital and 49.8 percent of the votes. For further information see page 46, The Annehem share.

SHAREHOLDERS' MEETINGS

General

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 AGM must be held within six months from the end of the financial year. In addition to the AGM, Extraordinary General 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 share 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. Shareholders who wish to contact the Board may do so via ir@annehem.se.

2023 ANNUAL GENERAL MEETING

The 2023 AGM was held on 23 May with shareholders physically in attendance and with the possibility for shareholders to exercise their voting rights through postal voting. The AGM resolved to re-elect Pia Andersson, Karin Ebbinghaus, Jesper Göransson, Anders Hylén, Axel Granlund and Lars Ljungälv as members of the Board and to appoint Henrik Saxborn as Chairman of the Board.

The AGM also resolved to pay Board fees, including remuneration for committee work, of not more than SEK 1,590,000.

The AGM also resolved to authorise the Board to approve a new issue of B shares to an extent that corresponds to

dilution of no more than 10 percent of the number of shares outstanding on the date of the AGM's resolution concerning authorisation, calculated after full exercise of the issue authorisation.

The AGM also resolved to authorise the Board to make a decision on the acquisition of no more than the number of own B shares required so the company's holding at any given time does not exceed 10 percent of all shares in the company. A decision was also taken to authorise the Board to resolve on the transfer of own B shares.

NOMINATION COMMITTEE

The Nomination Committee is tasked with submitting proposals for resolution to the AGM with respect to the chairman of the general meeting, members of the Board, Board fees, election of the auditors and audit fees.

The Extraordinary General Meeting on 6 November 2020 voted to adopt the following instructions for the Nomination Committee, which will apply until resolved otherwise.

Principles for appointing the Nomination Committee

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.

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 AGM, 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 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.

The composition of the Nomination Committee

Prior to Annehem's 2024 AGM, the following shareholder representatives were appointed as members of the Nomination Committee.

Henrik Saxborn, Chairman of the Board; Ulf Liljedahl, representing Volito; Fredrik Paulsson, representing Ekhaga Utveckling; Anders Sundström, representing Mats Paulsson.

BOARD OF DIRECTORS

The Board of Directors is the second-highest decision-making body of the company after the shareholders' meeting. 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.

Moreover, the Board of Directors appoints the company's CEO. According to Annehem's Articles of Association, the members of the Board of Directors shall be not less than three



and not more than nine members with no deputy members. Members of the Board of Directors are appointed each year by the shareholders' meeting for the period until the end of the next AGM.

At the end of 2023, Annehem's Board consisted of seven ordinary members, including the Chairman of the Board, without deputies. Henrik Saxborn, Pia Andersson, Karin Ebbinghaus, Jesper Göransson, Anders Hylén, Lars Ljungälv and Axel Granlund were re-elected at the AGM on 23 May 2023. Henrik Saxborn was elected as new Chairman of the Board. For information about the members of the Board of Directors and their assignments outside the company and shareholdings in Annehem, see page 41. Information about remuneration of members of the Board of Directors as adopted by the 2023 AGM can be found in Note 5, on page 70.

The work of the Board of Directors

Annehem's Board of Directors held twelve meetings in 2023 – of which one was a statutory meeting. According to the applicable rules of procedure, the Board shall hold at least six ordinary meetings each calendar year, of which one statutory meeting. The Board meetings are held in conjunction with the company's reporting, when the annual accounts, the proposed distribution of profit and questions in connection with the AGM are addressed in January, interim reports in April, July and October, strategy in August and the budget for the next year at the meeting in December. At each of the ordinary Board meetings, issues of material importance for the company are addressed, such as investments and any divestments of properties as well as financing. The Board is also informed of the current business situation in the rental and property market and the credit market. Issues concerning work environment, incident reporting and customer-related questions are dealt with on an ongoing basis by the Board. The Board also has meetings with auditors without the presence of management. Routine matters discussed by the Board in 2023 also included company-wide policies, overall strategy plan, the rules of procedure for the Board, capital structure and financing needs, sustainability work, operating model and organisational issues, as well as the company's insurance

situation. The work of the Board in 2023, apart from the aforementioned routine matters, focused on the resulting effects and risks linked to inflation and interest rate increases, such as rising interest expenses, rising electricity prices, lower property values and so forth. The Board also put time into financing linked to acquisition opportunities and activities concerning the company's sustainability issues. In 2023, the Board conducted an assessment of the Board of Directors and committees with the help of an external party.

Audit Committee

Annehem has an Audit Committee consisting of three members: Karin Ebbinghaus, Axel Granlund and Lars Ljungälv, with Lars Ljungälv 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. Additionally, it will keep itself informed of the auditing of the annual report and the consolidated financial statements, as well as review and monitor the impartiality and independence of the auditors. In that connection, it will 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. In 2023, the Audit Committee held five minuted meetings that addressed the aforementioned items.

Finance Committee

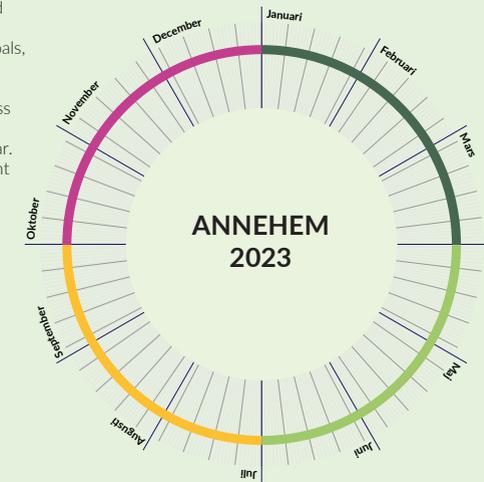
Annehem has an Finance Committee consisting of three members: Pia Andersson, Henrik Saxborn and Jesper Göransson, with Henrik Saxborn as Chairman. The company's CEO presents reports to the Finance Committee. The Finance Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things, oversee work with capital structure and other financing matters and prepare investments/divestments of immovable property ahead of a decision by the Board, as well as ensure that the Finance Policy is kept up to date and complied with. The Finance Committee held eight meetings in 2023.

OCTOBER/NOVEMBER/DECEMBER

- Adoption of nine-month report (which the Board must ensure is reviewed by an auditor).
- Adoption of business plan for 3–5 years, (incl. goals, activities and strategies in the short and medium term).
- Review of the company's operations and business plan.
- Adoption of the budget for the next financial year.
- Review of actual earnings capacity for the current financial year.

JULY/AUGUST/SEPTEMBER

- Strategy meeting.
- Adoption of the half-yearly report.
- Evaluation of internal control.



JANUARY/FEBRUARY/MARCH

- Adoption of annual accounts and approval of year-end report.
- Matters arising out of the shareholders' meeting.
- Evaluation of the company's risks and internal control in accordance with the risk management policy and internal control policy adopted by the Board.
- Evaluation of the need for a special audit function (internal auditor).
- Evaluation of the work of the Board of Directors.
- Evaluation of the CEO and their work and adoption of the terms of employment for the CEO (and, if appointed, the Deputy CEO); no member of the company's management may attend the meeting to evaluate the company's CEO.

APRIL/MAY/JUNE

- Adoption of interim report.
- Resolution regarding Board insurance.
- Evaluation and, where relevant, adoption of a financial policy and other policy documents that must be adopted by the Board.

Remuneration Committee

Annehem has a Remuneration Committee consisting of three members: Henrik Saxborn, Lars Ljungälv and Axel Granlund, with Henrik Saxborn as Chairman. The task of the Remuneration Committee is to prepare decisions and documentation for decisions on issues of remuneration principles, remuneration and other terms of employment for employees, with a focus on salaries and other remuneration to the CEO and Board members. The tasks, working methods and reporting obligations of the Remuneration Committee are regulated in more detail in the rules of procedure for the Remuneration Committee. The Remuneration Committee held one meeting.

Attendance at meetings

Attendance by the members of the Board at Board meetings and Committee meetings in 2023 is shown in the table below.

Name	Function	Joined Board	Board meetings	Finance Committee	Audit Committee	Remuneration Committee
Henrik Saxborn	Member/ Chairman	May 2022	11/12	8/8		1/1
Lars Ljungälv	Member	Aug 2020	10/12		5/5	1/1
Karin Ebbinghaus	Member	Aug 2021	11/12		5/5	
Jesper Göransson	Member	March 2020	12/12	7/8		
Pia Andersson	Member	March 2020	12/12	8/8		
Anders Hylén	Member	March 2020	12/12			
Axel Granlund	Member	May 2021	11/12		2/2	1/1
Göran Grosskopf **	Chairman	March 2020	4/4		3/3	
Total no. of meetings			12	8	5	1

* Henrik Saxborn was elected as Chairman of the Board at the AGM on 23 May 2023; prior to that he was a Board member. ** Göran Grosskopf resigned at the meeting on 23 May 2023.



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.

Remuneration to the members of the Board of Directors, CEO and senior executives

Fees and other remuneration to the members of the Board of Directors, including the Chairman, are resolved by the shareholders' meeting. At the AGM held on 23 May 2023, it was resolved that the annual fee to the Chairman of the Board of Directors should be SEK 450,000 and that the fee to the other members should be SEK 160,000 and for committee work SEK 20,000. The members of the Board of Directors are not entitled to any benefits following termination of their assignments as members of the Board.

Guidelines for remuneration to the CEO and other senior executives

Decisions as to the current remuneration levels and other conditions for employment for the CEO and the other senior executives have been resolved by the Board of Directors. 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. The CEO 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. All senior executives shall receive unchanged salary and other employment benefits during the notice period. Information about remuneration of the CEO is given in the Remuneration Report on page 40.

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, procedures 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 Annhem'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. As Annhem does not have an internal audit unit, external auditors also review the internal control report, 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. The year's assessment showed that the internal control of the company is very good.

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 AGM. 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.

BOARD'S PROPOSAL FOR GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

These guidelines apply to senior executives who together constitute the company's senior executive team. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after the guidelines were adopted by the 2021 AGM.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

The company's strategy is essentially to 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. For further information on the company's business strategy, see page 11 or visit Annhem's web site. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration.

These guidelines enable the company to offer the senior executives a competitive total remuneration. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the shareholders' meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 50 percent of the total fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors. For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension for the CEO shall amount to not more than 35 percent of the fixed annual cash salary. The CEO's retirement age is 67. For other senior executives, the retirement age is 65. Pension benefits should correspond to the ITP plan or be premium based and be capped at 35 percent of the pensionable salary. Variable cash remuneration shall qualify for pension benefits. Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company cars. Such benefits may amount in total to not more than 10 percent of the total fixed annual cash salary.



Termination of employment

Upon termination of an employment by the company, the notice period may not exceed 12 months. Fixed cash salary during the notice period may not exceed an amount corresponding to the fixed cash salary for 12 months. When termination is made by the senior executive, the notice period may not exceed six months.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial, such as net operating income, or non-financial, such as employee satisfaction surveys or customer satisfaction index. They may also be individualised quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including the implementation of its sustainability agenda, by for example being clearly linked to the business strategy or promote the executive's long-term development. After the end of the measurement period for fulfilment of the criteria for payment of variable cash remuneration, the level of criteria fulfilment is to be assessed and confirmed. The Board of Directors is responsible for the evaluation of variable remuneration to the senior executive unless the Board resolves that the CEO shall be responsible for the evaluation of senior executives with the exception of him/herself. For financial targets, the starting point for the evaluation shall be the latest financial information made public by the company.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase in the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to the senior executives and remuneration to other

employees in Annehem Fastigheter AB (publ) will be disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Board shall also monitor and evaluate programmes for variable remuneration for the executive management, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and remuneration levels in the company. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.



Remuneration report

Introduction

This report contains information about remuneration of the CEO paid in 2023. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes (the "Remuneration Rules") issued by the Swedish Stock Market Self-Regulation Committee.

Further information on executive remuneration is available in Note 5 (employees, personnel costs and remuneration to senior executives and members of the Board of Directors) on pages 69–70 of the 2023 Annual Report. The Remuneration Committee's work duties in their entirety and information on the work in 2023 is set out in the Corporate Governance Report available on pages 34–39 of the 2023 Annual Report.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the AGM and disclosed in Note 5 on page 70 of the 2023 Annual Report.

Key developments 2023

The CEO summarises the company's overall performance in their statement on pages 5–7 of the Annual Report.

TOTAL CEO REMUNERATION IN 2023

Executive's name/position, TSEK	Fixed remuneration		Variable remuneration		Extra-ordinary items	Pension costs	Total remuneration	Share fixed/variable remuneration, respectively
	Basic salary ¹⁾	Other benefits ²⁾	One-year	Multi-year				
Monica Fallenius / CEO	2,695	113	1,008	N/A	N/A	832	4,648	78/22
Jörgen Lundgren/ CEO ³⁾	333	N/A	N/A	N/A	N/A	77	410	100/0

¹⁾ Including holiday pay

²⁾ Pertains to vehicle and medical care benefits

³⁾ Pertains to the period from 1 January to 7 February 2023

The company's remuneration structure

The current remuneration guidelines were adopted by the Meeting on 19 May 2021. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. The remuneration to senior executives is on market terms and consists of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration is linked to predetermined and measurable criteria which are financial and non-financial. The criteria are designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

Share-related and share price-related incentive programmes

The company has no share-related or share price-related incentive programmes. The introduction of share-related and share price-related incentive programmes that apply to Board members or senior executives will be resolved by the shareholders' meeting.

Application of performance criteria

The performance criteria for the CEO's variable remuneration have been selected to deliver on the company's strategy and to encourage behaviour that is in the long-term interests of the company. In the selection of performance criteria, the strategic objectives and short-term and long-term business priorities for 2023 have been taken into account. Furthermore, the non-financial performance criteria contribute to adapting to sustainability issues and the company's values.

Performance of the CEO in the reported financial year: variable cash remuneration

Executive's name /position	Description of criteria relating to remuneration component	Relative weighting of performance criteria	a) Measured performance and b) remuneration outcome	
Monica Fallenius, CEO	Income from property management	50%	a) 100%	b) TSEK 672
	Customer satisfaction index	25%	a) 0%	b) TSEK 0
	Sustainability – Energy consumption per m ²	25%	a) 100%	b) TSEK 336

Comparative information on changes in remuneration and company performance

The company's B share was listed on Nasdaq Stockholm on 11 December 2020 and the company's first full financial year was 2020. The financial information presented below therefore pertains solely to the financial years of 2020 up to and including 2023.

Changes in remuneration and company performance over the last three reported financial years

TSEK	2023 ³⁾	2022 ³⁾	2021	2020 ²⁾
Remuneration to the CEO	5,058	7,007	5,230	4,207
Consolidated profit after tax	-200,600	207,300	209,700	71,800
Average remuneration based on number of full-time equivalent ¹⁾ employees in the Parent Company	695	634	591	570

¹⁾ 11 (13) full-time equivalents for 2023, excluding members of the senior executive team

²⁾ Remuneration of the CEO is based on 12 months

³⁾ Twice the cost for the CEO until 7 February 2023



Board of Directors



HENRIK SAXBORN

Born 1964
Chairman of the Board since 23 May 2023; Board member since 2022

Education: M.Sc. in Engineering, Civil Engineering, KTH

Other current positions: Board member of AMF Fastigheter and Seventh Swedish National Pension Fund (AP7); Vice Chairman of PSP Swiss Property AG; Alternate board member of Heloli AB. Vice chairman of the Help Ukraine Gothenburg (HUG) NGO.

Shareholding in the company: Henrik Saxborn holds 22,000 B shares in the company.

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: Yes



PIA ANDERSSON

Born 1961
Board member since 2020

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

Other current positions: CEO of Varvstaden AB, Board member of Ekerum Golf & Resort AB and Medicon Village Fastighets AB; PA consultant for Båstad AB.

Shareholding in the company: Pia Andersson holds 6,135 B shares in the company and Pia Andersson's related parties hold 957,702 A shares and 2,340,376 B shares in the company.

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: No



KARIN EBBINGHAUS

Born 1972
Board member since 2020

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

Other current positions: CEO and alternate board member of Elonroad. Chairman of the Board of Directors of Victor Family Office AB; Board member of Elvågsbolaget i Lund AB, Mallcorene 4 AB and White Paper Advisors Sweden AB. Alternate Board member of Gunilla Sydsjö AB, Lillaröd Holding AB and Wiegert & Wiegert AB.

Shareholding in the company: Karin Ebbinghaus does not currently hold any shares in the company.

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: Yes



AXEL GRANLUND

Born 1983
Board member since 2021

Education: M.Sc. Eng. Industrial Economics Lund Technical University

Other current positions: Chairman of the Board of EkoBalans Fenix AB, Viarp Invest AB and Volito Kapital Aktiebolag. Board member of A Granlund Aktiebolag, Galencia AB, Volito Aktiebolag and YouCruit AB. Alternate board member of Ham-mergran AB.

