

The background of the slide features two modern office buildings. On the left is a tall, white building with a grid-like facade of windows, some of which are tinted green. On the right is a shorter, dark-colored building with a similar grid-like window pattern. The sky is a clear, solid blue.

Q4

Annehem Fastigheter Year-end Report January–December 2023

Strong income from property management and confidence in the future

January–December

- Rent revenue for the period amounted to SEK 247.2 million (217.9)
- Net operating income amounted to SEK 209.7 million (181.3)
- Income from property management amounted to SEK 90.5 million (74.2)
- Income from property management excl. currency effects amounted to SEK 92.7 million (90.5)
- Earnings per share amounted to SEK -3.40 (3.51)
- Investments in existing properties amounted to SEK 95.8 million (32.8)
- Valuations of investment properties yielded a decrease in fair value of SEK -266.0 million (98.0)
- The fair value of investment properties amounted to SEK 4,412.7 million (4,309.2)
- Net asset value (EPRA NRV) per share amounted to SEK 41.2 (44.1)

Significant events during the fourth quarter

- Annehem vacated the Carl Berner Torg retail property in Oslo, Norway
- Adela Colakovic took over as new CFO
- Annehem completed 100 new municipal preschool places in Valhall Park
- The Board convened an Extraordinary General Meeting in January 2024, to resolve on authorization of the Board to approve a rights issue
- Annehem took possession of the office property The Corner in Malmö
- In December, Annehem joined EPRA (European Public Real Estate Association)

Net operating income
January–December 2023

SEK million

209.7

Fair value of investment properties
31 December 2023

SEK million

4,413

Economic occupancy rate
31 December 2023

95%

Summary of the Group's performance

Summary of the Group's performance	Oct-Dec		Full year	
	2023	2022	2023	2022
Rent revenue	60.9	56.8	247.2	217.9
Net operating income	51.5	45.0	209.7	181.3
Income from property management	27.1	11.5	90.5	74.2
Income from property management excl. currency effects	22.1	19.4	92.7	90.5
Income from property management excl. currency effects per share, SEK	0.37	0.33	1.57	1.53
Income for the period	-9.1	8.9	-200.6	207.3
Earnings per share for the period, SEK	-0.15	0.15	-3.40	3.51
Economic occupancy rate, %	94.9	95.8	94.9	95.8
Surplus ratio, %	84.6	79.3	84.8	83.2
Return on equity, %	-0.4	0.4	-8.7	8.3
EPRA NRV per share, SEK	41.2	44.1	41.2	44.1
Net loan-to-value ratio, %	43.4	38.3	43.4	38.3
Equity/assets ratio, %	49.9	53.4	49.9	53.4
Interest-coverage ratio, RTM, multiple	2.2	2.5	2.2	2.7

FINANCIAL TARGETS

	Target	Outcome 2023	Outcome 2022	Outcome 2021
Growth and returns				
Average growth in property portfolio over time ¹	20%	2%	8%	20%
Fair value of property portfolio in 2027	SEK 8.0 billion	SEK 4.4 billion	SEK 4.3 billion	SEK 4.0 billion
Average annual growth in income from property management over time ¹	20%	22%	-14%	52%
Return on equity	At least 10 percent per year	-8.7%	8.3%	9.2%

1) The goal refers to the development over time from the company's listing in 2020 to 2027. The outcome refers to the annual change compared to the previous years.

Risk and dividends	Target	Outcome 2023	Outcome 2022	Outcome 2021
Equity/assets ratio	> 30%	49.9%	53.4%	53.9%
Net loan-to-value ratio over time	< 60%	43.4%	38.3%	38.3%
Interest-coverage ratio, long-term (RTM)	> 2.2x	2.2x	2.7x	3.0x
Dividend policy	Profits shall essentially be reinvested in order to utilise growth opportunities and achieve Annehem's growth targets.			

SUSTAINABILITY TARGETS

	Long-term target 2030	Outcome 2023	Outcome 2022	Outcome 2021
Proportion of property value that is sustainable in accordance with the EU Taxonomy Regulation, %	90%	75%	81%	85%
Environmentally certified property value, %	90%	82%	76%	85%
Income from green leases, % (relates to Sweden)	80%	35%	27%	24%

CEO's comments

2023 has been an eventful year with major geopolitical instability in various parts of the world. From a macroeconomic perspective, inflationary developments have played a key role for the economy, interest rates, the stock market and not least the property market. As we enter 2024, we are seeing increasing signs that inflation is easing and that new rate hikes will not materialise. If the inflation trend continues to decline then this could convince central banks to reduce interest rates during the year.

The situation remains strained for many companies in the property sector with high interest expenses and in certain cases a need to shift from bond to bank financing. The recession has also affected demand and a growing number of tenants are assessing their needs. A scenario with lower inflation and rate reductions would make a real difference and stabilise the property market as we move forward and lead to more transactions.

Given the current challenges in the macro environment, I am satisfied with Annehem's performance in 2023. With strong underlying property operations, a low loan-to-value ratio with bank financing and long-term owners, Annehem is demonstrating endurance and stability. During the year, we invested in and strengthened existing operations and during the fourth quarter made the proactive decision to acquire The Corner an office property in Malmö, and resolve on the intention to carry out a rights issue.

Forward-looking acquisition and rights issue

The Corner is a newly built, modern, and flexible office property with a high sustainability profile, in a prime location in the fast-growing Hyllie business district in Malmö. The acquisition is completely in line with our growth strategy to grow profitably and sustainably. I am convinced that this will be a fantastic business transaction in the long-term since we are acquiring a property with an initial yield of 5.6 percent and at a price level of approximately 15–18 percent under the peak price paid for a newly built property in the area about two years ago. The property meets our high sustainability requirements with a certification according to Miljöbyggnad Silver and fulfils energy class B. It will also receive a WELL Building Standard certification, which promotes health and well-being for the people who use the building.

To finance the acquisition, we intend to carry out a rights issue of approximately SEK 300 million. This means we are also strengthening our cash balance to enable other value-generating investments, in addition to the acquisition, in coming years. A strong financial position will enable us to create value through investments in our existing portfolio through development, while we remain curious about new acquisitions that can further diversify our property portfolio.