Shareholding in the company: Holds no shares in Annehem but a legal entity related to Axel Granlund holds 300,000 A shares and 4,600,000 B shares in Annehem via related party.

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: Yes



JESPER GÖRANSSON

Born 1971
Board member since 2020

Education: MSc Economics from Lund University

Other current positions: President and CEO of Peab AB. S

Shareholding in the company: Jesper Göransson holds 437,400 B shares in the company.

Independent in relation to the company and executive management: No

Independent in relation to major shareholders: No



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 Sydpartner AB; Board member of Aktiebolaget Hälsingborgsbostäder, Dockan Exploatering AB and Gaffelseglet Invest AB. Alternate Board member of byggSET i Helsingborg AB.

Shareholding in the company: Anders Hylén does not currently hold any shares in the company.

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: Yes



LARS LJUNGÄLV

Born 1969
Board member since 2020

Education: BSc Economics, Lund University.

Other current positions: CEO and alternate Board member of Bergendahl & Son Aktiebolag. Board member of Byggmax Group AB, Donationsstiftelsen på Lund University, Fotbollsstadion i Malmö Fastighets AB, Ikano Bank AB (publ), Malmö FF and Viva Wine Group AB. Alternate Board member of Fano AB.

Shareholding in the company: Lars Ljungälv holds 15,000 B shares in the company.

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: Yes



Senior executives



CHRISTIN HERTZBERG

Born 1981

Head of Sustainability since August 2023.

Education: Political science, Bachelor's degree in International Relations, University of Plymouth (UK); Master's degree in International Relations, Durham University (UK)

Previous positions: Head of Sustainability, Catella AB; Head of Sustainability, MTG AB

Board assignments: –

Shareholding in the company: –

GUSTAV ERIKSSON

Born 1986

Head of Property Management Sweden since October 2022.

Employed since 2020.

Education: BSc Business administration, Linné University

Previous positions: Head of Property Management Peab Fastighet, Business advisor Swedbank.

Board assignments: –

Shareholding in the company: Gustav Eriksson holds 2,000 B shares in the company

MONICA FALLENIOUS

Born 1972

CEO since August 2022.

Education: Construction engineer, Mid Sweden University in Östersund

Previous positions: Property director at Svenska Handelsfastigheter, Business area manager at Atrium Ljungberg and Property manager at Hemsö.

Board assignments: Board member in the Korsbol Group

Shareholding in the company: Monica Fallenius holds 38,000 B shares in the company.

ADELA COLAKOVIC

Born 1988

CFO since November 2023, prior to that Head of Group accounting since 2020.

Education: BSc Business Administration, Södertörn University

Previous positions: Group accounting manager Ice Group ASA, Group accounting economist Boliden AB, financial controller Cision AB.

Board assignments: –

Shareholding in the company: 1,000 B shares in the company



Financial information

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CFO's comments

Stability in a challenging external environment

2023 passed as a year of uncertainty. Increased inflation and raised interest rate put the property sector in a turbulent position and a new market situation, with many construction and property companies cutting back on their operations. Through active efforts in relation to both our property management and our risks, Annehem demonstrated stability in our underlying property operations.

In November, I stepped into my new role as CFO at Annehem – a role I look forward to shouldering. Working at a company that is a long-term employer – and values its employees – is a privilege. Annehem facilitates talent development, and we have also filled my previous role as head of Group accounting with an internal promotion.

The outcome of our financial targets for full-year 2023 showed our progress, as we achieved both the target for growth in income from property management with 22 percent and an interest-coverage ratio of 2.2 despite Annehem, like other companies, being impacted by runaway upward interest-rate trends during the year. But this also gave us the occasion to engage more actively with investments in our existing portfolio and strategically with Annehem's financing, primarily by fixing interest rates through fixed-interest

derivatives. We focused on finding the opportunities where we could improve the terms and conditions in our interest-rate portfolio. All together, this resulted in an average yield of approximately 4.3 percent, including margins, at year-end.

On 5 March 2024, the outcome of Annehem's rights issue of SEK 300 million was announced, with a subscription rate of 200 percent. This is, naturally, a fantastic outcome and we are gratified that even the market sees the good in our company. The majority of the rights issue outcome was used to finance the acquisition of The Corner, but the remainder will provide us with more opportunities to make value-generating investments in Annehem.

We have important work ahead of us in 2024, with the refinancing of our existing credit

facility that matures at the end of 2025. At the time of writing, the upward trend in interest rates appears to have tapered off, and we are carefully monitoring how the interest-rate path for 2024 will play out as well as the ripple effects it will have in the financial and transaction markets.

As we left 2023, I took a bright view of the possibilities that 2024 could provide given the indications from the Riksbank regarding decreases to interest rates during the year. We hope to move closer to our growth target through good property transactions and to continue adding value to our existing portfolio.

Adela Colakovic
CFO



Financing

Access to capital is a prerequisite for growth and the successful management of properties. Owning properties is a capital-intensive business that means the company is dependent on external loans to develop the property portfolio to continue its expansion. Annehem has a solid platform with a strong balance sheet, low loan-to-value ratio and a guaranteed loan framework of SEK 1.5 billion extending until 17 November 2025. Three additional external loans totalling SEK 556 million, of which SEK 60 million is a current loan, were also raised during the year. The maturity for the new loans are three and four years, respectively. In conjunction with the new acquisition in December, a decision has been made on a new share issue of SEK 300 million.

Financial policy

Annehem’s financial policy aims to clarify its governance, risk limitations, division of responsibility and follow-up and control of financial management. Supported by the policy, the company endeavours to govern and manage its financial risks and ensure the management of risks through effective control.

Debt management

Debt management aims to continuously ensure that the company, through borrowing from banks and in the capital markets, has a stable, well-balanced and cost-efficient management. Relationships with creditors are very important to the company. Annehem strives to be, in every respect, a stable and trusted counterparty by providing information to the creditors that is transparent, correct and easily accessible.

Capital structure at 31 December 2023

Annehem and its subsidiary Annehem Holding 3 AB has entered into a credit agreement with SEB, Nordea and Swedbank. The credit agreement comprises an amount of approximately SEK 1.5 billion divided into two tranches in SEK and EUR. The credit agreement comprises a sum amounting to SEK 983 million and EUR 50 million. At the end of the year, the EUR tranche had been fully drawn and SEK 125 million remained in the SEK tranche. Furthermore, the company also has Handelsbanken as a lender for bilateral loans. The credits from Handelsbanken are green financing in an amount equivalent to SEK 637 million. The credit agreements contain customary undertakings, commitments and financial covenants (including covenants relating to interest-coverage ratio, loan-to-value ratio and equity/assets ratio).

OUR FINANCING TARGETS

Target

≥ 30%

Equity/assets ratio

≤ 60%

Net loan-to-value ratio

≥ 2.2 multiple

Interest-coverage ratio

Outcome in 2023

50%

Equity/assets ratio

43%

Net loan-to-value ratio

2.2 multiple

Interest-coverage ratio



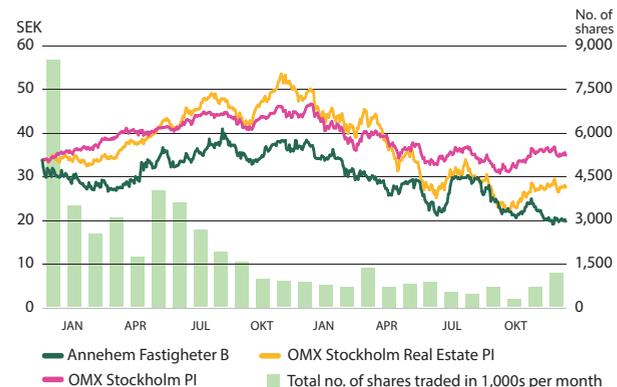
The Annehem share

Annehem Fastigheter's B share has been listed on Nasdaq Stockholm since 11 December 2020 under the ticker ANNE B. Since May 2022, Annehem Fastigheter AB has been a Designation Green Equity company on Nasdaq.

Share price trend and turnover in 2023

On the first day of trading in 2023, 2 January, the Annehem share closed at a price of SEK 20.20 per share. The last price paid on 29 December was SEK 16.96 per share, which compared with the closing price on 2 January corresponded to a decrease of 16.0 percent. The Stockholm Stock Exchange as a whole, OMX Stockholm PI, rose by 13.4 percent in the corresponding period and the OMX Stockholm Real Estate PI increased 13.5 percent during the same period. Between 2 January and 29 December, a total of about 8.8 million shares were traded on Nasdaq Stockholm at a value of SEK 155 million. On average, 35,300 B shares were traded per day. The average turnover rate amounted to 15 percent on Nasdaq Stockholm.

Share price trend 11 December 2020 to 31 December 2023



Shareholders and ownership structure

At 31 December 2023, Annehem Fastigheter had 29,030 shareholders, distributed across Swedish and foreign foundations, institutions and private investors. At year end, the ten largest owners held 58.1 percent of the capital and 78.4 percent of the votes.

Ten largest shareholders, A and B shares, at 31 December 2023

Shareholder	Number of shares	Share of capital, %	Share of votes, %
Ekhaga Utveckling AB ¹	14,087,282	23.9	49.8
Paulsson family	3,470,346	5.9	11.3
Volito AB	4,900,000	8.3	6.3
Verdipapirfondet Odin Eiendom	2,816,432	4.8	2.3
Peab Profit-sharing fund	2,503,800	4.2	2.1
Mats Paulsson Foundations	1,737,214	2.9	1.4
UBS Switzerland AG	258,548	0.4	1.4
Carnegie Foundations	1,706,885	2.9	1.4
PEAB Foundation	1,427,238	2.4	1.2
Alcur Select	1,367,474	2.3	1.1
Total	34,275,219	58.1	78.4
Other shareholders	24,717,329	41.9	21.6
Total	58,992,548	100	100

¹ At 31 December 2023, Ekhaga Utveckling AB was the largest shareholder with 23.9 percent of the capital and 49.8 percent of the votes. At 31 December 2023, Fredrik Paulsson controlled more than 50 percent of the votes in Ekhaga Utveckling AB. In addition, Fredrik Paulsson held 89,191 A shares and 150,960 B shares in Annehem, corresponding to 0.86 percent of the votes in the company. Thus, at 31 December 2023, Fredrik Paulsson controlled 50.6 percent of the votes in Annehem through his direct and indirect holdings.

Data per share	2023	2022
Share price at year end, SEK	17.0	19.8
Lowest closing price, SEK	14.80 ¹	19.18 ¹
Highest closing price, SEK	23.95 ²	36.25 ²
Performance Annehem B since listing, %	-16.0	-46.9
Market capitalisation at year end, SEK million	1,001	1,168
Turnover rate Nasdaq Stockholm, %	15	17
Earnings per share, SEK	-3.40	3.51
Income from property management per share, SEK	1.57	1.53
EPRA NRV per share, SEK	41.2	44.1
Number of outstanding B shares at year end	52,128,557	52,128,557
Total number of shareholders	29,030	31,489

¹ (30 Oct 2023)

² (18 Jan 2023) Source: Bloomberg, Euroclear and Nasdaq

Number of shares and share capital

The number of shares in Annehem at 31 December 2023 was 58,992,548, of which 6,863,991 were A shares and 52,128,557 B shares. Each B share in Annehem entitles the holder to one vote at shareholders' meetings and each A share entitles the holder to ten votes. Each shareholder is entitled to vote for all shares owned or represented by the shareholder. All shares in Annehem carry equal rights to dividends, and assets and any surpluses in the event of liquidation. The rights associated with the shares, 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).

Dividend and dividend policy

The profits shall essentially be reinvested in order to utilise business opportunities and achieve Annehem's growth targets. Read more about the growth targets on page 22 of the Annual Report.

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Coverage by analysts

Analysts who monitored Annehem in 2023: David Flemmich, Nordea Markets
 Information regarding analysts who monitor Annehem can be found on our website via the following link: <https://www.annehem.se/investors/the-annehem-share/analysts>





Risks and risk management

The Group's business operation is exposed to risks that may have an impact on the company's future operations, earnings and financial position. Annehem has a high level of risk awareness in the organisation and through active and preventive work risks are limited and managed.

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. They also include operational risks, legal risks, regulatory risks, risks related to governance, tax risks and financial risks.

The description is based on information available when preparing this Annual Report. 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.

Industry and market-related risks

Annehem'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.

Risk	Description of risk	Management
Annehem is exposed to risks related to macroeconomic factors	Annehem'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 operates in Stockholm, Helsinki, Malmö, Helsingborg/Ängelholm and Gothenburg, which are geographic markets that Annehem considers particularly attractive, based on historical data and forecasts.
War on European soil leads to new security order in neighbouring region	The new security order will require the business community to assist in national contingency planning	Building on existing emergency planning and complying with recommendations from the Swedish Civil Contingencies Agency (MSB) and other government authorities that have a bearing on our operations.
Crises relate to all risks that arise in the external environment that Annehem cannot influence and are difficult to predict	Crises may consist of terrorism, cyberattacks, extreme weather events, environmental disasters and information leaks.	Emergency plans, order of succession for central functions, insurance, continuity plans for IT, clear guidelines for information security and regular training of personnel. Build on knowledge about the impact of climate change on our operations.
Changing needs and demand for premises	The market for commercial, community service and residential properties is continuously changing as needs and demand change. In addition, the coronavirus pandemic has had an impact on social structures and behavioural patterns.	Annehem has flexible, modern and environmentally compatible premises in areas with good transportation links that allow us to meet changing demands from our tenants and the market as a whole.
The coronavirus pandemic leads to changing needs in regard to space	The pandemic leads to new behavioural patterns in terms of travel, consumption and physical meetings at workplaces and in society at large.	Annehem largely owns modern flexible and adaptable premises that enable us to support our tenants and their change initiatives.





Rent revenue and management

Annehem is established in growth regions in Sweden and Finland. The locations are chosen as they have good transport links and are situated in regions that are expanding faster than the country as a whole. Most of the property value comprises high-quality, modern, flexible and environmentally compatible buildings. The properties house a large number of tenants that rent offices and other types of premises. The diversity of geographies, sectors, sizes and categories provides stability.

Risk	Description of risk	Management
Reduced or lost rent revenue	Lower rent revenue as a result of lower rent levels or a drop in the occupancy rate.	Annehem has long contracts with highly reputed and stable tenants. Continuous renegotiations of contracts produces a good spread of maturities. Annehem's portfolio is situated in growing markets and attractive locations.
Bad debt losses	Annehem's risk is that the tenant fails to make payments in accordance with the lease.	Annehem's property managers have a close relationship with the tenants and this allows them to identify any problems at an early stage. When agreeing on a lease, a credit assessment is always made that may be supplemented with collateral in the form of guarantees/deposits or such like.
Significant increase in operating and maintenance costs	Increased costs, for example media costs due to extreme weather or other unforeseen occurrences, that may impact the cost of building management and insurance costs.	Annehem is actively working to keep operating expenses low. Some of these costs are the responsibility of the tenant according to the lease, which reduces exposure for the company.
External managers in Finland	That external managers fail to fulfil their obligations.	Continuous follow-up and close contacts with the external managers.

Acquisitions and investments

Annehem is a growth company and plans to complete additional acquisitions, which is associated with some risk. The same applies to tenant-specific modifications in the form of rebuilding and extensions. Incorrect acquisition and investment decisions represent a risk of increased costs and therefore lower return on capital. There is limited exposure as Annehem mainly acquires properties with a high occupancy rate.

Risk	Description of risk	Management
Acquisitions and divestments	The risks include future rental losses, environmental conditions and technical deficiencies. There is also the risk of tax increases and legal disputes.	Acquisitions are completed in line with the chosen strategy. The risks taken are known and limited. A thorough due diligence is always conducted of the object.
Investments in existing properties and new-building, rebuilding and extensions	Risks in these investments include cost increases, environmental and health and safety risks. That the investment therefore fails to produce the intended return.	Investment decisions are made in accordance with the company's strategic plan and with thorough decision-making documentation. New-building, extensions and rebuilding only take place when contracts are signed with tenants. A signed construction contract, primarily at a fixed price, is required.
Inability to fulfil the company's growth strategy	The risk that the company cannot find suitable objects or obtain financing for the object. Properties cannot be acquired at satisfactory or acceptable return levels.	Properties that are acquired but not taken into possession and properties with letter of intent facilitate Annehem's growth strategy. In respect of other transactions, off-market transactions are prioritised.

Property value

Annehem's properties are valued at fair value every quarter and the unrealised changes in value are recognised through profit or loss. The value is influenced by several other factors: property-specific factors such as occupancy rate, rent level and operating expenses, and market-specific factors such as yield and cost of capital. The market's return requirement is one factor that the company cannot influence. The portfolio's diversification in terms of geography and through different types of properties, choice of tenants and establishment in growth cities, to which we can add the fact that the company has properties in several Nordic countries, reduces the risk of any drastic change in property value.

Risk	Description of risk	Management
Lower market value of properties	Increased vacancies, lower net operating income, higher interest rates and higher return requirements.	Annehem engages actively with each property to minimise vacancies. Ensure that market rents apply in conjunction with renegotiations, and continue to develop properties.



Financing

Property acquisition and management is a capital-intensive business which exposes the company to changes in the credit market, such as interest rates and exchange rates. Access to financing from banks and the capital markets is highly important to the company and changes in interest rates impact the company's cash flow and earnings. Interest rates are mainly affected by the level of the applicable market rates and the creditors' margins. Annehem's financial policy manages the risks below, among others.

Risk	Description of risk	Management
Financing and refinancing risk	Risk that financing cannot be obtained or only at substantially increased costs.	In a long-term perspective, Annehem is dependent on obtaining new loans from creditors. To reduce this risk, the company works with several banks. Annehem has a loan maturity structure of approximately two years.
Interest rate risk	Interest expense is a significant cost item for the company and a change in interest rates has a significant impact on earnings.	In order to limit exposure over time, Annehem will interest-rate hedge at least 70 percent of outstanding credits.
Currency risk	Exposure is currently to EUR and consists of equity, bank balances in EUR and internal loans in EUR.	Part of the risk is managed through borrowing and rental flows in EUR. The company currency hedges at least 80 percent of the remaining exposure.
Covenant risk	The terms of the existing borrowing comprise covenants pertaining to loan-to-value ratio, equity/assets ratio and interest-coverage ratio. If these are not met, the borrowing costs may increase or the loan may be terminated.	Ensure that the covenant requirements can be met by maintaining good margins and closely monitoring operations.
Counterparty risk, banks	Counterparty risk in cash in bank, borrowing and derivatives mainly concerns the company's borrowing with commercial banks and relates to the risk that these may be unable to fulfil their commitments relating to existing and new financing of the company.	Annehem's counterparty risk is managed by not concentrating borrowing to a single bank but spreading it across several banks with a good rating.

Tax

Changes to tax legislation, such as the level of company taxation, limits to tax relief for interest expenses, property tax or other applicable taxes impact the company's earnings. Risk of incorrect interpretation or application of laws and regulations regarding VAT and tax may have an impact on earnings and financial position. Tax also influences calculations and may impact valuation calculations.

Risk	Description of risk	Management
Tax legislation	Changes to tax legislation, such as company taxation, property taxation, tax on property transactions and other applicable taxes.	Annehem has a clear approach that is uncomplicated in terms of tax. Continuous dialogue is maintained with experts in the field in the respective countries.

Sustainability-related risks

Identifying and managing sustainability-related risks are an important element in sustainability work at Annehem. Risks that may influence us could also be very important for our customers and suppliers. Mismanagement of such risk issues could directly damage operations due to the risk in itself, but also indirectly due to an uncertain and potentially negative picture of Annehem as a company. Our risk work aims to identify risks and potential consequences of these risks. Action plans are developed for the risks that are considered most serious.

Work to identify and manage risks is ongoing since conditions for the business change over time. Retaining and motivating our employees is one good example of this ongoing work. Annehem's human and structural capital is one of our most important assets and a healthy organisation with satisfied employees is important for our brand and development. Climate change is not currently considered a material risk for the company in the near future. However, environmental risks are associated with soil pollutants at significant existing and/or acquired properties and may impact the company if remediation is required.

Risk	Description of risk	Management
Environmental risk linked to pollutants	Known pollution or new pollution is more extensive than expected or new pollution is discovered.	A previous property owner is responsible for the known pollution present in Annehem's portfolio. A thorough environmental due diligence is conducted in connection with acquisitions.
Climate change and extreme weather	Annehem's operations and earnings could be affected by climate change, such as higher or lower temperatures and increased precipitation. Weather conditions, such as abnormally high or low temperatures, drought, storms and excessive rain or snow, could lead to substantial wear on the properties in Annehem's portfolio, which may entail significant repair costs.	In conjunction with the acquisition of properties, and on a continuous basis in the existing portfolio, a review is conducted of the dimensions/capacity of surface water management and ventilation/air conditioning systems. In 2022, an in-depth risk and vulnerability assessment was conducted for the entire property portfolio based on known climate scenarios and climate perspectives: temperature, water, wind and soil. This process continued in 2023.
Risk for worsened relations	Stakeholders who do not work in accordance with Annehem's Code of Conduct may have a negative impact on Annehem's reputation and other relationships.	Continuously monitor both new and existing stakeholders to ensure best practices.
Insecure working conditions	Inadequate health and safety procedures could influence security for Annehem's employees.	Continue to follow up sick leave and employee satisfaction as well as the whistleblower function.
Employees	Annehem's operations comprise a relatively small organisation, which involves an increased vulnerability.	We work on the basis of established policies, processes and procedures, making us less vulnerable in the event of any personnel changes.
Bribery and corruption	Risk that an employee acts in manner that is contrary to the company's values or incorrectly abuses their position in the company.	Annehem accepts no forms of threat, bribery or unethical behaviour. Guidelines for this can be found in the company's sustainability policy, which includes a whistleblower function.
Equal opportunities	Discrimination.	Annehem actively opposes discrimination, harassment, sexual harassment and unequal treatment. Guidelines for this can be found in the company's sustainability policy.



IT support

Today's use of new technologies means that matters concerning information and IT security are often highlighted as new risks and threats are identified and must be addressed. Work with IT security is a crucial task, the importance of which is further strengthened with the revision of relevant legislation, such as GDPR, regulatory industry standards, and requirements from the Swedish Financial Supervisory Authority. One important element of IT security is to understand different threat scenarios, address the probability of exposure to damage and to balance the cost of stronger protection against the value of that which is being protected.

Risk	Description of risk	Management
IT and information security	The risk that the company is subjected to a cyber-attack, meaning an electronic attack on information systems, technical infrastructure, computer networks or personal computers. A rise in the use of mobile devices connected to the company's network has created additional entry points for a potential attack. There is a significant risk that a user accidentally or deliberately enables an attack by leaving an access point open or by clicking a malicious link.	The IT function is outsourced to an IT company that is certified in terms of IT and information security. Annehem was careful in tender documents to assess the quality of the services provided and the provider's IT security work. To limit human error, the company makes stringent demands on processes and information security. To verify compliance with these processes, a DLP system has been implemented for monitoring and control.

Reporting and internal control

Annehem's financial statements are to provide a true and fair view of the company's earnings and financial position and comply with applicable laws and accounting rules. A misleading report may result in uncertainty among the company's stakeholders and could potentially have a negative impact on share prices or increase risk premiums. There is a risk that inadequate internal procedures and/or irregularities lead to disruptions or damage operations.

Risk	Description of risk	Management
Misleading reporting	Deliberate or accidental errors in the company's external or internal reporting.	Annehem has a well-functioning internal control. The reporting function consists of competent and experienced personnel who continuously monitor changes to legislation, practice and accounting rules. The company has also introduced a range of different control functions to minimise risks for deficiencies in reporting.





Sustainable value generation

The purpose of our work is sustainable value generation, where we measure impact on the UN Sustainable Development Goals (SDGs) and the business value created. We have chosen to focus on the five SDGs where our business has the largest negative impact, and thus where we have the greatest opportunity to make a difference. We believe the clear link between our sustainability contribution and business value is a prerequisite for achieving long-term, sustainable growth, in line with our vision.



Sustainable cities and communities

Through our operations, we create social value for our surroundings, every day. Around Annhem, there are many different stakeholders who are impacted by how we choose to conduct our operations. Our ultimate contribution is to enable attractive environments for people. The majority of our property portfolio currently comprises office properties that are complemented with selected properties in logistics, community service, and residential homes. With this portfolio, we contribute to a city that is sustainable for people to work and live in.

We actively acquire buildings in locations with good transport links to and from city centres with an opportunity for sustainable transportation. 82 percent of property value is environmentally certified, which is an important foundation to reduce the environmental impact in and surrounding the buildings we own. Our property management works actively to adapt buildings according to climate change, and reduce possible climate-related risks. 85 percent of our property value has undergone a climate and vulnerability assessment. Our two business parks also contribute additional values, such as green spaces, affordable residential homes and meeting places.

Work makes a positive contribution to and reduces negative impact on:

- 11. SUSTAINABLE CITIES AND COMMUNITIES
Make cities and human settlements inclusive, safe, resilient, and sustainable
- 11.6 REDUCE THE ENVIRONMENTAL IMPACTS OF CITIES
- 11.7 PROVIDE ACCESS TO SAFE AND INCLUSIVE GREEN AND PUBLIC SPACES
- 11.5 REDUCE THE ADVERSE EFFECTS OF NATURAL DISASTERS
- 11.1 SAFE AND AFFORDABLE HOUSING
- 11.2 AFFORDABLE AND SUSTAINABLE TRANSPORT SYSTEMS



Reduced climate impact

Annhem's daily operations require the consumption of energy, water, materials and other resources that generate climate emissions, directly and indirectly. These resources are needed to realise the values we create through managing and adding value to our properties. There are however major opportunities for us to influence our climate footprint in each area. In 2022, we laid the foundation for including more categories in how we measure our CO₂e emissions, to align with industry practice and facilitate comparability.

We are continuously striving to reduce our climate impact throughout the value chain, which includes energy optimisation, water-saving measures, green vehicles and recycling. We can see that a measurable reduction in CO₂e emissions helps to reduce future risks, enables green financing and meets the demands of stakeholders.

It is estimated that the climate impact of the new production of buildings is as large as operating the building for 50 years. Combined with rapidly growing societies, increasing populations and unpredictable climatic conditions, it is clear that we have to work sustainably in both the short and the long term. As a consequence of the considerable impact that the property sector has on the climate, we at Annhem have decided that emission from our property management will be net zero by 2030 (Scope 1 and 2).

Work makes a positive contribution to and reduces negative impact on:

- 13. CLIMATE ACTION
Take urgent action to combat climate change and its impacts



Efficient and green energy consumption

Annhem's existing portfolio mainly comprises modern, high-quality properties where 82 percent of the properties have energy class

A or B. The outcome is currently in line with our target to be among the top 15 percent of property companies with the best energy performance in each country. The target is aligned with the EU's green taxonomy for sustainable activities, and requires that we routinely work with and invest in efficiency measures. For energy investments, we strive to reduce the need for primary energy by at least 30 percent (after project completion). Ensuring a high energy performance is directly linked to our potential for green financing.

In daily operations, our target is to reduce property energy (Scope 2) by 3 percent per square metre every year. We purchase 100 percent green electricity.

In our business parks, we have potential to optimise the energy systems in a number of buildings through new technology or by replacing older installations. This work is conducted continuously. We are continuing to study whether it is possible to build a solar farm in one of the business parks, in addition to solar cells on roofs. In 2023, we achieved 0.8 kWh/sqm of self-generated renewable energy.

Work makes a positive contribution to and reduces negative impact on:

- 7. AFFORDABLE AND CLEAN ENERGY
Ensure access to affordable, reliable, sustainable and modern energy for all
- 7.2 INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY
- 7.3 DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY



Reduction in waste

In Sweden, the construction and property sector accounts for 35 percent of all waste. It also consumes a large share of virgin raw materials, more than

50 percent worldwide. The industry also contributes to emissions in other countries through imports of building products. Annehem can increase the service life of properties through proactive maintenance and renovation. This makes a positive contribution by increasing the usefulness of already invested natural resources and a future when new construction declines; on this basis, we expect our position as a property company that manages its properties to become stronger.

When we are part of the construction process or can influence new production or major renovation projects, we strive to make sustainable choices. We include both CO₂e emissions and costs when we compare alternatives. The measurement of emissions from our own projects and renovation initiatives is a new emissions category. In 2023, we increased knowledge and learning, and to strengthen requirements for climate-smart construction, something we will continue with moving forward.

Waste is also created from the activities of tenants in Annehem's properties. As landlord, our goal is to enable the recycling of at least four fractions in all of our properties.

Work makes a positive contribution to and reduces negative impact on:

- 12. RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns
- 12.2 SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES
- 12.5 SUBSTANTIALLY REDUCE WASTE GENERATION



Sustainable economic growth

Annehem creates conditions for a sustainable economy, firstly by offering owners a return on the capital they invest in the business and, secondly, by the properties creating value for our tenants and their businesses. We also contribute to employment and purchasing power through our market presence and we create indirect job opportunities through our subcontractors.

One fundamental condition, which is described in Annehem's sustainability policy, is that operations are aligned with the UN Guiding Principles on Business and Human Rights, the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. This means our growth and profitability must not take place at the expense of others, or through illegal activities such as corruption and bribery or through violating human rights. The risk is greatest in purchasing and we therefore have a target to review all of our strategic suppliers. Other important tools in our work include our personnel handbook, sustainability policy, Code of Conduct and whistleblower function. We also have zero tolerance for all forms of corruption and financial irregularities, such as bribery, illegal commissions, fraud, embezzlement and money laundering. We wish to contribute to optimise the construction and property sector through healthy competition and decent working conditions.

In addition, we are endeavouring to ensure a healthy work environment and secure employment for our employees. An ESI survey is conducted every year by an external party when employees can anonymously rate their relationship to Annehem in a number of categories. The outcome for 2023 was 81.

Work makes a positive contribution to and reduces negative impact on:

- 8. DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- 8.8 PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS
- 8.7 END MODERN SLAVERY, TRAFFICKING, AND CHILD LABOUR
- 8.1 SUSTAINABLE ECONOMIC GROWTH
- 8.4 IMPROVE RESOURCE EFFICIENCY IN CONSUMPTION AND PRODUCTION





Sustainability notes

Annehem’s sustainability work is an integrated part of operations. For the sake of clarity, the following pages present reading references, the climate statement with complete emissions categories and the outcome of the sustainability goals.

A sustainability report has been prepared for the Annehem Fastigheter AB Group and is an integrated part of the annual report. Reporting includes sustainability disclosures to show Annehem’s results, performance and implications of the operations.

The outcome of the sustainability goals also contribute in various ways to the SDGs. Contributions to the five SDGs on which Annehem has a major positive and/or negative impact are presented on pages 51–52. These represent the company’s most material impacts.

Reading references Non-Financial Reporting Directive

Business model		
		pages 11, 12, 14
Environment		
<i>Policy</i>	Policy for sustainability	pages 21, 29
	The management approach and its components	page 29
	Sustainable value generation	pages 51–52
<i>Material risks</i>	Sustainability-related risks	page 49
<i>Performance indicators</i>	Climate statement	page 54
	A sustainable and modern property portfolio	page 21
	Focus on sustainable property management and development	page 29
	Sustainability target	page 55

Social conditions and Personnel		
<i>Policy</i>	Policy for sustainability	pages 21, 29
	The management approach and its components	page 29
	Corporate governance	pages 35–39
	Sustainable value generation	pages 51–52
<i>Material risks</i>	Sustainability-related risks	page 49
<i>Performance indicators</i>	Sustainability target	page 55
	We are a committed team	pages 31–33
	Notes	pages 65–80

Respect for human rights		
<i>Policy</i>	Policy for sustainability	pages 21, 29
	The management approach and its components	page 29
	Corporate governance	pages 35–39
	Sustainable value generation	pages 51–55
<i>Material risks</i>	Sustainability-related risks	page 49
<i>Performance indicators</i>	Sustainability target	page 55

Preventing corruption		
<i>Policy</i>	Policy for sustainability	pages 21, 29
	The management approach and its components	page 29
	Sustainable value generation	pages 51–52
<i>Material risks</i>	Sustainability-related risks	page 49
<i>Performance indicators</i>	Sustainability target	page 55



Climate statement

The climate statement is prepared in accordance with the GHG Protocol and complies with the same reporting policies as in the preceding year. We can confirm continual improvements to reporting procedures and reported data, which also promotes better comparability over time. We have adjusted the Scope 2 and

3 data for 2022 in brackets since the district heating we use in Helsinki, in the Ultimes I&II properties, is climate neutral – meaning it does not have any emissions under the GHG protocol in Scope 2 market-based. It is, however, important to note that reducing the actual consumption of district heating remains crucial; see Scope 2 location-based. Since

Ultimes I&II account for a large share of our district heating consumption, this will have a profound effect. We are proud of the major reduction in CO₂e emissions related to company cars and service vehicles in Scope 1 owing to the switch to HVO 100, which is a renewable and fossil-free diesel fuel. The climate impact from business travel in Scope 3 has decreased,

which is due to better data. We also confirm fewer emissions from capital goods in Scope 3 that may be due to an annual variation in, for example, the number of ongoing and concluded tenant-specific modifications or renovation projects.