Earnings

Our rent revenue for the period rose by 13.5 percent to SEK 247.2 million (217.9), of which SEK 23.6 million from the existing property portfolio through increases in rents and lettings while SEK 5.7 million is due to growth in the property portfolio.

Our net operating income remains strong at SEK 209.7 million (181.3), up 15.7 percent compared with the year-earlier period. In addition to the increase in income, the improved net operating income was mainly related to lower electricity prices and other savings, which reduced electricity and heating costs by 5.6 percent compared with the year-earlier period. The surplus ratio remained at a high and solid level of 84.8 percent (83.2). Our occupancy rate was high at 94.9 percent (95.8), and the majority of our tenants are stable and long-term.

Income from property management rose by a full 22.0 percent for the full year, compared with the year-earlier period. Adjusted for currency effects in net financial items, income from property management amounted to SEK 92.7 million (90.5). The underlying property operations have delivered, and I am very proud of the result considering the 43.2 percent year-on-year rise in total net interest expense during the year.

The interest-coverage ratio (RTM) for the period was 2.2 (2.7). The long-term interest rates decreased during the quarter, which will have a positive impact on income from property management and the interest-coverage ratio in the longer term. However, it appears that interest rates will remain high in 2024 and therefore interest expenses will continue to be high during the year.

Return requirements in the market continued to rise during the quarter by approximately 10 basis points but the effect was offset by value-creating investments in the existing portfolio, new lettings that came into effect from 1 January, but also this year's indexation that will have a full impact in Q4. In addition, we also divested Carl Berner Torg and taking possession of The Corner. Overall, this entailed changes in total value of 4.1 percent or SEK 174.9 million, compared with the preceding quarter.



Financing

We continued to be financed through bank loans and maintain a good dialogue with our lenders. During the quarter, we vacated the Carl Berner Torg property in Oslo and the transaction raised approximately NOK 70 million in cash and cash equivalents. The acquisition of The Corner was completed at an underlying property value of SEK 420 million. Half of the property is financed through bank loans and the remainder through cash and cash equivalents together with a loan until the issue is completed. At 31 December 2023, our net loan-to-value ratio was 43.4 percent.

Transaction market

Transaction volume in the Nordic property market was approximately 58 percent lower on 31 December compared with the year-earlier period. Sweden remains the largest market, accounting for about 39 percent of volume. At the same time, a number of properties are for sale in the market and activity is higher than it was, but it is taking longer to close transactions. Falling long-term interest rates will gradually result in higher activity levels as we move forward and swifter closures in the transaction market. I believe that high-quality properties in good locations will continue to fair best regardless of property type.

Active and sustainable management

An investment in sustainable properties is an investment in the future and contributes to long-term sustainable development. Annehem's property management philosophy is based on the idea that all properties can make a sustainable transition. One such example is the transition during the quarter of our Partille Port property from energy class C to B through energy-saving measures. During the quarter, this transition and the acquisition of The Corner increased the percentage of properties with at least energy class B to 82 percent of the total property value, compared with 78 percent in the preceding quarter. During the quarter, we also adopted a new vehicle policy that stipulates that we shall only have electric vehicles in the company.

EPRA

In December 2023, Annehem joined the European Public Real Estate Association (EPRA) to compare ourselves with other European industry colleagues. EPRA promotes and represents the European property sector. It will enable a more reliable comparison for our financial key figures and its sustainability best practice recommendations support the transition to sustainability and helps members to improve their sustainability practices.

New year, new challenges and opportunities

We have a new year ahead of us that will provide both challenges and opportunities. The world around us has become more turbulent and we remain humble in the light of this. Even though inflation and long-term interest rates have fallen, we are facing a difficult year. We are in the midst of a recession that requires us to focus intently on daily operations and to remain close to our tenants and offer creative solutions in property management. In parallel, the geopolitical situation and the prospects of an improvement we can see offer opportunities that we will capitalise on, encompassing everything from customising premises to new business opportunities.

I would like to thank our tenants for your trust in Annehem, our shareholders for their support, our suppliers who always make an effort and, last but not least, our dedicated and motivated employees who always find a solution. Thank you all for this past year!

I will work hard together with my team to retain the stability we have built up and continue to develop Annehem.

Ängelholm, 31 January 2024

Monica Fallenius
CEO

This is Annehem

Annehem manages and develops a sustainable and modern property portfolio in attractive locations in Nordic growth areas. Most of the portfolio comprises office properties that are complemented with selected properties in the segments of logistics properties, community service properties, and residential homes.

Our properties have a high and measurable environmental performance. Together with our sustainable, efficient management and development, this strengthens the value of our portfolio.

Vision

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

Our values

Professionalism – Committed – Long-term – Enablers

Our overall strategies

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.

A diversified and green property portfolio offers risk diversification over time

The fundamental portfolio of office properties is complemented with selected properties in the segments of community service and logistics properties, and residential homes – all featuring a high sustainability performance and/or potential.

Focus on sustainable and effective property management and development

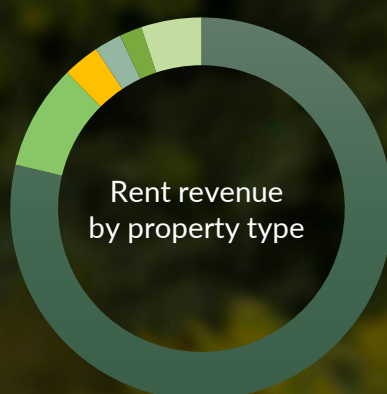
Annehem Fastigheter has a high and measurable environmental performance. The company strives to increase the value of its existing portfolio through sustainable, effective management and development.

Profitable growth is enabled through a focus on acquisitions and a stable financial position

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.



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



- Commercial offices 79%
- Community properties 9%
- Grocery store 3%
- Residential 2%
- Logistics 2%
- Other 5%



Market

Comments on the business environment

The geopolitical environment was turbulent during the year, with Russia's ongoing invasion of Ukraine and the conflict between Israel and Hamas as continuing concerns. Sky-high inflation and key policy rate hikes in 2023 have made their mark on the global economy and had a major impact on households and companies. At the same time, the impact of the key policy rate hikes has started to become visible and the inflation trend has been in decline since the second half of 2023. The hope is that this trend will continue during 2024 and that the Riksbank will subsequently cut interest rates.