Description of emissions		Emission origin	2021* kg CO ₂ e	2022 kg CO ₂ e	2023 kg CO ₂ e	Method	Source of CO ₂ e values
Scope 1			57,768	33,984	17,306		
Own vehicles	Emissions from company cars and service vehicles	Annehem's operations	29,368	23,603	6,354	Actual data	• CO ₂ e values from suppliers
Refrigerant emissions	Emissions in conjunction with refrigerant filling	Building management	28,400	0	784	Actual data	• Refrigerant reports
Direct combustion	Emissions from gas heating in one of the properties	Building management	n/a	10,381	10,168	Actual data	• The Swedish Environmental Protection Agency's standard figures
Scope 2: Market based			625,265	492,863 (119,411)**	117,608		
Annehem's business electricity	Electricity used in Annehem's operations: at the office and in the business parks (street lighting, etc.)	Annehem's operations	n/a	0	0	Actual data and assumptions about distribution	• Actual data (Annehem's electricity contract)
Property electricity	Electricity used to run the properties (pumps, generating units, lifts, lighting). Assumption of 3 percent for a triple net lease	Building management	12,099	0	0	Actual data and assumptions about distribution	• Actual data (Annehem's electricity contract)
District heating to properties	District heating purchased for the entire property	Building management	612,908	492,826 (119,411)**	117,608	Actual data	• Environmental values of district heating
District cooling to properties	District cooling purchased for the entire property	Building management	258	0	0	Actual data	• Environmental values of district heating
Scope 2: Location based			n/a	717,098	774,382		
Annehem's business electricity	Electricity used in Annehem's operations: at the office and in the business parks (street lighting, etc.)	Annehem's operations	n/a	34,109	32,520	Actual data and assumptions about distribution	• SMED – Svenska MiljöEmissionsData
Property electricity	Electricity used to run the properties (pumps, generating units, lifts, lighting). Assumption of 3 percent for a triple net lease	Building management	n/a	190,163	176,583	Actual data and assumptions about distribution	• SMED – Svenska MiljöEmissionsData
District heating to properties	District heating purchased for the entire property	Building management	n/a	492,826	565,279	Actual data	• Environmental values of district heating
District cooling to properties	District cooling purchased for the entire property	Building management	n/a	0	0	Actual data	• Environmental values of district heating
Scope 3:			607,092	2,334,954 (2,346,238)**	1,373,055		
1. Purchased goods and services	Emissions from purchasing of property-related services such as: Upkeep and maintenance, operating and technical consultants	Building management	n/a	4,870	7,003	Spend-based	• Procurement authority
2. Capital goods	Emissions from major investments such as emissions from tenant adaptations, expansion of charging points and own renovation projects.	Investments	n/a	1,211,834	425,473	Spend-based	• Procurement authority
3. Fuel and energy-related activities	Fuel and energy-related activities not covered in Scope 2. Upstream emissions for purchased energy	Building management	n/a	310,366 (321,650)**	287,555	Calculation	• Environmental values of district heating • SMED – Svenska MiljöEmissionsData
6. Business travel	Emissions from business trips. Includes: Air, rail and road travel and hotel accommodation	Annehem's operations	13,507	70,393	19,223	Spend-based	• Procurement authority
13. Leased assets	Emissions from the tenants' electricity consumption	Tenant's operations	593,585	737,491	633,801	Actual consumption for largest tenants	• Tenants' leases (for largest tenants) • SMED – Svenska MiljöEmissionsData

Description of the Scopes included in the GHG Protocol

Scope 1: Emissions from direct combustion (own vehicles and gas) and coolants.

Scope 2: Emissions from property energy and purchased energy for operations.

Scope 3: Indirect emissions such as emissions from purchased goods and services, business travel and electricity consumption by tenants.

* 2021 represents the base year for our net zero 2030 target for Scope 1 and 2.
** Figures updated owing to use of climate-neutral district heating in Ultimes I&II.



Sustainability target



		History	Unit	Long-term target	Target for 2023	Outcome in 2023	Outcome in 2022	Outcome in 2021	Comments	CO ₂ e emissions	Energy	Sustainable cities	Waste and re-use	Sustainable growth	Other SDGs	
1. We create a sustainable property portfolio	Environmentally certified property value	Existing	Share	90%	>76%	82%	76%	85%		Contribution	Major contribution	Contribution	Contribution	Major contribution	Contribution	
	Property value that is aligned with the taxonomy	Existing	Share	90%	85%	75%	81%	85%		Major contribution	Major contribution	Major contribution	Contribution	Contribution	Contribution	
	Green financing	Existing	Share	90%	Measurement	87%	86%	14%		Contribution	Contribution			Contribution		
	Property value with climate and vulnerability analysis	NEW	Share	90%	>82%	85%	82%	-		Major contribution		Major contribution				
2. We optimise energy consumption in our properties	Intensity Property energy	Clarification of definitions	kWh/sqm	3 percent reduction per year	77	81	79	85	Property energy as defined in the National Board of Housing, Building and Planning's construction regulations. Lower Atemp 2023 which can be seen in the outcome.	Major contribution	Major contribution			Major contribution		
	Self-generated renewable energy	Existing	kWh/sqm	3	Measurement	0.8	0.4	0.5		Contribution	Contribution					
3. We help our tenants to be sustainable	Intensity Tenant energy	NEW	KWh	-	Measurement	41	44	-		Major contribution						
	Green leases	Existing	Share of contract value	80%	>30 %	35%	27%	24%		Contribution	Contribution	Contribution	Contribution		Contribution	
	Tenant access to waste recycling	Existing	Share	100%	100%	100%	100%	100%	Provide access to recycling stations with at least four fractions in all properties.				Major contribution			
	Water consumption	Existing	l/sqm	1 percent reduction per year	212	315	214 (237)	185	Includes the tenants' usage. Adjusted in 2022.						Major contribution	
4. We take responsibility	Training in Annehem's sustainability policy (incl. CoC)	NEW	Share of employees	100%	100%	100%	33%	-						Major contribution	Contribution	
	Audit of strategic suppliers	Existing	%	100%	100%	100%	100%	100%						Major contribution	Contribution	
	Biodiversity: Inventoried species in our properties	NEW	number	Draw up an inventory and enable more	Measurement	400	175	-	Measured in inventory of nature value			Contribution			Major contribution	
	Share of fossil-free fuel in service vehicles	NEW	%	100%	>90%	85%	5%	-		Major contribution						
	Proportion of environmentally certified company cars	Existing	%	100%	100%	100%	100%	100%		Major contribution						
5. We create satisfied tenants and long-term relationships	Customer satisfaction index	Existing	index 0-100	Above industry average	>80	74	77	77			Contribution	Contribution		Contribution	Contribution	
	Average contract period	Existing	years	Seek long-term relationships	Measurement	4.2	5.2	6		Contribution	Contribution		Major contribution			
6. We care about each other	Satisfied employees, confidence index	Existing	index 0-100	>70	>70	81	83	73						Major contribution	Contribution	
	Attendance rate	Clarification of definitions	%	>97 %	>97 %	99.3%	97.3%	99.7%						Contribution	Major contribution	
	Gender distribution	Existing	Board (% women men)				29% 71%	25% 75%	29% 71%						Contribution	Major contribution
			Management team (% of women men)	50% ±10	50% ±10	75% 25%	50% 50%	50% 50%								
Employees (% of women men)					60% 40%	65% 35%	56% 44%									
Perceived inclusion	NEW	index 0-100	High level of inclusion	Measurement	98	94	-	In terms of age, religion, disability, gender, sexual orientation and identity					Contribution	Major contribution		



Financial developments and events during the year

The Board of Directors and the CEO of Annhem Fastigheter AB, Corp. ID. No. 559220-9083, with its registered office in Ängelholm, hereby submit their Annual Report for the Group and Parent Company for the 2023 financial year. Annhem Fastigheter AB is also referred to as the company or Parent Company. Annhem Fastigheter AB together with its wholly owned subsidiaries are also referred to as Annhem or the Group. Numeric data in parentheses pertains to the previous financial year.

Operations

Annhem Fastigheter AB (publ) is a growth-driven company. The company will own, develop and manage properties for the long term. Annhem is oriented on commercial office properties, community service properties and residential homes. The selected markets are Helsinki, Stockholm, Malmö, Helsingborg/Ängelholm and Gothenburg. At the present time, the property portfolio mainly comprises modern, environmentally compatible and flexible commercial premises.

Parent Company

The Parent Company Annhem Fastigheter AB (publ) has no direct holding in properties, but these are owned via wholly owned subsidiaries. The Parent Company provides administrative and technical property management and finance services to the subsidiaries and the senior executive team. The company's registered office is in Ängelholm.

Organisation

The number of employees on 31 December 2023 was 15. The organisation includes functions in property management and accounting, as well as the CEO. Functions such as HR, IT, legal and IR are provided by external suppliers. The Group also has external property management organisations for the portfolios in Finland. Annhem's organisation comprises management consisting of the CEO, CFO, Head of Sustainability and Head

of Property Management. For more information on senior executives, refer to Note 5.

Property portfolio

On 31 December 2023, Annhem Fastigheter's portfolio of fully developed properties comprised 26 properties located in Helsinki, Stockholm, Malmö, Helsingborg/Ängelholm and Gothenburg. The properties largely comprise modern, flexible and environmentally compatible office, community service and residential properties. All properties are 100-percent owned by the company. The property portfolio had a fair value of SEK 4,412.7 million (4,309.2) and a total floor area of 202,004 sqm (194,953). The total rental value on an annual basis amounted to SEK 315.6 million (278.8) and occupancy rate to 94.9 percent (95.8).

Earnings trend during the year

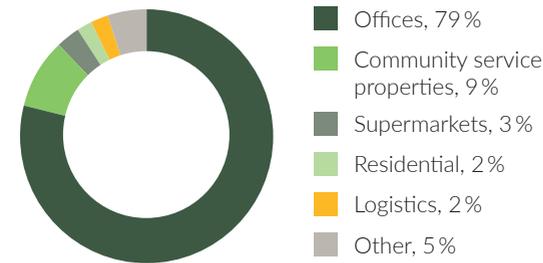
Rent revenue amounted to SEK 247.2 million (217.9), an increase of SEK 29.3 million. This change is attributable primarily to rent increases through indexing and new leases, as well as properties added.

Net operating income rose to SEK 209.7 million (181.3). Property management reported a surplus ratio of 84.8 percent (83.2), which was predominantly due to the increase in rent revenue for the period. Property expenses pertain mainly to operating costs such as heating, water, electricity and property upkeep and totalled SEK -82.4 million (-81.3).

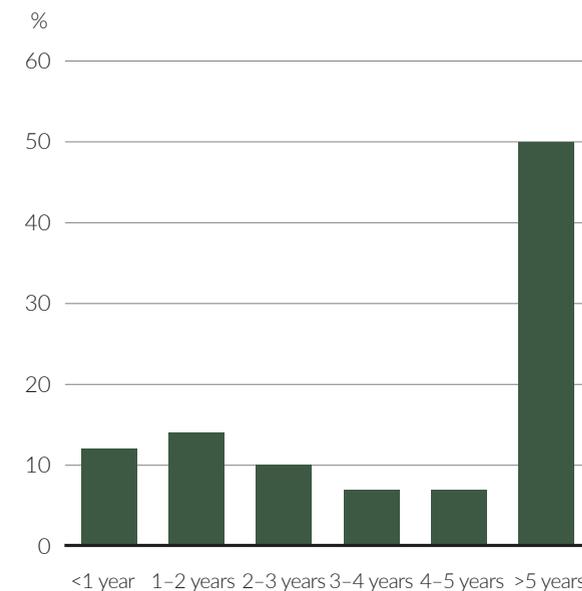
Income from property management amounted to SEK 90.5 million (74.2). The improvement in earnings was due to an increase in rent revenue. Interest expenses increased in 2023 to SEK -129.3 million (-62.5). However, this was offset by income from fixed-interest derivatives of SEK 53.4 million (9.5). Other financial items amounted to SEK -2.2 million (-16.4).

The changes in value for properties totalled SEK -266.0 million (98.0).

Specification of income



Summary of lease terms (percentage of rental value for each year)



Tax effect for the period amounted to SEK 48.5 million (-55.7). The increase in tax revenue is due primarily to impairment of the property portfolio, which gave rise to deferred tax income. Income for the period amounted to SEK -200.6 million (207.3).

Balance sheet

The value of the company's investment properties amounted to SEK 4,412.7 million (4,309.2) on 31 December 2023. During the year, Annhem acquired Carl Florman and The Corner, both in Malmö, at an underlying property value totalling SEK 534.9 million, and divested the Carl Berner Torg property in Oslo at an underlying property value of SEK 252.1 million. The fair value of properties is primarily based on external measurements with a value date of 31 December 2023.

Annhem generally conducts external measurements only once a year, on 30 September, but in conjunction with the ongoing share issue process the company also received external valuation reports on 31 December 2023. During the year, Annhem also invested in existing properties with a value amounting to SEK 95.8 million (32.8) at 31 December 2023. The value of the properties in Finland at 31 December 2023 was negatively impacted by the EUR/SEK rates compared with 31 December 2022, yielding a total effect of SEK -9.1 million (81.2).

The company's equity amounted to SEK 2,302.3 million (2,501.1).

Interest-bearing liabilities totalled SEK 2,036.3 million (1,889.6), of which SEK 1.4 million (1.7) comprised a lease liability attributable to leasehold rights. During the year, Annhem raised additional loans of SEK 345.2 million relating to the acquisition of Carl Florman and The Corner. The loan financing, which primarily comprises interest-hedged bank loans, was secured for another two years. Of the total debt of SEK 2,036.3 million, SEK 1,400 million was extended on the same terms and conditions as previously, plus a discount



received for the green properties in the portfolio. The interest-coverage ratio covenants were lowered in conjunction with the refinancing from 2.0 to 1.7 in 2022.

Cash flow

Cash flow from operating activities amounted to SEK 102.4 million (54.3) for the year. Properties were acquired for SEK 527.9 million (99.8), which pertains to Carl Florman and The Corner in Malmö. Cash flow from investing activities amounted to SEK -383.4 million (-134.1). Cash flow from financing activities amounted to SEK 161.6 million (125.0).

Future developments

The company's overall target is to achieve average annual growth in income from property management of 20 percent over time. The company will grow with profitability while acting sustainably, and will continue to be a commercial property company with its primary property portfolio comprising office properties in attractive locations.

One acquisition was arranged but not taken into possession in 2023. The Partille Port 11:70 residential housing project was taken into possession in the first quarter of 2024.

As an additional step in its growth strategy, Annhem has also entered letters of intent with Peab regarding acquisitions of properties on market terms. When completed, the properties will comprise 86 thousand sqm and Annhem has assigned them a total estimated underlying property value at completion of approximately SEK 4,900 million.

Significant events during the year

- Annhem divested the Carl Berner Torg retail property in Oslo, Norway in the fourth quarter.
- Adela Colakovic took over as new CFO
- Annhem completed 100 new municipal preschool places in Valhall Park
- The Board of Directors gave notice of an Extraordinary General Meeting in January 2024 to resolve on authorising the Board to decide on a rights issue
- Annhem acquired the office property The Corner in Malmö in the fourth quarter
- In December, Annhem joined the European Public Real Estate Association (EPRA)

Proposed distribution of profit

The following amounts are at the disposal of the Annual General Meeting:

Retained earnings	SEK 2,502,854,709
Profit/loss for the year	SEK -200,568,845
Total:	SEK 2,302,285,864

The Board of Directors proposes that earnings be appropriated as follows: To be carried forward SEK 2,302,285,864.

Annhem's dividend policy is to reinvest profits in order to utilise business opportunities and achieve Annhem's growth targets.