Core (CPIF) inflation in Sweden remains high and exceeds the Riksbank target of 2 percent. In November, CPIF was 3.6 percent and forecasts regarding the inflation trend moving forward varies. The Swedish National Institute of Economic Research's (NIER) forecast indicates that the Riksbank's inflation target will be reached towards the end of the first half of 2024. During the year, the Riksbank has acted to limit the rate of inflation in Sweden, but chose to leave the key policy rate unchanged at its most recent monetary policy meeting in November. At year-end, Sweden's key policy rate was 4.00 percent. The Riksbank has announced that the key policy rate may be raised in the future to further reduce inflation.

Macro data Nordics

Country	Key policy rate ¹	Inflation ²	Transaction volume (2023) ³
Sweden	4.00%	5.8%	SEK 87.7 billion
Finland/ECB	4.50%	3.3%	SEK 32.1 billion
Norway	4.50%	4.8%	SEK 43.9 billion

¹) Trading Economics.

²) Refers to CPI. Colliers Nordic Property Market Update Jan 2024.

³) Translated to SEK, pertains to property transaction volume. Colliers Nordic Property Market Update Jan 2024.

Transaction market

Statistics from Colliers Nordic Property Market show that property transaction volumes for the full-year 2023 had fallen 57 percent in Sweden, 64 percent in Finland and 58 percent in Norway, compared with the year-earlier period. The lower level of transaction activity leads to great uncertainty in the market since the appraisers have very few transactions to fall back on. At the same time, with a slightly more stable interest-rate situation towards the end of 2024, the transaction market is beginning to show signs of recovery as sellers and buyers move closer to one another in terms of their price expectations.

Comments on the Group's performance

Income statement

January to December period

Rent revenue amounted to SEK 247.2 million (217.9), other property income to SEK 44.9 million (44.7), and total property expenses to SEK -82.3 million (-81.3), which means that net operating income increased to SEK 209.7 million (181.3). The positive trend for rent revenue compared with the year-earlier period was mainly attributable to rent increases through indexation and new lettings, as well as the properties added.

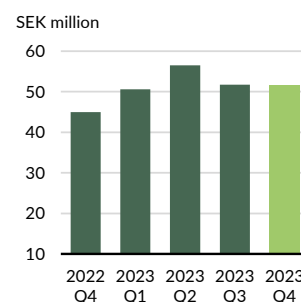
Other property income amounted to SEK 44.9 million (44.7) and comprised invoiced operating costs, income from short-term leases and the rental guarantees issued by Peab for the Ultimes I&II and Jupiter 11 properties, which amounted to SEK 3.0 million (7.7) for January–December. Rental guarantees were issued for 100 percent of the vacant spaces in Ultimes I&II (from 1 July 2020) and Jupiter 11 (from 1 May 2021) by Peab. This guarantee is valid until the vacant spaces are leased, but for no longer than 36 months from the issuing date. The rental guarantees for the Ultimes properties expired on 30 June 2023 and the space is vacant on 31 December 2023.

Property expenses amounted to SEK -47.5 million (-44.2), which is an increase compared to the previous year and is mainly attributable to the additional property Carl Florman. Property tax has decreased by 2.8 million compared to the previous year and amounted to SEK -9.8 million (-12.6) where the decrease is attributable to the fourth quarter and is mainly due to the reassessment of some properties for the years 2020 to 2022. Total property costs amounted to SEK -82.3 million (-81.3).

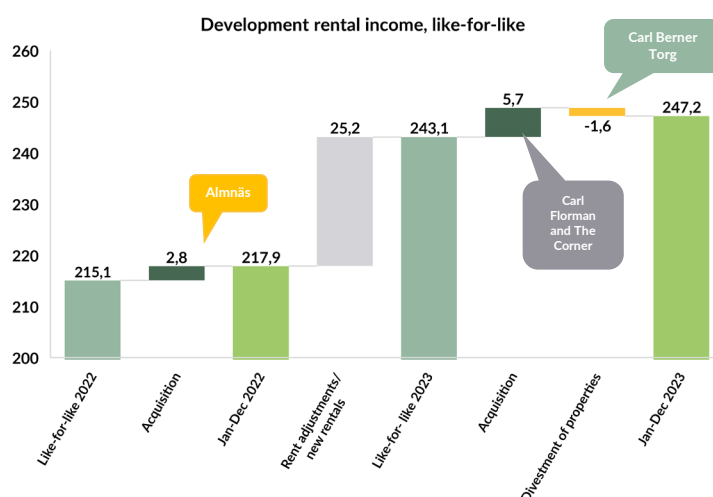
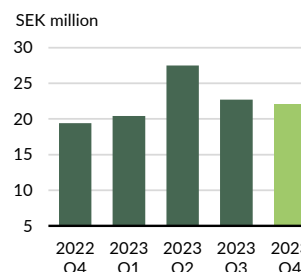
Income from property management amounted to SEK 90.5 million (74.2) for the January to December period, an increase year-on-year despite higher net interest expense. Interest expenses amounted to SEK -129.3 million (-62.5) due to rising key policy rates and borrowing in order to finance the additional properties, but was offset by interest income from fixed-interest derivatives, which amounted to SEK 53.4 million (9.5) for the period. Other financial items amounted to SEK -2.2 million (-16.4) and mainly comprised currency effects of SEK -4.7 million (14.0) and changes in value of currency futures of SEK 2.5 million (-30.4), which had a negative impact on income from property management.

The effect of unrealised changes in value of properties amounted to SEK -266.0 million (98.0) and realised changes in value of properties amounted to SEK -11.8 million (0.0), which pertains to the capital loss from the divestment of the property in Norway. The effects of changes in value of fixed-interest derivatives amounted to SEK -61.8 million (90.9). The tax effect for the period amounted to SEK 48.5 million (-55.7). The tax effect was largely due to deferred tax on the changes in value of the property portfolio and the measurement of fixed-interest derivatives at fair value. Income for the period amounted to SEK -200.6 million (207.3).