Financial statements

Consolidated income statement

SEK million	Note	2023	2022
Rent revenue	3	247.2	217.9
Other property income	3	44.9	44.7
Total income		292.1	262.6
Property expenses	4		
Operating costs		-47.5	-44.2
Maintenance costs		-11.6	-10.2
Property tax		-9.8	-12.6
Property administration		-13.4	-14.3
Net operating income		209.7	181.3
Central administration	4	-36.1	-36.2
Other operating income	4	5.2	7.7
Other operating costs	4	-10.3	-9.3
Interest income	13	53.4	9.5
Interest expenses	13	-129.3	-62.5
Other financial items ¹⁾	13	-2.2	-16.4
Income from property management		90.5	74.2
Changes in value of properties, realised		-11.8	-
Changes in value of properties, unrealised		-266.0	98.0
Changes in value of derivative instruments, unrealised		-61.8	90.9
Profit before tax		-249.1	263.0
Current tax	8	-	-1.0
Deferred tax	8	48.5	-54.7
Net income for the year attributable to the Parent Company's shareholders		-200.6	207.3
Average number of shares, before and after dilution		58,992,548	58,992,548
Earnings per share, before and after dilution, SEK		-3.40	3.51

¹⁾ Other financial items comprise primarily currency effects and realised and unrealised effects of currency futures.

Consolidated statement of profit or loss and other comprehensive income

SEK million	2023	2022
Profit for the year	-200.6	207.3
Other comprehensive income		
<i>Items that have been or may be reclassified to profit for the period</i>		
Change in the fair value of cash flow hedges	-0.7	-1.6
Deferred tax on derivative instruments	0.1	0.3
Translation differences on translation of foreign operations	2.3	19.1
Total other comprehensive income	1.7	17.9
Comprehensive income for the year attributable to Parent Company's shareholders	-198.9	225.1



Consolidated balance sheet

SEK million	Note	31 Dec 2023	31 Dec 2022
Assets			
<i>Fixed assets</i>			
Intangible assets		0.2	0.1
Investment properties	9	4,412.7	4,309.2
Machinery and equipment	10	6.2	5.2
Derivative instruments	13	33.3	104.5
Other fixed assets		1.4	1.3
Total fixed assets		4,453.9	4,420.3
<i>Current assets</i>			
Accounts receivable		3.3	1.9
Accounts receivable, related parties	7	0.2	-
Current receivables	11	34.0	22.9
Derivative instruments	13	0.0	0.9
Cash and cash equivalents	13	119.4	237.9
Total current assets		156.8	263.6
Total assets		4,610.7	4,684.0
Equity and liabilities			
<i>Equity</i>			
Share capital		0.5	0.5
Other contributed capital		1,786.9	1,786.9
Translation reserve		23.3	22.0
Retained earnings including net income for the year		491.6	691.7
Total equity	12	2,302.3	2,501.1

SEK million	Note	31 Dec 2023	31 Dec 2022
Liabilities			
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	13	1,920.1	1,655.6
Derivative instruments	13	3.6	10.4
Other non-current liabilities		1.8	3.2
Deferred tax liabilities	8	157.6	195.6
Pension provisions		1.7	1.6
Total non-current liabilities		2,084.9	1,866.5
<i>Current liabilities</i>			
Current interest-bearing liabilities		116.2	234.0
Derivative instruments	13	-	-
Accounts payable and other liabilities		10.4	19.4
Accounts payable, related parties	7	15.2	2.7
Current tax liabilities		0.6	1.8
Other current liabilities	14	81.2	58.5
Total current liabilities		223.5	316.4
Total liabilities		2,308.4	2,182.9
Total equity and liabilities		4,610.7	4,684.0



Consolidated statement of changes in equity

2022 SEK million	Equity attributable to the Parent Company's shareholders				
	Share capital	Other contributed capital	Reserves	Retained earnings including profit for the year	Total equity
Opening equity, 1 January 2022	0.5	1,786.9	5.0	483.5	2,275.9
Profit for the year	-	-	-	207.3	207.3
Other comprehensive income for the year	-	-	17.8	-	17.9
Comprehensive income for the year	-	-	17.8	207.3	225.2
Closing equity, 31 December 2022	0.5	1,786.9	22.0	691.7	2,501.1

2023 SEK million	Equity attributable to the Parent Company's shareholders				
	Share capital	Other contributed capital	Reserves	Retained earnings including profit for the year	Total equity
Opening equity, 1 January 2023	0.5	1,786.9	22.0	691.7	2,501.1
Profit for the year	-	-	0	-200.6	-200.6
Other comprehensive income for the year	-	-	1.2	0.5	1.7
Comprehensive income for the year	-	-	1.2	-200.1	-198.9
Closing equity, 31 December 2023	0.5	1,786.9	23.3	491.6	2,302.3

Consolidated cash flow statement

SEK million	2023	2022
Income from property management ¹⁾	90.5	74.2
<i>Adjustments for non-cash items</i>		
Depreciation ²⁾	0.9	0.4
Unrealised currency effects	7.6	-16.3
Other items not affecting cash flow	1.9	-4.6
Income tax paid	0	-
	100.8	53.7
<i>Changes in working capital</i>		
Operating receivables	-14.7	-2.1
Operating liabilities	16.3	2.6
Cash flow from operating activities	102.4	54.3
<i>Investing activities</i>		
Investments in existing properties	-95.8	-32.8
Acquisition of investment properties	-527.9	-99.8
Sale of fixed assets	245.0	-
Investments in machinery and equipment	-4.7	-1.5
Cash flow from investing activities	-383.4	-134.1
<i>Financing activities</i>		
Borrowings	345.2	132.9
Repayment of loans	183.6	-7.9
Cash flow from financing activities	161.6	125.0
Cash flow for the period	-119.4	45.2
Cash and cash equivalents at the beginning of the period	237.9	190.2
Exchange rate difference in cash and cash equivalents	0.9	2.5
Cash and cash equivalents at the end of the period	119.4	237.9

¹⁾ Interest received and paid is included in income from property management and corresponds to interest expense and interest income respectively for each period.

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



Parent Company income statement

SEK million	2023	2022
Income	46.1	47.2
Administrative expenses	-40.3	-38.3
Operating profit	5.8	8.9
Profit from financial items		
Profit from participations in Group companies		
Net financial items	94.4	47.2
Profit from financial items	100.2	56.1
Appropriations	-11.8	18.4
Profit before tax	88.3	74.5
Current tax	-	-
Deferred tax	0.5	-6.2
Profit for the year¹⁾	88.9	68.3

¹⁾ Profit/loss for the year corresponds to comprehensive income for the year and therefore only an income statement is presented without a separate report for comprehensive income.



Parent Company balance sheet

SEK million	31 Dec 2023	31 Dec 2022
ASSETS		
Fixed assets		
Intangible assets	0.2	0.1
Machinery and equipment	3.2	1.7
Financial fixed assets		
Participations in Group companies	116.1	18.8
Non-current receivables for Group companies	2,134.0	1,810.9
Derivative instruments	26.3	44.5
Other non-current receivables	1.4	1.3
Total financial fixed assets	2,277.8	1,875.5
Total fixed assets	2,281.2	1,877.2
Current assets		
Current receivables for Group companies	70.4	43.8
Other receivables	7.1	2.9
Derivative instruments	0.0	0.9
Cash and bank balances	27.8	208.4
Total current assets	105.3	255.9
TOTAL ASSETS	2,386.5	2,133.2

SEK million	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	0.5	0.5
Non-restricted equity		
Retained earnings	2,092.2	2,023.9
Profit for the year	88.9	68.3
Total equity	2,181.6	2,092.7
Provisions		
Provisions for pensions and similar obligations	1.7	1.6
Provisions for deferred tax	5.6	7.9
Total provisions	7.4	9.5
Non-current liabilities		
Derivative instruments	0.3	10.4
Total non-current liabilities	0.3	10.4
Current liabilities		
Current interest-bearing liabilities		
Derivative instruments	1.9	-
Liabilities to Group companies, accounts payable	118.8	5.4
Accounts payable	4.3	1.4
Current tax liabilities	-	-
Other current liabilities	72.3	13.8
Total current liabilities	197.3	20.6
TOTAL EQUITY AND LIABILITIES	2,386.5	2,133.2



Parent Company statement of changes in equity

2022 SEK million	Restricted equity	Non-restricted equity		Total equity
	Share capital	Retained earnings	Profit for the year	
Opening equity, 1 January 2022	0.5	2,000.0	30.4	2,024.4
Profit for the year	-	-	68.3	68.3
Closing equity, 31 December 2022	0.5	2,000.0	68.3	2,092.7

2023 SEK million	Restricted equity	Non-restricted equity		Total equity
	Share capital	Retained earnings	Profit for the year	
Opening equity, 1 January 2023	0.5	2,000.0	68.3	2,092.7
Profit for the year	-	-	88.9	88.9
Closing equity, 31 December 2023	0.5	2,000.0	157.2	2,181.6

Profit/loss for the year corresponds to comprehensive income for the year and therefore only an income statement is presented without a separate report for comprehensive income.

Parent Company cash flow statement

SEK million	2023	2022
Profit before tax	88.3	74.5
<i>Adjustments for non-cash items</i>		
Depreciation	0.4	0.4
Unrealised currency effects	10.8	-37.4
Income tax paid	-1.8	-
<i>Changes in working capital</i>		
Operating receivables	-30.8	-23.8
Operating liabilities	77.9	-0.6
Cash flow from operating activities	144.8	13.1
<i>Investing activities</i>		
Granted shareholders' contributions	-	-
Investments in machinery and equipment	-2.1	-1.3
Cash flow from investing activities	-2.1	-1.3
<i>Financing activities</i>		
Changes interest-bearing receivables, Group companies	-323.3	187.9
Cash flow from financing activities	-323.3	187.9
Cash flow for the period	-180.6	199.7
Cash and cash equivalents at the beginning of the period	208.4	8.7
Cash and cash equivalents at the end of the period	27.8	208.4

¹⁾ Interest received and paid is included in income from property management and corresponds to interest expense and interest income respectively for each period.

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



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Notes

NOTE 1 GENERAL INFORMATION AND ACCOUNTING POLICIES

GENERAL INFORMATION

Annehem Fastigheter AB, Corp. ID. No. 559220-9083, is a Swedish public limited liability company with its registered office in Ängelholm. The company's address is Drottning Kristinas Esplanad 2, SE-170 67 Solna, Sweden. The company owns and manages a property portfolio of 26 properties in Sweden, Finland and Norway. The company's share has been listed on Nasdaq Stockholm since 11 December 2020.

The annual accounts and the consolidated financial statements were approved for publication by the Board of Directors and the CEO on 17 April 2023. The consolidated statement of profit or loss and statement of other comprehensive income and the Parent Company income statement and balance sheet will be presented for adoption at the Annual General Meeting to be held on 14 May 2024.

SIGNIFICANT ACCOUNTING POLICIES

Basis for preparing the statements

Compliance with laws and standards

The 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. The accounting policies have been consistently applied to all recognised periods.

The Parent Company applies the same accounting policies as the Group except in cases specified below in the section Parent Company's accounting policies.

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. All amounts are rounded to the nearest million with one decimal point unless otherwise specified.

Changes to accounting policies resulting from new or amended IFRS

Changes have been made to IAS 1 Presentation of Financial Reports that are intended to increase the usability of disclosures of accounting policies applied by encouraging the description of only material policies, and that these descriptions explain how these policies are applied. The description of the accounting policies have therefore been concentrated more to material principles, and focused more on application of these policies. No other new or amended IFRS have had any material impact on the financial statements.

New IFRS that have not yet been applied

New or amended IFRS as approved by IASB with future application are not expected to have any material impact on the company's financial statements.

CONSOLIDATION POLICIES

Asset acquisitions

Transactions in which the fair value of the acquired assets essentially comprises an asset or a group of similar assets are recognised as a single asset acquisition, using a simplified assessment. When acquisitions of subsidiaries entail an acquisition of net assets without significant processes, the cost is allocated to the individual identifiable assets and liabilities based on their fair value on the acquisition date. Fair value initially includes contingent considerations. Transaction

expenses are added to the cost of the acquired net assets in asset acquisitions. Changes in the estimated value on contingent benefits after the acquisition are added to the cost of acquired assets. Deferred tax on temporary differences is not initially recognised. For further information, refer to the section Taxes. Annehem recognises deductions received for deferred tax as unrealised changes in value on the property directly on the date of the acquisition.

Rent revenue and other 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 as well as rental guarantees. 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.

Property expenses

Property expenses comprise both direct and indirect expenses to manage a property and consist of costs for operation, upkeep, leasing, property 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 senior executive 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.

Pensions

The Group holds defined-contribution and defined-benefit pension plans. Only a few employees have defined-benefit ITP plans with regular payments to Alecta. These are recognised as defined-contribution plans since Alecta does not provide the required information, and consequently information is not available to recognise the plan as a defined-benefit plan. The Group also has pension agreements whereby the Group has acquired endowment insurance secured for the benefit of employees through pledges.

Leases – lessee

Annehem 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.



Leasehold rights

The Group has four leasehold rights that meet the definition of a lease. The lease liability is initially measured based on the 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 leasehold rights are 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 leasehold rights at fair value as part of investment properties in accordance with IAS 40.

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. 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 least once every year, all properties are valued by external, independent appraisal institutes. The Group conducts regular internal 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 appraisers 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. 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. 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

Classification and subsequent measurement

Financial assets in Annehem, with the exception of derivative assets, are measured at amortised cost. All financial liabilities in Annehem, with the exception of derivatives, are measured at amortised cost. Derivatives are measured at fair value in profit and loss, unless they are identified as hedging instruments. The revaluation of fair value on fixed-interest derivatives is reported under Changes in value of derivative instruments in the consolidated income statement. Fair value revaluations of currency futures are reported under Net financial items in the consolidated income statement.

Impairment – anticipated credit losses

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 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.

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.

Financial income

Financial income comprises interest income and is recognised in the period in which it arises. Group contributions received and received and anticipated dividends are also recognised in financial income.

Financial expenses

Financial expenses comprise interest expenses, which consist of interest and other expenses linked to financing of the company, as well as lease expenses and ground rents. Costs for taking out mortgage deeds are not regarded as a financial expense but rather capitalised as value-raising property investments. Financial expenses are recognised in the period in which they occur. The interest-rate coupon for fixed-interest derivatives is reported under Net financial items in the consolidated income statement.

Deferred tax

Deferred tax on temporary differences, arising between the carrying amount of an asset or liability and its tax value, is recognised in Annehem in accordance with the balance sheet method. Accordingly, there is a tax liability or tax asset that is realised on the date the asset or liability is divested. Exceptions are made for temporary differences that arise on initial recognition of assets and liabilities in asset acquisitions. Annehem has two items above all where temporary differences exist – properties and untaxed reserves. Deferred tax liabilities are calculated on the difference between the prop-



erties' carrying amount and their tax value, and likewise on untaxed reserves. Changes to the abovementioned items thus change the deferred tax liability/asset, which is recognised in the income statement as deferred tax. This year's acquisitions were recognised as asset acquisitions, which means the deferred tax at the date of acquisition is not included in the balance sheet.

Parent Company accounting policies

The Parent Company prepares its annual accounts in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for legal entities. RFR 2 means that the Parent Company in the annual accounts for a legal entity must apply all EU endorsed IFRS and statements as far as this is possible within the framework of the Annual Accounts Act, the Income Security Act and taking into account the correlation between accounting and taxation. The recommendation states what exemptions and additions should be made to IFRS.

Differences between the accounting policies of the Group and the Parent Company

The differences between the Group's and the Parent Company's accounting policies are stated below. The accounting policies for the Parent Company stated below have been consistently applied in all periods presented in the financial statements of the Parent Company.

Classification and presentation

The income statement and balance sheet for the Parent Company are prepared according to the stipulations of the Annual Accounts while and the statement of profit and other comprehensive income, statement of changes in equity and cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively. The differences between the consolidated financial statements which apply in the Parent Company's income statement and balance sheet mainly comprise recognition of financial

income and expenses, fixed assets, equity and the occurrence of provisions as a separate heading in the balance sheet.

Subsidiaries

Investments in subsidiaries are recognised in the Parent Company according to the cost method. This means that transaction costs are included in the carrying amount for holdings in subsidiaries.

Financial instruments

The Parent Company has chosen to apply IFRS 9 for financial instruments. The Parent Company therefore follows the same principles as the Group for the recognition of financial instruments.

Leased assets

The Parent Company does not apply IFRS 16, in accordance with the exception in RFR 2. As lessee, lease payments are recognised on a straight-line basis as a cost over the lease term and therefore not recognised as right-of-use assets and lease liabilities in the balance sheet.

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 the income statement. 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 occupancy 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 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.

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 2023 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

	Sweden Region		Rest Of Nordics Region		Group staff		Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Rent revenue	178.3	155.3	68.9	62.6	0	-	247.2	217.9
Other property income	27.0	31.6	17.3	13.1	0.6	-	44.9	44.7
Property expenses	-63.7	-66.0	-16.4	-14.3	-2.3	-1.0	-82.4	-81.3
Net operating income	141.6	120.8	69.8	61.5	-1.7	-1.0	209.7	181.3
Central administration	-2.6	-1.1	-1.0	-0.8	-32.5	-34.3	-36.1	-36.2
Other operating income	3.1	7.4	-0.1	0.1	2.2	0.2	5.2	7.7
Other operating costs	-3.3	-4.4	-1.0	-0.8	-5.8	-4.1	-10.3	-9.3
Interest income	5.0	0.2	-	-	48.4	9.3	53.4	9.5
Interest expenses	-15.8	-6.8	-34.6	-13.2	-78.9	-42.5	-129.3	-62.5
Other financial items	-3.3	-4.4	0	3.5	1.1	-15.5	-2.2	-16.4
Income from property management	124.6	111.7	33.1	50.2	-67.2	-87.8	90.5	74.2
Changes in value of properties, realised	-	-	33.5	-	-45.3	-	-11.8	-
Changes in value of properties, unrealised	-177.3	167.4	-88.6	-70.4	-0.1	1.0	-266.0	98.0
Changes in value of derivative instruments, realised	-11.3	18.3	-	-	-50.5	72.6	-61.8	90.9
Profit before tax	-64.0	297.4	-21.9	-20.2	-163.2	-14.2	-249.1	263.0

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: Sweden Region and Rest of Nordics Region (Finland). 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. Rent revenue related to leases for the rental of Annhem Group's investment properties.

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

Information per country, SEK million	Sweden		Finland		Norway	
	2023	2022	2023	2022	2023	2022
External income	205.9	186.9	74.7	61.7	11.5	14.0
Investment properties	3,532.8	3,080.9	879.9	944.3	0	284.0
of which, investments for the year	95.8	129.3	0	-	0	-
Machinery and equipment	7.7	5.2	0	-	0	-
of which, investments for the year	4.0	1.3	0	-	0	-

In 2023, the Group recognised income from a customer (Group) totalling SEK 105.7 million (91.5), of which SEK 25.3 million (21.7) was recognised in Finland and SEK 80.4 million (69.8) in Sweden.

	Segment as of 31 Dec 2023		Segment as of 31 Dec 2022	
	Sweden Region	Rest Of Nordics Region	Capital Region	South Region
Valhall Park	X			X
Ljungbyhed Park	X			X
Kamaxeln 2	X			X
Stenekullen 2	X			X
Jupiter 11	X			X
Ulriksdal Center	X		X	
Sadelplatsen 4	X		X	
Ledvolten	X		X	
Almnäs	X			X
Partille Port	X			X
Johanneslust	X			not taken into possession
The Corner	X			not taken into possession
Carl Berner Torg		divested	X	
Ultimes Business Garden		X	X	

The operating segments have been changed from Capital Region and South Region to Sweden Region and Rest of Nordics Region. The table above shows which properties were included in the former segment divisions, and which segments they are included in as of 1 January 2023.

Previously, the segments were monitored on the basis of South Region, with properties in southern Sweden, and Capital Region, with properties in the Nordic capital cities. As of 1 January 2023, the company's chief operating decision-maker – the CEO – monitors the segments Sweden and Rest of Nordics. The reason behind the change to the geographic

division of the segments as of 1 January 2023 is that there is a demographic link between the properties and the market in Sweden that did not have an equivalent in South Region. Annhem has only a few properties abroad that comprise Rest of Nordics Region. The amended segment division follows internal reporting, and this is how operating profit is regularly reviewed by the company's chief operating decision-maker (the CEO) as a basis for decisions on allocation of resources to the segment and the assessment of its results.



NOTE 4 OPERATING COSTS

Property expenses

Group, SEK million	2023				2022			
	Sweden Region	Rest Of Nordics Region	Group staff	Total	Sweden Region	Rest Of Nordics Region	Group staff	Total
Operating costs	36.8	8.9	1.8	47.5	35.7	8.1	0.4	44.2
Maintenance	9.8	1.8	-	11.6	9.3	0.8	-	10.2
Property tax	5.0	4.3	0.5	9.8	8.8	3.7	-	12.5
Direct property expenses	51.6	15.0	2.3	68.9	53.8	12.6	0.4	66.8
Property administration	12.0	1.4	0.1	13.4	12.1	1.6	0.6	14.3
Total property expenses	63.6	16.3	2.4	82.3	65.9	14.2	1.0	81.3

The main cost items in operating costs pertain to direct property expenses such as electricity, heating, water, cleaning, property upkeep, snow clearance, gardening and property insurance.

Maintenance costs pertain to ongoing maintenance and planned maintenance.

Central administration – per type of cost

Group, SEK million	2023	2022
Personnel costs	24.0	26.8
Audit fees	1.2	0.9
Temporary employees	3.2	0.8
Other external expenses	7.3	7.3
Depreciation	0.4	0.4
Total	36.1	36.2

Other external expenses includes costs for consultant fees and other external services. Depreciation is related to machinery and equipment.

NOTE 5 EMPLOYEES, PERSONNEL COSTS AND REMUNERATION TO SENIOR EXECUTIVES

Number of employees	2023	2022
Average number of employees	15	17
of whom women	60%	65%

All personnel are employed in Sweden through the Parent Company Annehem Fastigheter AB.

Salaries, fees and benefits

In 2023, the Group had 15 (17) employees, all of whom are employed in the Parent Company.

In 2023, the Parent Company had seven (eight) members of the Board, of whom two (two) are women. The Group's total

Gender distribution in management

Number of employees	2023	2022
Parent Company		
Board of Directors	7	8
of whom women	2	2
Other senior executives	4	4
of whom women	3	2
Group, total		
Board of Directors	7	8
of whom women	2	2
Other senior executives	4	4
of whom women	3	2

number of members of the Board amounted to seven (eight), of whom two (two) are women.

Fees are only paid to the Parent Company's Board. On 31 December 2023, the Group had four (four) senior executives, of whom two (two) are women.

TSEK	Salaries and remuneration		Social security costs		Pension costs		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Group	15,266.0	16,540.2	5,929.0	6,688.2	2,761.0	3,549.7	23,956.0	26,778.1

Remuneration of the Board of Directors and senior executives

Principles

The Chairman of the Board and members are paid fees in accordance with the decision of the shareholders' meeting. The CEO receives no Board fees.

Remuneration of the CEO and other senior executives consists of basic salary, variable remuneration, other benefits and pension. Senior executives refers to individuals who during the year were members of the senior executive team.

At the end of the year, the senior executive team comprised four individuals, including the CEO. All members of the senior executive team are employed in Sweden. The balance between basic salary and variable remuneration shall be proportionate to the executive's responsibility and authority. Variable remuneration for the CEO and senior executives may amount to not more than 50 percent of the fixed annual basic salary. Pension benefits and other benefits to the CEO and other senior executives are taken into account when determining fixed and variable remuneration.



Note 5, cont.

Remuneration and other benefits during the year

Specification of remuneration of the Board's members and senior executives.

TSEK	Board fee/basic salary		Variable remuneration		Other benefits		Pension costs	
	2023	2022	2023	2022	2023	2022	2023	2022
Board of Directors								
Göran Grosskopf ¹⁾	185.5	470.0	0	-	0	-	0	-
Jesper Göransson	180.5	180.0	0	-	0	-	0	-
Pia Andersson	180.5	180.0	0	-	0	-	0	-
Anders Hylén	172.6	160.0	0	-	0	-	0	-
Karin Ebbinghaus	180.5	180.0	0	-	0	-	0	-
Lars Ljungälv	180.5	180.0	0	-	0	-	0	-
Axel Granlund	172.6	160.0	0	-	0	-	0	-
Henrik Saxborn	381.2	111.5	0	-	0	-	0	-
Senior executive team								
Jörgen Lundgren, CEO ²⁾	332.9	3,414.0	0	865.0	0	67.0	77.3	908.0
Monica Fallenius, CEO	2,694.8	980.0	1,008.0	491.0	113.0	41.0	832.1	241.0
Other members of the senior executive team	3,122.4	3,431.0	677.6	1,060.0	175.3	205.2	1,744.3	1,347.0

1) Resigned in conjunction with the 2023 AGM; new chairman Henrik Saxborn

2) Jörgen Lundgren collected remuneration until 7 February 2023.

Variable remuneration

Variable remuneration to the CEO in 2023 was weighted 50 percent on the Group's income from property management, 25 percent for kWh per sqm, and 25 percent Customer Satisfaction Index (CSI). Variable remuneration of other members of the senior executive team was based on the same criteria as for the CEO.

Variable remuneration of the CEO in 2022 was weighted 75 percent on the Group's income from property management and

25 percent for kWh per sqm. Variable remuneration of other members of the senior executive team was based on the same criteria as for the CEO.

Pensions

The CEO has a contribution-based pension plan based on ITP with an allocation of 30 percent of 12.2 times the monthly salary, added to which are premiums for ITPK own pension and ITP basic health insurance ("ground plate"). The retirement age for the CEO is 67.

Other members of the management group have an ITP 1 solution. Expected fees in the next reporting period for ITP 2 insurance policies with Alecta are SEK 1.3 million (1.1). The Group's share of the total contributions for the plan, and the Group's share of the total number of active members in the plan, amount to 0.00786 percent and 0.00334 percent, respectively (0.00520 and 0.00353, respectively). At year-end 2023, Alecta's surpluses in the form of the collective consolidation level was 157.0 percent (172.0).

Severance pay

If notice is given by the CEO, the period of notice is six months and if notice is given by the company the period of notice is 12 months. For the other senior executives, the period of notice is six months if the senior executive terminates the employment and nine months if the company terminates the employment. All senior executives shall receive unchanged salary and other employment benefits during the notice period.

Preparation and decision-making process

Information is provided in the Corporate Governance Report. Remuneration of the Board of Directors and senior executives Fees and other remuneration to the members of the Board of Directors, including the Chairman, are resolved by the shareholders' meeting. At the Annual General Meeting held on 23 May 2023, it was resolved that the fee to the Chairman of the Board of Directors should be SEK 470,000 and that the fee to the other members should be SEK 160,000. The members of the Board of Directors are not entitled to any benefits following termination of their assignments as members of the Board. Members of the Board's committees receive SEK 20,000 per year for each committee assignment.

Pensions for other employees

Other employees of Annhem Fastigheter have defined contribution pensions, with no other obligations from the company other than the payment of an annual premium during the period of employment. This means when the employee's employment is terminated at Annhem Fastigheter, he or she is entitled to decide the time during which the earlier defined contribution payments and subsequent returns are taken as pension.

Sick leave

Sick leave for the year was 1.0 percent (2.7). No long-term sick leave was reported during the year.

NOTE 6 AUDIT FEES

Group, SEK million	2023	2022
KPMG		
Audit assignment	1.2	1.1
Audit-related activities in addition to audit assignment	0.4	0.1
Other services	0	0.1
Total	1.6	1.3

Parent Company, SEK million	2023	2022
KPMG		
Audit assignment	1.0	0.9
Audit-related activities in addition to audit assignment	0.4	0.1
Other services	0	0.1
Total	1.4	1.1

NOTE 7 TRANSACTIONS WITH RELATED PARTIES

Parent Company, SEK million	2023	2022
Transactions with subsidiaries		
Income statement		
Management fee	44.6	46.8
Interest income	93.5	45.1
Interest expenses	-	-
Total	138.1	91.9
Balance sheet		
Non-current receivables	2,134.0	1,810.9
Current receivables	20.6	43.8
Total	2,154.6	1,854.7
Current interest-bearing liabilities	118.8	5.4
Accounts payable	-	-
Total	118.8	5.4



Note 7, cont.

Group, SEK million	2023	2022
Transactions with Peab		
Balance sheet		
Accounts receivable	0.2	0.0
Accounts payable	15.2	2.7
Total	15.4	2.7
Dividend, etc.		
Property acquisitions	534.9	103.0
Total	534.9	103.0

Transactions with subsidiaries are priced on market terms. For information about remuneration of senior executives, refer to the Group's Note 5 *Employees, personnel costs and remuneration to senior executives*.

NOTE 8 TAXES

Tax recognised in income statement

SEK million	Group		Parent Company	
	2023	2022	2023	2022
<i>Current tax expenses (-)/tax income (+)</i>				
Current tax	0	-1.0	0	-
<i>Deferred tax expenses (-)/tax income (+)</i>				
Deferred tax pertaining to temporary differences	48.5	-54.7	0.5	-6.2
Total recognised tax expense	48.5	-55.7	0.5	-6.2

Non-current receivables for Group companies pertain to loans to subsidiaries. The loans carry interest at a fixed rate of 4.95 percent throughout 2023. All personnel are employed by Annehem Fastigheter AB, which in turn bills services to its subsidiaries on market terms.

The company is a related party to Peab AB via the largest shareholder in both companies. The shares are held directly and indirectly by Ekhaga Utveckling AB. At 31 December 2023, Fredrik Paulsson controlled more than 50 percent of the votes in Ekhaga Utveckling AB. In addition, Fredrik Paulsson held 0.86 percent of the shares in Annehem on 31 December 2023. Thus, at 31 December 2023, Fredrik Paulsson controlled over 50 percent of the votes in Annehem through his direct and indirect holdings.

Note 8, cont.

Deferred tax liabilities in the balance sheet

SEK million	Group		Parent Company	
	2023	2022	2023	2022
Deferred tax liabilities, net	157.6	195.6	5.6	7.9
Change, net	-38.0	56.5	-2.3	7.9
Specification of change in deferred tax liabilities, net				
Change through income statement	48.5	-54.7	0.5	6.2
Other changes in recognition of deferred tax	0	-2.1	-	-
Translation differences through other comprehensive income	0.1	0.3	-	-
Total net change in deferred tax liabilities	-38.0	56.5	-2.3	7.9

The tax deductible temporary differences do not fall due according to current tax rules. Deferred tax liabilities relate to the fair value of investment properties. 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.

On 31 December 2023, the Group had loss carryforwards of approximately SEK 2.2 million (3.2).

In 2023, the tax rate in Sweden was 20.6 percent.

Reconciliation of effective tax

SEK million	Group		Parent Company	
	2023	2022	2023	2022
Profit before tax	-249.1	263.0	88.3	74.5
Tax in accordance with tax rate for the Parent Company	51.3	-54.2	-18.2	-15.3
Effect of other tax rates for foreign subsidiaries	-0.4	0.0	0	-
Non-deductible expenses	-	0.5	19.3	0.6
Utilisation of loss carryforwards not previously capitalised	-0.7	-2.1	-0.4	-
Other tax adjustments	-1.7	-	-0.2	8.6
Recognised effective tax	48.5	-55.7	0.5	-6.2



NOTE 9 INVESTMENT PROPERTIES

Specification of change for the year, SEK million	2023	2022
Fair value at the beginning of the year	4,309.2	3,994.1
Cost of investment properties, asset acquisition	534.9	103.0
Investments in existing properties	95.8	32.8
Properties divested	-252.1	-
Unrealised changes in value	-266.0	98.0
Currency translations portfolio abroad	-9.1	81.2
Fair value at the end of the year	4,412.7	4,309.2

Specification of change for the year, SEK million	Sweden		Rest Of Nordics	
	2023	2022	2023	2022
Fair value at the beginning of the year	3,080.9	2,777.9	1,228.3	1,216.2
Cost of investment properties, asset acquisition	534.9	103.0	-	-
Investments in existing properties	95.8	28.3	0	4.5
Properties divested	-	-	-252.1	-
Unrealised changes in value	-178.8	171.7	-87.2	-73.7
Currency translations portfolio abroad	-	-	-9.1	81.2
Fair value at the end of the year	3,532.8	3,080.9	879.9	1,228.3
Of which, business parks	739.0	708.1	-	-

Sensitivity analysis - impact on fair value and profit, SEK million	Change	2023	2022
Change in net operating income	+/-5%	+261/-261	+242/-242
Change in direct-return requirement	+/-0.5%	-234/+288	-252/+315
Change in discount interest rate	+/-0.5%	-187/+198	-158/+166
Change in discount interest rate, residual value	+/-0.5%	-187/+198	-158/+166

Calculation assumptions per segment, SEK million	Sweden		Rest Of Nordics		Of which, business parks in South	
	2023	2022	2023	2022	2023	2022
Normalised net operating income	176.0	142.7	57.7	61.8	45.3	42.8
Vacancy rate	1.5-13.3%	1.7-13.2%	2.0-5.0%	2.0-5.0%	5.1-13.3%	5.0-13.2%
Direct return, weighted	5.3%	4.8%	5.4%	5.1%	7.0%	6.4%
Interval, direct return	3.9-7.4%	3.8-7.6%	5.3-5.5%	5.0-5.3%	6.4-7.4%	5.9-7.6%
Discount rate	6.3-10.2%	6.1-9.9%	7.5-7.8%	7.2-7.5%	8.7-10.2%	8.2-9.9%
Discount rate residual value	6.3-10.2%	6.1-9.9%	7.5-7.8%	7.2-7.5%	8.7-10.2%	8.2-9.9%
Discount rate, weighted	7.4%	7.0%	7.7%	7.3%	9.8%	8.7%
Discount rate residual value	7.4%	7.1%	7.7%	7.3%	9.8%	8.7%

Taxable residual values, SEK million	31 Dec 2023	31 Dec 2022
Investment properties	2,610.6	2,527.5

Significant obligations, SEK million	Total investments	Remaining
Partille port, residential homes	250.0	250.0
Total	250.0	250.0

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 fair value of properties is based primarily on external measurements with a value date of 31 December 2023. 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 rent 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 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 2023 was 6.5 percent (4.0) for 2023, and 2.0 percent (2.0) for 2024 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.