Net operating income per quarter SEK million



Income from property management per quarter excl. currency effects SEK million



Balance sheet

The value of the Company's investment properties amounted to SEK 4,412.7 million (4,309.2) on 31 December 2023. Of the total value, SEK 2.0 million comprised the effect of lease value of leasehold rights in the Kamaxeln 2 property.

During the year, Annehem Fastigheter acquired the Carl Florman and The Corner properties at a total underlying property value of SEK 534.9 million, and divested Carl Berner Torg with a value of SEK 252.1 million. The company invested in existing properties in an amount of SEK 95.8 million (32.8). Unrealised changes in value totaled SEK -266.0 million. Together with currency translations for the portfolio in Finland, the total changes in value for the period amounted to SEK 103.5 million (315.0).

The company's equity amounted to SEK 2,302.3 million (2,501.1). Interest-bearing liabilities totaled SEK 2,036.3 million (1,889.6), of which SEK 2.0 million comprised lease liabilities attributable to leasehold rights in Kamaxeln 2. During the period, Annehem took possession of the Carl Florman and The Corner properties and raised total new financing of SEK 269.3 million. At 31 December 2023, SEK 125.0 million of the unutilised credit framework remained.

Cash flow statement

During the quarter, cash flow from operating activities amounted to SEK 47.7 million (-18.2). The change was due to higher income from property management adjusted for unrealised currency effects and a decrease in operating liabilities. For the January to December period, the corresponding figure was SEK 102.4 million (54.3).

Cash flow from investing activities for the quarter amounted to SEK -191.4 million (-17.0), and mainly pertained to the acquisition of The Corner, which amounted to SEK -392.9 million, the divestment of Carl Berner Torg, which resulted in proceeds from the sale of SEK 245.0 million, and investments related to Saab in Ljungbyhed Park, the preschool in Valhall Park and minor investments in other properties totaling SEK -40.8 million. For the January to December period, cash flow from investing activities was SEK -383.4 million (-134.1), where most of the cash flow pertained to the acquisition of Carl Florman and The Corner as well as the divestment of Carl Berner Torg totaling SEK -282.9 million.

Cash flow from financing activities for the quarter amounted to SEK 94.5 million (-2.6), which pertains to loans raised related to the financing of The Corner property and repayment of loans regarding Carl Berner Torg as well as repayment of the Group's loan facility. The corresponding figure for the January to December period was SEK 161.6 million (125.0) and was related to the financing of Carl Florman, The Corner, repayment of loans regarding Carl Berner Torg as well as repayment of the Group's loan facility.

Cash flow for the quarter amounted to SEK -49.2 million (-37.8), where the corresponding figure for the January to December period was SEK -119.42 million (45.2).

Sustainable development

We are working systematically to move towards our vision to be the most sustainable property company in the Nordics. This means we acquire properties with high sustainability potential and are continually improving our property management and the measurability of sustainability actions in our property operations.

Highlights during the quarter

During the quarter, efforts to deliver on our sustainability targets continued. These efforts and examples of where the greatest progress has been made in terms of sustainability are presented below.

Partille Port upgraded to energy class B

Annehem works with energy efficiency improvements in the property portfolio over the long term and this includes an examination of consumption data and an assessment of whether it is reasonable. Our Partille Port 11:60 property, which was previously energy class C underwent an energy declaration and review during the quarter and has been upgraded to energy class B. The transition in energy performance is important for our long-term target that 90 percent of our property value shall be energy class A and B.

Increase in percentage of green leases

During the fourth quarter, the percentage of green leases rose to 35 percent compared with 32 percent during the preceding quarter. The increase is mainly attributable to the acquisition of The Corner, which was taken into possession during the period. Annehem's long-term target is that 80 percent of leases shall be green by 2030. It is an ambitious target that Annehem is endeavoring to reach together with existing and new tenants.

Annehem joins EPRA

In December, Annehem became a member of the European Public Real Estate Association (EPRA) in order to share knowledge and experiences with industry colleagues across Europe. EPRA, which is a not-for-profit association where Europe's listed property companies are represented, supports members through guidance and expertise and through forums and events with other relevant stakeholders.

Annehem participated in Nasdaq's Green Equity Capital Markets Day

We participated in the second edition of Nasdaq's Green Equity Capital Markets Day. Annehem became one of the first property companies to list its share in accordance with Nasdaq Green Equity Designation, which means more than 50 percent of the company's sales are derived from green activities. At 31 December 2022, 74 percent of Annehem's income was green.

Measurable progress Q4 2023 (compared with outcome for full year 2022)

- 35 percent (27) of income is from green leases¹ (applies to Swedish operations)
- 82 percent (76) of the property value is environmentally certified
- 75 percent (81) of the property value is sustainable (according to the EU Taxonomy)²

¹ A green lease is a commitment by both landlord and tenant to take a variety of concrete measures. The commitment includes sharing information about environmental ambitions and environmental measures, such as reducing energy use, creating opportunities for waste sorting, making good environmental choices when selecting materials, and increasing the rate of recycling when refurbishing.