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	2023	2022
<1 year	263.0	195.8
1-2 years	248.9	185.0
2-3 years	202.2	175.8
3-4 years	182.9	145.1
1-5 years	162.6	131.0
>5 years	264.6	246.7
Total	1,324.2	1,079.4



NOTE 10 MACHINERY AND EQUIPMENT

Group, SEK million	2023	2022
Purchases		
Opening balance	23.3	22.0
Investments for the year	2.5	1.3
Closing balance	25.8	23.3
Depreciation		
Opening balance	-18.0	-17.6
Depreciation for the year	-1.6	-0.4
Closing balance	-19.6	-18.0
Carrying amount	6.2	5.3

Parent Company, SEK million	2023	2022
Purchases		
Opening balance	2.7	1.5
Investments for the year	1.8	1.3
Closing balance	4.5	2.7
Depreciation		
Opening balance	-1.1	-0.7
Depreciation for the year	-0.2	-0.4
Closing balance	-1.3	-1.1
Carrying amount	3.2	1.7

NOTE 11 CURRENT RECEIVABLES

Group, SEK million	2023	2022
Other current receivables	14.1	9.5
Prepaid insurance	1.7	1.7
Accrued interest income	7.2	4.5
Prepaid rent expenses	0	0.4
Prepaid expenses and accrued income, other	11.0	6.9
Total	34.0	22.9

Other current receivables mainly comprise the tax account and VAT receivables. Prepaid expenses mainly comprise property tax.

Parent Company, SEK million	2023	2022
Other current receivables	1.3	1.2
Prepaid insurance	1.7	0.4
Accrued interest income	3.3	-
Prepaid expenses and accrued income, other	0.8	1.2
Total	7.1	2.9

NOTE 12 SHARE CAPITAL

Changes in share capital

	Number of shares	Share capital, SEK million
Number of shares, 1 January 2023	58,992,548	58,992,548
Closing number of shares 31 December 2023	58,992,548	58,992,548

The shares are distributed between 6,863,991 A shares and 52,128,557 B shares. A shares entitle the holder to ten votes at shareholders' meetings and B shares entitle the holder to one vote at shareholders' meetings. The quotient value per share is approximately SEK 0.00848.

NOTE 13 FINANCIAL INSTRUMENTS

Fair value hierarchy

Annehem offers disclosures for all financial assets and liabilities recognised at fair value in the balance sheet based on a fair value hierarchy in three levels. Level 1 inputs are instruments that are listed and traded in an active market where identical instruments are traded. Level 2 inputs are instruments that are not traded in an active market but where observable market data is used to value the instrument (either directly or indirectly). Level 3 inputs are instruments where a significant part of the valuation is based on unobservable market data. Assessments have been carried out based on circumstances and factors surrounding the different instruments. Currency futures and interest rate swaps were also classified as Level 2, since observable market data is used as a basis for the valuation. With regard to loans from credit institutions, Annehem believes that the carrying amount is a reasonable approximation of fair value on account of the carrying amount being discounted by the estimated market-based rates. Fair value is based on quotations from brokers. Similar contracts are trading in an active market and the rates reflect actual transactions in comparable instruments. Fair value therefore essentially corresponds to the carrying amount. Exemptions to the classification based on the fair value hierarchy are made for accounts receivable, cash and cash equivalents and accounts payables where the carrying amount is deemed a suitable estimate of fair value.



Note 13, cont.

2023 Group, SEK million	Valuation hierarchy	Amortised cost	Fair value through profit or loss	Total fair value	Total carrying amount
ASSETS					
Financial fixed assets					
Derivative instruments	2	-	33.3	33.3	33.3
Current assets					
<i>Current receivables</i>					
Accounts receivable		3.5	-	-	3.5
Derivative instruments	2	-	0	0	0
Current receivables		34.0	-	-	34.0
Cash and cash equivalents		119.4	-	-	119.4
Total financial assets		156.9	33.3	33.3	190.2
LIABILITIES					
Non-current liabilities					
Loans from credit institutions	3	1,920.1	-	-	1,920.1
Derivative instruments	2	-	3.6	3.6	3.6
Current liabilities					
Loans from credit institutions	3	116.2	-	-	116.2
Derivative instruments	2	-	-	-	-
Accounts payable		25.6	-	-	25.6
Total financial liabilities		2,061.9	3.6	3.6	2,065.5

2022 Group, SEK million	Valuation hierarchy	Amortised cost	Fair value through profit or loss	Total fair value	Total carrying amount
ASSETS					
Financial fixed assets					
Derivative instruments	2	-	104.5	104.5	104.5
Current assets					
<i>Current receivables</i>					
Accounts receivable		1.9	-	-	1.9
Derivative instruments	2	-	0.9	0.9	0.9
Current receivables		22.9	-	-	22.9
Cash and cash equivalents		237.9	-	-	237.9
Total financial assets		262.7	105.4	105.4	368.1
LIABILITIES					
Non-current liabilities					
Loans from credit institutions	3	1,655.6	-	-	1,655.6
Derivative instruments	2	-	10.4	10.4	10.4
Current liabilities					
Loans from credit institutions	3	234.0	-	-	234.0
Derivative instruments	2	-	-	-	-
Accounts payable		22.1	-	-	22.1
Total financial liabilities		1,911.8	10.4	10.4	1,922.2

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. Derivative instruments are continuously measured at fair value in accordance with Level 2, IFRS 13.



Note 13, cont.

2023 Parent Company, SEK million	Valuation hierarchy	Amortised cost	Fair value through profit or loss	Total fair value	Total carrying amount
ASSETS					
Financial fixed assets					
Participations in Group companies	3	116.1	-	-	116.1
Derivative instruments	2	-	26.3	26.3	26.3
Current assets					
<i>Current receivables</i>					
Current receivables for Group companies		70.4	-	-	70.4
Current receivables		7.1	-	-	7.1
Derivative instruments	2	-	-	-	-
Cash and cash equivalents		27.8	-	-	27.8
Total financial assets		221.4	26.3	26.3	247.7
LIABILITIES					
Current liabilities					
Derivative instruments	2	0	1.9	1.9	1.9
Liabilities to Group companies, accounts payable		118.8	-	-	118.8
Accounts payable		4.3	-	-	4.3
Total financial liabilities		123.0	1.9	1.9	124.9

Framework for financial risk management

The Group is exposed to various types of financial risks through its operations.

- Credit risk
- Liquidity risk
- Market risk

The Group's Financial 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. 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 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.

2022 Parent Company, SEK million	Valuation hierarchy	Amortised cost	Fair value through profit or loss	Total fair value	Total carrying amount
ASSETS					
Financial fixed assets					
Participations in Group companies	3	18.8	-	-	18.8
Derivative instruments	2	-	44.5	44.5	44.5
Current assets					
<i>Current receivables</i>					
Current receivables for Group companies		43.8	-	-	43.8
Current receivables		2.9	-	-	2.9
Derivative instruments	2	-	0.9	0.9	0.9
Cash and cash equivalents		208.4	-	-	208.4
Total financial assets		273.9	45.4	45.4	319.4
LIABILITIES					
Current liabilities					
Derivative instruments	2	-	10.4	10.4	10.4
Accounts payable to Group companies		5.4	-	-	5.4
Accounts payable		1.4	-	-	1.4
Total financial liabilities		6.8	10.4	10.4	17.2

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



Note 13, cont.

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, provisions exist 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 Annehem's largest shareholders

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. 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.

Available liquidity	31 Dec 2023	31 Dec 2022
Unutilised loan framework	125.0	192.5
Available cash and cash equivalents	119.4	237.9
Liquidity reserve	244.4	430.4

At year-end, the company's financial liabilities amounted to SEK 2,036.3 million (1,889.6), including lease liability, and the maturity structure of the debt, plus interest maturity, is presented in the table below. The balance sheet includes borrowing fees in interest-bearing liabilities.

Maturity structure, financial liabilities – undiscounted cash flow

2023 Group, SEK million	Currency	Nominal amount original currency	Total	Outflow <1 year	1-2 years	2-3 years	3-5 years	>5 years
Bank loans	SEK	1,476.0	1,476.0	116.2	840.2	444.0	75.6	0
Bank loans	EUR	50.5	560.3	0	560.3	0	0	0
Bank loans	NOK	0	0	0	0	0	0	0
Accounts payable	EUR	0	0	0	0	0	0	0
Accounts payable	SEK	25.6	25.6	25.6	0	0	0	0
Accounts payable	NOK	-	0.0	0.0	0	0	0	0
Other current liabilities	SEK	81.2	81.2	81.2	0	0	0	0
Total			2,143.1	223.0	1,400.5	444.0	75.6	-

2022 Group, SEK million	Currency	Nominal amount original currency	Total	Outflow <1 year	1-2 years	2-3 years	3-5 years	>5 years
Bank loans	SEK	1,207.3	1,207.3	234.0	57.3	858.4	57.6	-
Bank loans	EUR	50.5	507.4	-	-	507.4	-	-
Bank loans	NOK	174.7	184.8	-	-	184.8	-	-
Accounts payable	EUR	0.1	0.6	0.6	-	-	-	-
Accounts payable	SEK	22.0	22.0	22.0	-	-	-	-
Accounts payable	NOK	0.0	0.0	0.0	-	-	-	-
Other current liabilities	SEK	-	58.5	58.5	-	-	-	-
Total			1,980.6	315.1	57.3	1,550.5	57.6	-

In addition to the financial liabilities with undiscounted cash flow presented in the table above, the Group holds one leasehold right with undiscounted annual ground rent of SEK 0.0 million. This lease is regarded as perpetual from the Group's

perspective since the Group has no right to terminate the agreement. Annehem had one (one) leasehold right on 31 December 2023.



Note 13, cont.

2023 Parent Company, SEK million	Currency	Nominal amount original currency	Total	Outflow <1 year	1-2 years	2-3 years	3-5 years	>5 years
Liabilities to Group companies, accounts payable	SEK	-	118.8	118.8	-	-	-	-
Total		-	118.8	118.8	-	-	-	-

2022 Parent Company, SEK million	Currency	Nominal amount original currency	Total	Outflow <1 year	1-2 years	2-3 years	3-5 years	>5 years
Liabilities to Group companies, accounts payable	SEK	-	5.4	5.4	-	-	-	-
Total		-	5.4	5.4	-	-	-	-

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. During the year, Annehem

purchased interest rate swaps to convert floating rates to fixed to reduce the volatility of interest expenses. See Note 16 for more information on interest-bearing liabilities.

Sensitivity analysis - interest rate risk

The impact of interest income and interest expenses during the coming twelve-month period in the event of an increase/decrease in interest rates of 1 percentage point on the balance sheet day amounts to +/- SEK 2.1 million (+/- SEK 9.24 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, NOK and EUR. To counteract these currency risks, the Group has actively chosen to purchase currency futures in EUR and NOK. However, there are certain items in EUR and NOK in a Swedish subsidiary that are translated to SEK and the currency effects are recognised in profit or loss. The net amounts total EUR 2.6 million (2.6). Transactions are mainly conducted in SEK, EUR and NOK.

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 SEK against EUR on 31 December 2023 would entail a change in equity of SEK 14.6 million (23.5). For earnings, the change was SEK -5.2 million (-2.1). 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 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 33.0 percent of the rental value on 31 December 2023. Furthermore, no single tenant represented more than 6 percent of the rental value. The ten largest customers (excluding Peab) accounted for 27 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 (0.2). Credit exposure for accounts receivable and lease receivables per geographic region for each year is presented below.

Group, SEK million	Carrying amount	
	2023	2022
Sweden	1.5	1.0
Finland	0.7	0.9
Norway	0	0.1
Total	2.2	2.0

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 have 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.

Credit risks in financial operations

Credit risk refers to the risk of loss if the counterparty does not fulfil its obligations. The risk is limited as the financial policy stipulates that only creditworthy counterparties are acceptable in financial transactions. The credit risk of financial counterparties is limited through netting agreements/ISDA agreements (International Swaps and Derivatives Association), and through the spread of both sources of financing and credit maturities. The management of credit risk at year-end is considered satisfactory. ISDA agreements do not meet the criteria for offsetting in the balance sheet.



Note 13, cont.

Financial instruments covered by ISDA agreements are presented in the table below.

Group, SEK million	2023		2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Recognised gross amount	33.3	3.6	105.4	10.4
Amount covered by netting agreement	-3.6	-3.6	-10.4	-10.4
Net amount after netting agreement	29.7	0	95.0	0.0

Capital management

According to the Board's policy, the Group's financial objective 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 Risk Committee.

Capital is defined as total equity.

Group, SEK million	2023	2022
Total equity	2,302.3	2,501.1
Net debt/equity ratio		
Interest-bearing liabilities	2,036.3	1,889.6
Less cash and cash equivalents and current investments	-119.4	-237.9
Net debt	1,916.9	1,651.7
Net debt/equity ratio (Net debt / Total equity), %	83.3	66.0

The increase in the net debt/equity ratio is due to an increase in net debt of 16 percent and a decrease in equity of 8 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 business opportunities and achieve Annehem's growth targets.

Financial income and expenses

Group, SEK million	2023	2022
Interest income	53.4	9.5
Interest expenses	-121.8	-58.0
Currency effects	-4.7	14.0
Changes in value of currency futures	2.5	-30.4
Borrowing fees	-7.5	-4.6
Total	-78.1	-69.5

Parent Company, SEK million	2023	2022
Interest income	15.6	1.3
Interest income, from Group companies	93.5	45.1
Interest expenses	-11.3	-3.6
Currency effects	2.1	0.0
Changes in value of currency futures	2.5	-30.4
Changes in value of derivative instruments	-8.0	34.8
Total	94.4	47.2

All interest income and interest expenses pertain to financial assets that are recognised at amortised cost and financial liabilities not measured at fair value through profit or loss.

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 the Risk and risk management section in this Annual Report.

Group, SEK million	2023	2022
Lease liabilities, non-current	1.4	1.7
Borrowing fees	-7.6	-13.4
Loans from credit institutions	2,042.5	1,901.3
<i>of which, current interest-bearing liabilities</i>	<i>116.2</i>	<i>234.0</i>
Total	2,036.3	1,889.6

On 31 December 2023, the Group's interest-bearing liabilities comprised an external credit facility in two currencies: SEK and EUR.

The credit facility extends until November 2025. Interest paid for the green portions is 2.15 percent +3m IBOR and 2.20 percent for the other portions. Other financing is also green and amounts to SEK 637 million with an interest rate amounting to 1.20–1.60 percent +3m STIBOR except for a short-term credit of SEK 60 million that carries an interest rate of 5.85 percent. A loan of SEK 57.3 million with an interest rate of 1.20 percent +3m STIBOR falls due in 2024.

On 31 December 2022, the Group's interest-bearing liabilities comprised an external credit facility in two currencies: SEK and EUR. The credit facility extends until November 2025. Interest paid for the green portions is 2.15 percent +3m IBOR and 2.20 percent for the other portions. The company met all loan conditions during the current periods.

Change in loan structure during the period

Group, SEK million	2023	2022
Interest-bearing liabilities at start of period	1,889.6	1,721.3
Repayment of external bank loans	-183.6	-7.9
External bank loans raised	345.2	132.9
Change in lease liability	-0.3	-0.1
Change in borrowing fees	2.5	-1.8
Currency effects	-17.1	45.2
Interest-bearing liabilities at end of period	2,036.3	1,889.6



NOTE 14 OTHER CURRENT LIABILITIES, ACCRUED EXPENSES AND DEFERRED INCOME

Group, SEK million	2023	2022
Prepaid rent revenue	10.2	3.1
External services	0.4	0.5
Accrued interest expenses	21.0	12.4
Accrued personnel costs	1.6	2.5
Other current liabilities	48.0	40.0
Total	81.2	58.5

Other current liabilities for the Group mainly include accrued expenses related to advanced rent revenue.

Parent Company, SEK million	2023	2022
External services	0.4	0.5
Accrued personnel costs	1.6	2.5
Other current liabilities	10.3	10.8
Total	12.3	13.8

NOTE 15 PARTICIPATIONS IN GROUP COMPANIES

Companies that are part of the Group

Company name	Corp. ID. No.	Registered office	Share, %
Directly owned			
Annehem Fastigheter AB	559220-9083	Ängelholm, Sweden	100%
Indirectly owned			
Annehem Holding 3 AB	559262-8506	Ängelholm, Sweden	100%
Annehem Holding 4 AB	559262-8548	Ängelholm, Sweden	100%
Annehem 1 AB	559311-5107	Ängelholm, Sweden	100%
Annehem 2 AB	559311-5115	Ängelholm, Sweden	100%
Annehem 3 AB	559311-5123	Ängelholm, Sweden	100%
Annehem 4 AB	559422-0948	Solna, Sweden	100%
Annehem 5 AB	559422-0955	Solna, Sweden	100%
Annehem Holding 2 AB	559230-7028	Ängelholm, Sweden	100%
Annehem Sadelplats Fastigheter 3 AB	556895-0116	Ängelholm, Sweden	100%
Annehem Sadelplats Fastigheter 4 AB	556916-2596	Ängelholm, Sweden	100%
Annehem Ledvolten 1 Fastigheter AB	559194-5570	Solna, Sweden	100%
Annehem Invest Oy	1773022-9	Helsinki, Finland	100%
Ultimes I Ky	2568845-4	Helsinki, Finland	100%
Ultimes II Ky	2850052-5	Helsinki, Finland	100%
Ultimes Parking Ky	2568844-6	Helsinki, Finland	100%
Property Gardener Oy	2558819-7	Helsinki, Finland	100%
Annehem Syd Holding 1 Fastigheter AB	559220-9752	Ängelholm, Sweden	100%
Annehems Kamaxeln 2 Fastighets AB	559230-6889	Ängelholm, Sweden	100%
Annehem Partille Port 4 Fastigheter AB	556960-0280	Ängelholm, Sweden	100%
Annehem Stenekull 2 Fastigheter AB	559034-8917	Ängelholm, Sweden	100%
Annehem Jupiter 11 Fastigheter AB	556892-3428	Solna, Sweden	100%
Annehem Almnäs Fastigheter AB	559283-3627	Solna, Sweden	100%
Annehems Valhall Park AB	556107-0003	Ängelholm, Sweden	100%
Annehem Syd Parker Holding Fastigheter AB	559230-6897	Ängelholm, Sweden	100%
Ljungbyhed Park AB	556545-4294	Ängelholm, Sweden	100%
Annehem Johanneslust Fastigheter AB	559175-9773	Solna, Sweden	100%
Annehem Hemvistet 2 Fastigheter AB	559076-5508	Solna, Sweden	100%

Participations in Group companies

Parent Company, SEK million	2023	2022
Opening balance for the year	18.9	16.6
Acquisitions during the year	-	-
Divestments during the year		
Shareholders' contributions	97.3	2.3
Closing balance at year end	116.1	18.9

**NOTE 16 LEASES****Leasing contracts where the company is lessee****Non-cancellable lease payments**

SEK million	31 Dec 2023	31 Dec 2022
Within one year	-0.3	-0.1
Between one and five years	-0.6	-0.2
Later than five years	-0.5	-1.4
Total	-1.4	-1.7

Total lease expenses

SEK million	31 Dec 2023	31 Dec 2022
Total lease expenses – interest	-0.3	-0.1
Total	-0.3	-0.1

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.

Total lease liability (included as part of non-current interest-bearing liabilities)

SEK million	31 Dec 2023	31 Dec 2022
Opening balance	1.7	1.8
Less: right-of-use assets	-	-
Change in lease liability	-0.3	-0.1
Closing balance	1.4	1.7

Annehem Group held one lease in the form of leasehold rights at the end of 2023. The leasehold rights are perpetual (or very long term). The right-of-use assets from the leasehold rights are recognised as investment properties at fair value but as the leasehold rights affect the measurement of the buildings, no separate remeasurement of the leasehold rights is carried out, rather the remeasurement of the buildings is considered to take into account the remeasurement of the leasehold rights. Buildings and leasehold rights are presented in the balance sheet and notes as one item and accordingly a breakdown/split is not needed but disclosures are given in accordance with IFRS 16 as lessee.

NOTE 17 PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK million	2023	2022
<i>For own liabilities and assets</i>		
Real estate mortgages	2,439.0	2,332.1
Total	2,439.0	2,332.1

NOTE 18 EVENTS AFTER THE END OF THE PERIOD**Significant events after the end of the period**

- An Extraordinary General Meeting on 17 January 2024 resolved to authorise the Board of Directors to conduct a share issue
- In a press release on 5 March, Annehem announced the final outcome of the rights issue of SEK 300 million, which was subscribed to approximately 200 percent.



Financial key figures

Number of shares	2023	2022
Class A shares	6,863,991	6,863,991
Class B shares	52,128,557	52,128,557
Total average number of shares	58,992,548	58,992,548

Income from property management

Annehem's operations focus on growth in cash flow from day-to-day administration, meaning growth in income from property management. The target is that income from property management per share will increase over time by an average of 20 percent per year.

Income from property management

SEK million	2023	2022
Profit before tax	-249.1	263.0
<i>Reversal</i>		
Changes in value of properties, realised		
Changes in value of properties	266.0	-98.0
Changes in value of derivatives	61.8	90.9
Income from property management	90.5	74.2

Income from property management, SEK per share

SEK million	2023	2022
Income from property management	90.5	74.2
Currency effects	2.2	16.4
Income from property management excl. currency effects	92.7	90.5
Number of shares	58,992,548	58,992,548
Income from property management, SEK per share	1.57	1.53

Long-term net reinstatement value (EPRA NRV)

Net asset value is the accumulated capital managed by the company on behalf of its owners. Using this capital, the company aims to generate return and growth at a low level of risk. Net asset value can be determined in various ways, with the main influence from a time perspective and the turnover rate of the property portfolio. The long-term net asset value is based on the balance sheet and adjusted for items that do not require payment in the near future, such as in the company's case deferred tax liabilities.

SEK million	31 Dec 2023	SEK per share	31 Dec 2022	SEK per share
Equity according to the balance sheet	2,302.3	39.0	2,501.1	42.4
<i>Reversal</i>				
Deferred tax according to the balance sheet	157.6	-	195.6	-
Fixed-interest derivatives	-29.7	-	-94.1	-
Long-term net reinstatement value (EPRA NRV)	2,430.1	41.2	2,602.6	44.1

Interest-coverage ratio

SEK million	2023	2022
Income from property management	90.5	74.2
<i>Reversal</i>		
Net interest income	75.9	53.0
Currency effects	2.2	16.4
Interest-coverage ratio, multiple	2.2	2.7

Loan-to-value ratio

SEK million	31 Dec 2023	31 Dec 2022
Interest-bearing liabilities	2,036.3	1,889.6
Cash and cash equivalents	-119.4	-237.9
Interest-bearing liabilities, net	1,916.9	1,651.7
Investment properties	4,412.7	4,309.2
Net loan-to-value ratio, %	43.4	38.3

Surplus ratio

SEK million	2023	2022
Income from property management	90.5	74.2
<i>Reversal</i>		
Management costs	119.2	107.1
Net operating income	209.7	181.3
Rent revenue	247.2	217.9
Surplus ratio, %	84.8	83.2

Return on equity

SEK million	2023	2022
Net income for the period attributable to the Parent Company's shareholders	-200.6	207.3
Equity attributable to the Parent Company's shareholders	2,302.3	2,501.1
Return on equity, %	-8.7%	8.3

Earnings per share, SEK

	2023	2022
Net income for the period attributable to the Parent Company's shareholders, TSEK	-200,569.0	207,338.2
Weighted average number of outstanding ordinary shares, thousand	58,992.5	58,992.5
Earnings per share, before and after dilution, SEK	-3.40	3.51



The Board of Directors and the CEO hereby certify that the annual accounts have been prepared in accordance with generally accepted accounting practice in Sweden and that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and the consolidated financial statements provide a true and fair view of the financial position and results of the Parent Company and the Group. The Directors' Report for the Parent Company and the Group provides a true and fair view of the development of the operations, financial position and performance of the Parent Company and the Group and also describes the material risks and uncertainties facing the Parent Company and the other companies in the Group.

The annual report and the consolidated financial statements, as indicated above, have been approved for issuance by the board of directors and the CEO on March 26, 2024. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be presented to the Annual General Meeting for adoption on 14 May 2024.

Ängelholm March 26, 2024

Henrik Saxborn
Chairman of the Board

Pia Andersson
Board member

Karin Ebbinghaus
Board member

Axel Granlund
Board member

Jesper Göransson
Board member

Anders Hylén
Board member

Lars Ljungälv
Board member

Monica Fallenius
CEO

Our Auditor's Report was submitted on March 26, 2024
KPMG AB

Peter Dahllöf
Authorised Public Accountant



Auditor's report

To the general meeting of the shareholders of Annehem Fastigheter AB (publ), corp. id 559220-9083

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Annehem Fastigheter AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 11-12, 21-22, 29, 46-50 and 56-82 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

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 parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of investment properties

See accounting principles on pages 65-67 and disclosure 9 at page 72 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

- Investment properties are reported in the consolidated accounts at fair value. The carrying value amounts to SEK 4 413 million as of 31 December 2023, comprise approximately 96 percent of the Group's total assets.
- The fair value of the properties as of 31 December 2023 has been determined on the basis of the external valuation performed by independent external valuers with a valuation date of 30 September 2023. Thereafter, the company has

performed an internal valuation based on external market data as of 31 December 2023.

- Given the investment properties' significant share of the Group's total assets and the element of assessments included in the valuation process, this constitutes a particularly important area in our audit.
- The risk is that the book value of investment properties may be overestimated or underestimated and that any adjustment of the value directly affects the profit for the period.

Response in the audit

- We have considered whether the applied valuation methodology is reasonable by comparing it with our experience of how other real estate companies and valuers work and what assumptions are normal when valuing comparable objects.
- We have assessed the competence of the external valuers and of the internal valuation function.
- We have tested the controls that the company has established to ensure that the input data provided to the external valuers is correct and complete.
- We have by sampling tested the established property valuations. In doing so, we have used current market data from external sources, especially regarding assumptions about yield requirements, discount rates, rental levels and vacancies.
- We have checked the accuracy of the information about the investment properties that the company provides in the annual report, especially with regard to elements of assessments and applied key assumptions.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-10, 13-20, 23-28, 30-33, 40-45, 51-55 and 86-89.

The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and 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 Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 these annual accounts and consolidated accounts.

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 annual accounts and consolidated accounts, 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 company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and 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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that 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 consolidated accounts. 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.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements *Auditor's audit of the administration and the proposed appropriations of profit or loss*

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Annehem Fastigheter AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with 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 parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.



Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities

Market Act (2007:528) for Annehem Fastigheter AB (publ) for year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Annehem Fastigheter AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 34-39 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Annehem Fastigheter AB (publ) by the general meeting of the shareholders on the 23-05-2023. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2019.

Stockholm 26 March 2024

KPMG AB

Peter Dahllöf
Authorized Public Accountant



Glossary and definitions

Return on equity	Profit for a rolling 12-month period in relation to closing equity for the period. Purpose: The key figure shows the return generated on the capital attributable to the shareholders.	Income from property management, excluding items affecting comparability	Income from property management is comprised of net operating income excluding items affecting comparability, 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.
Gross rent	Gross rent is defined as rent revenue at a yearly basis excluding supplements and discounts.	GHG protocol	Greenhouse Gas Protocol. Leading standard for climate reporting.
Yield	Net operating income for a rolling 12-month period in relation to the properties' carrying amount, adjusted for the properties' holding period for the period. The key figure shows the return from operational activities in relation to the value of the properties. Purpose: The key figure shows the return from operational activities in relation to the value of the properties.	Rent revenue	Rent revenue less vacancies, rent discount and lost rent.
Net operating income	Net operating income includes the revenue and expenses that are directly linked to the property, that is to say, rent revenue and the expenses required for running the property, such as operating costs and maintenance costs. Purpose: The metric is used to provide comparability with other property companies and also to show the performance of the business.	Rental value¹⁾	Rent revenue with deductions for rent discount, plus rent surcharges and property tax for the rented space, as well as an estimate of market rent for vacant space. Purpose: The key figure enables an assessment of the total potential rent revenue as surcharges are added to the charged rent revenues with an estimated market rent for vacant spaces.
Economic occupancy rate¹⁾	Vacancy rent as a percentage of the gross rent at the end of the period. Purpose: The key figure facilitates the assessment of estimated rent for vacant spaces in relation to the total value of the rented and unrented floor space.	Items affecting comparability	Annehem regards items of a non-recurring nature as items affecting comparability.
Property	Property held with property rights or leasehold rights.	Long-term net asset value	Equity per share with the reversal of fixed-interest derivatives and deferred tax according to balance sheet. Purpose: Long-term net asset value is a metric that reflects the long-term value of a property portfolio, instead of equity.
Fair value of properties	Property value recognised according to balance sheet at the end of the period. Purpose: The key figure provides greater understanding of the value growth in the property portfolio and the company's balance sheet.	Net loan-to-value ratio	Interest-bearing liabilities, including lease liabilities, less cash and cash equivalents as a percentage of the carrying amount of the properties. Purpose: Net loan-to-value ratio is a measure of risk that indicates the degree to which the operations are encumbered with interest-bearing liabilities.
Income from property management	Income from property management is comprised of net operating income 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.	Net letting	New letting taken out during the period less terminations with notice of vacancy.
		Interest-bearing liabilities	Interest-bearing liabilities mean all liabilities on which Annehem pays interest. These items in the balance sheet are: non-current and current liabilities to related parties, non-current and current interest-bearing liabilities (including lease liabilities) and Group account.

¹⁾ The key figure is property-related and is not considered an alternative performance measure according to ESMA's guidelines.



Glossary and definitions (cont.)

Interest-coverage ratio	<p>Income from property management, including reversal of financial income and expenses, and depreciation/amortisation as a percentage of financial income and expenses. The interest-coverage ratio is a financial target that shows how many times the company can pay its interest charges with its profit from operational activities.</p> <p>Purpose: The interest-coverage ratio is a measure of financial risk that shows how many times the company can pay its interest charges with its profit from operational activities.</p>
Debt/equity ratio	<p>Interest-bearing liabilities in relation to equity.</p> <p>Purpose: The debt/equity ratio is a measure of financial risk financial that shows the company's capital structure and sensitivity to interest rate changes.</p>
Equity/assets ratio	<p>Equity in relation to total assets.</p> <p>Purpose: Shows how large a share of company's assets are financed with equity and has been included to enable investors to assess the company's capital structure.</p>
Underlying property value	<p>Agreed transaction price for the property.</p>
Lettable area	<p>The total floor area that can be rented out.</p> <p>Purpose: Reflects the total area the company can rent out.</p>
Vacancy rent	<p>Estimated market rent for vacant spaces.</p> <p>Purpose: The key figure specifies the potential rent revenue for fully leased spaces.</p>
Surplus ratio	<p>Net operating income for the period as a percentage of rent revenue.</p> <p>Purpose: 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.</p>



Abbreviations

Annehem, 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 Districts.
CO₂	Carbon dioxide equivalents
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.
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.
SDG	Sustainable Development Goals also referred to as Agenda 2030.
Thousand sqm	Thousand square metres.



Invitation to the Annual General Meeting

Annehem Fastigheter's Annual General Meeting will take place on 14 May 2024 at Valhall Park Hotell, Stjernsvärds allé 66, Ångelholm. Shareholders also have an opportunity to exercise their voting rights at the Annual General Meeting by postal ballot.

Shareholders who wish to participate in the Annual General Meeting (AGM) by postal ballot must (i) be listed as a shareholder in the share register produced by Euroclear Sweden AB regarding the conditions on 3 May 2024 and (ii) register by mailing their postal vote no later than 7 May 2024 so that the postal vote is received by Euroclear Sweden AB (which administers the forms on behalf of Annehem) no later than that day. Shareholders who wish to attend the AGM in person or by proxy must notify this in accordance with what is stated above. This means that a registration by postal vote only is not enough for those who want to attend the meeting room.

Notice of the Annual General Meeting, proxy form and advance voting form will be available on Annehem's website no later than 16 April 2024, www.annehem.se/investors/corporate-governance/shareholders-meetings/annual-general-meeting-2024/.