² The reduction year-on-year is due to the sale of Carl Berner Torg

Sustainability targets 2023

Gross list

		Unit	Long-term target	Target 2023	Outcome 2022 ¹⁾	Outcome 2021
1. We create a sustainable property portfolio	Environmentally certified property value	Share	90%	>76%	76%	85%
	Property value that is aligned with the taxonomy	Share	90%	85%	81%	85%
	Green financing	Share	90%	-	86%	14%
	Property value with climate and vulnerability analysis	Share	90%	>82%	82%	-
	Property value with energy class A and B	Share	90%	-	72%	80%
2. We optimise energy consumption in our properties	Property energy	MWh	-	Measurement	16,861	17,023
	Intensity Property energy	kWh/sqm	3 percent reduction/year	77	79	85
	Scope 2: CO2e emissions from property energy	tonnes CO2e	95% reduction Scope 1 & 2	Measurement	493	625
	Self-generated renewable energy	kWh/sqm	3	Measurement	0.4	0.5
3. We help our tenants to be sustainable	Intensity Tenant energy	kWh/sqm	-	Measurement	44	-
	Scope 3: CO2e emissions from tenant energy	tonnes CO2e	-	Measurement	737	594
	Green leases	Share of contract value	80%	>30%	27%	24%
	Tenant access to waste recycling	Share	100%	100%	100%	100%
	Water consumption	l/sqm	1 percent reduction/year	212	214	185
4. We take responsibility	Training in Annehem's sustainability policy (incl. CoC)	Share of employees	100%	100%	33%	-
	Audit of strategic suppliers	%	100%	100%	100%	100%
	Biodiversity: Inventoried species in our properties	number	Draw up an inventory and promote establishment of	Measurement	175	-
	Share of fossil-free fuel in service vehicles	%	100%	>90%	5%	-
	Scope 1: CO2e emissions from company cars and service vehicles	tonnes CO2e	95% reduction Scope 1 & 2	Measurement	24	29
	Proportion of environmentally certified company cars	%	100%	100%	100%	100%
	Scope 3: CO2e emissions from business travel	tonnes CO2e		Measurement	70	14
	Scope 3: CO2e emissions from projects and maintenance	tonnes CO2e		Measurement	1,217	-
5. We create satisfied tenants and long-term relationships	Scope 1: CO2e emissions from refrigerants	tonnes CO2e	95% reduction Scope 1 & 2	Measurement	0	28
	Customer satisfaction index	index 0-100	Above industry average	>80	77	77
	Average contract period	years	Seek long-term relationships	Measurement	5.2	6
6. We care about each other	Satisfied employees, confidence index	index 0-100	>70	>70	83	73
	Attendance rate	%	>97,0%	>97,0%	97,3%	99.7%
	Gender distribution	Board (% women men)			25% 75%	29% 71%
		Management team (% of women men)	50% ±10	50% ±10	50% 50%	50% 50%
		Employees (% of women men)			65% 35%	56% 44%
	Perceived inclusion	index 0-100	High level of inclusion	Measurement	94	-

¹⁾ As of the date of the publication of this report, the outcome for 2023 is not yet completed. The outcome will be reported in the 2023 Annual Report.

Our properties

Annehem Fastigheter owned assets in the form of properties on 31 December 2023 at a fair value of SEK 4,412.7 million. All properties are 100-percent owned by the company. The properties largely comprise modern and sustainable commercial, community service and logistics properties.

For the period, net letting amounted to SEK 12.8 million (13.8), distributed among newly signed leases amounting to SEK 24.1 million (17.7) less terminated leases amounting to SEK 11.3 million (3.9).

Detailed description of property portfolio

Change in portfolio during 2023

Transactions during the year	Event	City	From	Area, sqm	Annualised rental value, SEK million	Underlying property value, SEK million
The Corner	Acquired	Malmö	2023-12-18	7,400	26.9 ¹	420.0
Carl Berner Torg	Divestment	Oslo	2023-10-20	3,640	14.4	246.0
Carl Florman	Acquired	Malmö	2023-01-19	3,259	7.0	135.0

1) The difference in rental value compared to the SEK 28.4 million communicated in connection with the acquisition is attributable to an adjusted property tax assessment, which in all cases is neutral for the company at the net operating income level.

Property portfolio on 31 December 2023

Property	Property name	City	Area, sqm	Rent-revenue SEK million	Annualised rental value, SEK million
Valhall Park	Barkåkra 50:3	Ängelholm	51,564	39.5	40.8
Ljungbyhed Park	Sjöleden 1:5-1:17	Ljungbyhed	73,234	29.5	35.4
Kamaxeln 2	Kamaxeln 2	Malmö	950	1.7	1.7
Stenekullen 2	Stenekullen 2	Malmö	4,937	13.7	15.4
Jupiter 11	Jupiter 11	Helsingborg	4,807	10.6	10.6
Ulriksdals Center	Sadelplatsen 3	Stockholm	12,455	44.7	44.7
Sadelplatsen 4	Sadelplatsen 42	Stockholm	13,494	16.6	20.0
Ledvolten	Solna Ledvolten 1	Stockholm	4,268	15.3	15.3
Almnäs	Almnäs 5:28	Södertälje	2,158	5.6	5.6
Partille Port	Partille 11:60	Partille	6,431	14.9	15.1
Carl Florman	Carl Florman 1	Malmö	3,259	6.7	7.0
The Corner	Hemvistet 2	Malmö	7,432	26.2	26.9 ³
Ultimes Business Garden	Ultimes I & II	Helsingfors	17,015	73.8	77.1
Total			202,004	298.9	315.6

1) Leasing refers to ground leases amounting to SEK 2 million to Kamaxeln.

2) The property largely comprises a parking garage (475 parking spaces) and, in addition, office premises of 2,994 sqm.

3) The difference in rental value compared to the SEK 28.4 million communicated in connection with the acquisition is attributable to an adjusted property tax assessment, which in all cases is neutral for the company at the net operating income level.

Summary of value trend

Changes in the property portfolio	Oct-Dec		Full year	
SEK million	2023	2022	2023	2022
At beginning of the period	4,237.8	4,252.9	4,309.2	3,994.1
Acquired properties	395.0	-	534.9	103.0
Investments in existing properties	40.8	5.7	95.8	32.8
Divestments of properties	-252.1	-	-252.1	-
Unrealised changes in fair value	25.7	12.3	-266.0	98.0
Currency effect on properties abroad	-34.5	38.5	-9.1	81.2
At end of the period	4,412.7	4,309.2	4,412.7	4,309.2

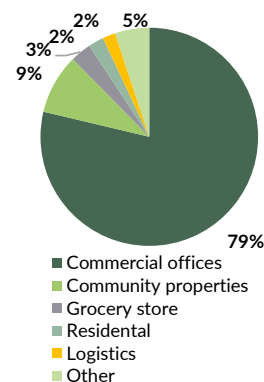
Acquisitions and investments

During the January–December period, investments were made in existing properties totalling SEK 95.8 million (32.8), with the investments primarily related to the Valhall Park and Ljungbyhed Park properties.

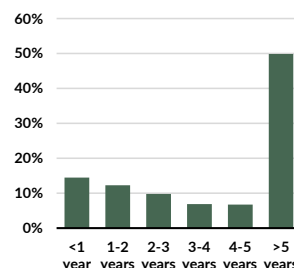
Acquired but not taken into possession

Annehem signed an agreement with Peab in 2020 to acquire one residential property in Partille (Partille Port Bostäder 11:70) with an underlying property value of SEK 250.0 million, and possession scheduled for 28 March 2024.

Specification of income 2023



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



Property valuations

At least once every year Annehem commissions complete valuations from external appraisal institutes for all properties in the portfolio. The external appraisers are to be property appraisers authorised by Samhällsbyggarna, or similar Nordic association. The external valuations are to be conducted in accordance with guidelines from IPD Svenskt Fastighetsindex.

The fair value of properties is primarily based on external measurements with the value date 31 December 2023. Annehem generally conducts external measurements once per year on 30 September, but in conjunction with the ongoing issue process the company also obtained external valuation reports on 31 December 2023. During the January to December period, fair value decreased by SEK 266.0 million, primarily due to changed return requirements. At 31 December 2023, the average valuation yield amounted to 5.24 percent (4.91 percent, 31 December 2022). During the January to December period, Annehem Fastigheter also invested in existing properties in an amount of SEK 95.8 million. The investments were attributable to completion of the preschool in Valhall Park, modernisation of Saab's premises in Ljungbyhed Park and other minor investments in other properties. The properties are measured at fair value where classification is conducted at level 3 in accordance with IFRS 13.

Current earnings capacity

SEK million	2023-12-31
Rent revenue	315.6
Vacancy	-16.7
Other property income	19.9
Rent revenue	318.8
Property expenses	-85.9
Property tax	-13.3
Net operating income	219.6
Other operating income	-4.3
Central administration	-37.0
Net financial items	-90.7
Income from property management	87.6

Annehem Fastigheter presents its earnings capacity on a 12-month basis on 31 December 2023 in the table above. The earnings capacity is not a forecast for the current year or the next 12 months but should only be viewed as a theoretical snapshot and is solely presented as an illustration. The current earnings capacity does not include an assessment of the future trends for rents, vacancy rates, changes in value, purchases or sales of properties or other factors. The current earnings capacity is based on the properties owned on 31 December 2023 and their financing, after which the current earnings capacity illustrates the subsequent annualised earnings for Annehem Fastigheter. Transactions involving taking possession of or vacating a property that took place after 31 December are therefore not included in the calculation. Annehem Fastigheter's income statement is also affected by the value growth in the property portfolio and future property acquisitions and/or property sales. None of the above were taken into account in the current earnings capacity. The earnings capacity is based on the property portfolio's contracted rent revenue, current property expenses and administration costs. Costs for interest-bearing liabilities used the Group's average interest-rate level plus accrued borrowing expenses.

Comments on earnings capacity

The rent revenue and net operating income increased compared with the earnings capacity on 30 September 2023. The positive trend for rent revenue was mainly attributable to rising rents through indexation and new lettings, index adjustments on leases from 1 January 2024 as well as the additional property The Corner. Rental guarantees were issued for vacant spaces in the Jupiter 11 property (from 1 May 2021 to 30 April 2024) and The Corner (from 1 January 2023 to 31 December 2026) by Peab. If the vacancies are leased to other tenants, the guarantees are not paid. At the end of December 2023, the economic occupancy rate was 94.9 percent (95.8).

Sensitivity analysis property portfolio

At 31 December 2023, the average valuation yield amounted to 5.24 percent. Unrealised changes in value in the property portfolio in the case of changes in the valuation yield are presented in the table below.

Change, %-points	SEK million
+/- 0.5%	-378.0 / +463.0
+/- 1.0%	-692.0 / +1,045.0

Financing

Summary of the company's financing situation

In the two most recent quarters, some parts of the fixed-interest derivatives portfolio were restructured and fixed interest terms were extended to adjust our interest-rate risk and create conditions for Annehem's future growth.

At the end of the fourth quarter, interest-bearing liabilities amounted to SEK 2,036.3 million (1,889.6). The interest-bearing liabilities consist exclusively of bank loans and all, except for the loan of SEK 60.0 million, are secured with mortgage deeds.

The interest-coverage ratio multiple was 2.2 (2.5) for the quarter, which means the loan covenants are met. The interest-coverage ratio, multiple RTM, was 2.2 (2.7). At 31 December 2023, the net loan-to-value ratio in the portfolio was 43.4 percent (38.3).

The average remaining fixed interest term and loan maturity including fixed-interest derivatives was 2.41 years and 2.04 years, respectively. At the end of the quarter, the average interest rate was 4.3 percent excluding fees for unutilised credit facilities, and 4.4 percent including these fees.

Change in loan structure during the period

SEK million	Full year	
	2023	2022
Interest-bearing liabilities at beginning of the period	1,889.6	1,721.3
New external bank loans	345.2	132.9
Change in lease liability	-0.3	-0.1
Amortisations of external bank loans	-183.6	-7.9
Changes in capitalised loan costs	2.5	-1.8
Currency effects	-17.1	45.2
Interest-bearing liabilities at end of the period	2,036.3	1,889.6

Available liquidity

SEK million	Full year	
	2023	2022
Cash and cash equivalents	119.4	237.9
Unused loan facility	125.0	192.5
Total	244.4	430.4

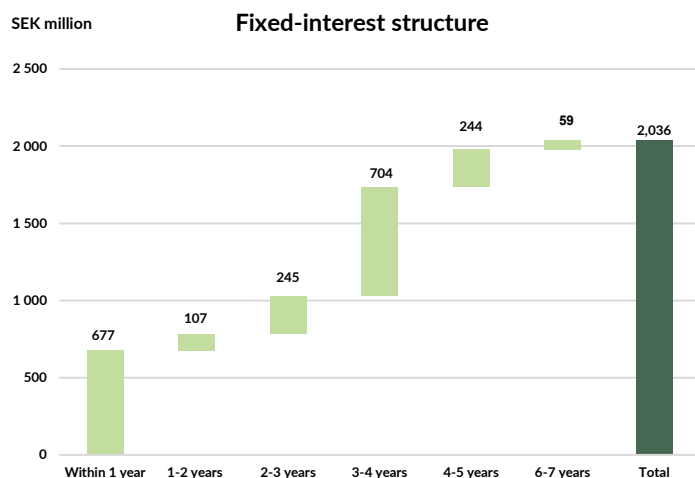
Fixed-interest and loan maturity structure

Year	Interest		Capital ²	
	SEK million	Share	SEK million	Share
within a year	677.0	33.2%	116.2	5.7%
1-2 years	106.9	5.2%	1,400.5	68.8%
2-3 years	245.0	12.0%	444.0	21.8%
3-4 years	704.5	34.6%	75.6	3.7%
4-5 years	245.0	12.0%	-	-
6-7 years ¹	57.9	2.8%	-	-
Total at the end	2,036.3	100%	2,036.3	100%

1) Pertains to lease liability for ground leases that are regarded as perpetual.

2) Including fixed-interest derivatives.

3) The capital amount pertains to undiscounted values. The balance sheet includes borrowing fees in interest-bearing liabilities.



Summary of financial key figures

Mkr	Full year	
	2023	2022
Interest bearing debt (Mkr)	2,036.3	1,889.6
Unused facility, (Mkr)	125.0	125.0
Volume interest swaps, (Mkr)	1,365.1	1,480.5
Value interest swaps, (Mkr)	29.7	93.2
Debt/equity ratio, multiple	0.9	0.8
Net loan to value ratio, %	43.4	38.3
Interest coverage multipel, quater, ICR	2.2	2.5
Interest coverage multipel rolling 12 months	2.2	2.7
Average interest rate %	4.3	3.3
Average interest rate including unused loan facility, %	4.4	3.4
Average fixed interest period, Years	2.41	1.09
Average capital commitment period, Years	2.04	2.45

Sensitivity analysis

The average interest for the January to December 2023 period was 4.3 percent. The effect of changes in average interest rates on profit is presented in the table below:

Change, %-points	SEK million	
+/- 1,0%	+/-	2.1
+/- 2,0%	+/-	4.3

Other information

The company's shareholders

Shareholders	Numbers of shares	Capital, %	Votes, %
Ekhaga utveckling AB ¹⁾	14,087,282	23.9	49.8
Mats och Fredrik Paulsson med familjer	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
Peabs vinstandelsstiftelse	2,503,800	4.2	2.1
Mats Paulssonstiftelserna	1,737,214	2.9	1.4
UBS SWITZERLAND AG, W8IMY	258,548	0.4	1.4
Carnegie fonder	1,706,885	2.9	1.4
PEAB-fonden	1,427,238	2.4	1.2
Alcur Select	1,367,474	2.3	1.1
10 largest share owners, sum	34,275,219	58.1	78.4
Other share owners	24,717,329	41.9	21.6
Total	58,992,548	100.0	100.0

1) See further information in Note 6.

Risk

For a description of Annehem's risks, refer to the Risks section on page 24, and the Risks and risk management section of Annehem's 2022 Annual Report.

Organisation and employees

Annehem Fastigheter had an average of 16 full-time employees in the fourth quarter of 2023. Including resources working on a consultative basis, the number of employees amounts to 18. Annehem Fastigheter had 18 employees and two resources on consulting basis during the 2022 comparative period.

Significant events after the end of the period

- The Extraordinary General Meeting on 17 January 2024 resolved to grant the Board of Directors issue authorisation.

Financial calendar

Interim Report January–March 2024	3 May 2024
2024 Annual General Meeting	14 May 2024
Half-year report January–June 2024	19 July 2024
Interim Report January–September 2024	24 October 2024

Review

This report has not been subject to review by the company's auditors.

Assurance of the CEO

The CEO gives assurance that the year-end report provides a true and fair overview of the development of the Parent Company's and the Group's operations, their financial position and performance, and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

Ängelholm, 31 January 2024

Monica Fallenius
CEO

This information is information that Annehem Fastigheter AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, on 1 February 2024 at 8:00 a.m. CET.

Consolidated income statement

SEK million	Oct-Dec		Full year	
	2023	2022	2023	2022
Rent revenue	60.9	56.8	247.2	217.9
Other property income	8.5	11.4	44.9	44.7
Total income	69.4	68.1	292.1	262.6
<i>Property expenses</i>				
Operating costs	-11.9	-11.9	-47.5	-44.2
Maintenance costs	-2.7	-4.3	-11.6	-10.2
Property tax	0.1	-3.6	-9.8	-12.6
Property administration	-3.4	-3.4	-13.4	-14.3
Net operating income	51.5	45.0	209.7	181.3
Central administration	-9.1	-12.0	-36.1	-36.2
Other operating income	2.3	2.4	5.2	7.7
Other operating costs	-4.4	-2.6	-10.3	-9.3
Interest income	15.2	6.7	53.4	9.5
Interest expenses	-33.4	-20.0	-129.3	-62.5
Other financial items ¹	5.0	-8.0	-2.2	-16.4
Income from property management	27.1	11.5	90.5	74.2
Changes in values of properties, realised	-11.8	0.0	-11.8	0.0
Changes in values of properties, unrealised	25.7	12.3	-266.0	98.0
Changes in values of derivatives	-47.9	-2.8	-61.8	90.9
Income before tax for the period	-7.0	21.0	-249.1	263.0
Current tax	0.6	-1.0	0.0	-1.0
Deferred tax	-2.8	-11.1	48.5	-54.7
Net income for the period attributable to the company shareholders	-9.1	8.9	-200.6	207.3
Average numbers of shares, before and after dilution	58,992,548	58,992,548	58,992,548	58,992,548
Earnings per share, before and after dilution, SEK	-0.15	0.15	-3.40	3.51

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

Consolidated statement of profit or loss and other comprehensive income

SEK million	Oct-Dec		Full year	
	2023	2022	2023	2022
Profit for the period	-9.1	8.9	-200.6	207.3
Other comprehensive income				
<i>Items that will be reclassified to profit or loss</i>				
Change in market value of derivative instruments	-0.1	-0.2	-0.7	-1.6
Fiscal effect on derivative instruments	0.0	0.0	0.1	0.3
Translation differences from foreign operations for the period	-8.3	4.3	2.3	19.1
Total other comprehensive income	-8.5	4.1	1.7	17.8
Comprehensive income for the period attr. to parent company shareholders	-17.6	13.0	-198.9	225.1

Consolidated Balance Sheet

SEK million	2023-12-31	2022-12-31
ASSETS		
Fixed assets		
Intangible fixed assets	0.2	0.1
Investment properties	4,412.7	4,309.2
Equipment and machinery	6.2	5.2
Derivative instrument	33.3	104.5
Other fixed assets	1.4	1.3
Total fixed assets	4,453.9	4,420.3
Current assets		
Accounts receivables	3.5	1.9
Current receivables	34.0	22.9
Derivative instruments	0.0	0.9
Cash and cash equivalents	119.4	237.9
Total current assets	156.8	263.6
TOTAL ASSETS	4,610.7	4,684.0
EQUITY AND LIABILITIES		
Equity		
Share capital	0.5	0.5
Other contributed capital	1,786.9	1,786.9
Reserves	23.3	22.0
Retained earnings including net income for the year	491.6	691.7
Equity attributable to parent company shareholders	2,302.3	2,501.1
Non-current liabilities		
Current interest-bearing liabilities	1,920.1	1,655.6
Derivative instruments	3.6	10.4
Other non-current liabilities	1.8	3.2
Deferred tax liabilities	157.6	195.6
Provisions for pensions	1.7	1.6
Total non-current liabilities	2,084.9	1,866.5
Current liabilities		
Current interest-bearing liabilities	116.2	234.0
Accounts payable and other liabilities	25.6	22.1
Current tax liabilities	0.6	1.8
Other current liabilities	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 cash flow statement

SEK million	Oct-Dec		Full year	
	2023	2022	2023	2022
Income from property management	27.1	11.5	90.5	74.2
<i>Items not affecting cash flow</i>				
Depreciation	0.9	0.1	0.9	0.4
Unrealised currency effects	8.4	-0.1	7.6	-16.3
Other non-cash items	6.1	-	1.9	-4.6
Income tax paid	0.6	-	0.0	-
Changes in working capital				
Operating receivables	0.3	-8.9	-14.7	-2.1
Operating liabilities	4.3	-20.7	16.3	2.6
Cash flow from operating activities	47.7	-18.2	102.4	54.3
<i>Investing activities</i>				
Investments in existing properties	-40.8	-5.7	-95.8	-32.8
Acquisitions of investment properties	-392.9	-	-527.9	-99.8
Divestment of fixed assets	245.0	-	245.0	-
Investments in machinery and equipment	-2.7	-	-4.7	-1.5
Cash flow from investing activities	-191.4	-17.0	-383.4	-134.1
<i>Financing activities</i>				
Borrowings	269.3	-	345.2	132.9
Repayment of loans	-174.8	-2.6	-183.6	-7.9
Cash flow from financing activities	94.5	-2.6	161.6	125.0
Cash flow for the period	-49.2	-37.8	-119.4	45.2
Cash and cash equivalents at the beginning of the period	167.5	275.0	237.9	190.2
Exchange rate difference in cash and cash equivalents	1.1	0.6	0.9	2.5
Cash and cash equivalents at the end of the period	119.4	237.9	119.4	237.9

Consolidated Statement of Changes in Equity

SEK million	2023-12-31	2022-12-31
Opening balance, equity	2,501.1	2,275.9
Net income for the period	-200.5	207.3
Other comprehensive income for the period	1.7	17.8
Comprehensive income for the period	-198.8	225.1
Closing balance, equity attributable to Parent Company shareholders	2,302.3	2,501.1

Parent Company Income Statement

SEK million	Oct-Dec		Full year	
	2023	2022	2023	2022
Revenue	-1.3	13.2	46.1	47.2
Administration costs	-11.2	-12.8	-40.3	-38.3
Operating result	-12.6	0.4	5.8	8.9
Financial items				
Financial net	31.4	-0.7	94.4	47.2
Result after financial items	18.8	-0.3	100.2	56.1
Appropriations	-11.8	18.4	-11.8	18.4
Result before tax	7.0	18.1	88.3	74.5
Deferred tax	1.1	0.9	0.5	-6.2
Result for the period	8.1	19.1	88.9	68.3

Parent Company Balance Sheet

SEK million	2023-12-31	2022-12-31
ASSETS		
Fixed assets		
Intangible fixed assets	0.2	0.1
Equipment and machinery	3.2	1.7
Financial fixed assets		
Shares in Group companies	116.1	18.8
Long-term receivables, Group companies	2,134.0	1,810.9
Derivative instruments	26.3	44.5
Other fixed assets	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		
Accounts receivables	70.4	43.8
Accounts receivables from related parties	7.1	2.9
Derivative instruments	0.0	0.9
Cash and cash equivalents	27.8	208.4
Total current assets	105.3	255.9
TOTAL ASSETS	2,386.5	2,133.2
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	0.5	0.5
Unrestricted equity		
Retained earnings	2,092.2	2,023.9
Result for the year	88.9	68.3
Total equity	2,181.6	2,092.7
Provisions		
Provision for pensions and similar obligations	1.7	1.6
Provision 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		
Derivative instruments	1.9	-
Liabilities to Group companies, accounts payable	118.8	5.4
Accounts payable	4.3	1.4
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 Cash Flow Statement

SEK million	Oct-Dec		Full year	
	2023	2022	2023	2022
Result before tax	7.0	18.1	88.3	74.5
<i>Items not affecting cash flow</i>				
Depreciations	0.0	0.1	0.4	0.4
Unrealised currency effects	12.9	5.5	10.8	-37.4
Other items not affecting cash flow	0.0	-	-1.8	-
Changes in working capital		0.0		
Operating receivables	27.2	-19.0	-30.8	-23.8
Operating liabilities	76.8	4.6	77.9	-0.6
Cash flow from operating activities	124.0	9.4	144.8	13.1
Investing activities				
Investments in machinery and equipment	-1.6	1.2	-2.1	-1.3
Cash flow from investing activities	-1.6	1.2	-2.1	-1.3
Financing activities				
Changes interest-bearing receivables, Group companies	-209.9	167.2	-323.3	187.9
Cash flow from financing activities	-209.9	167.2	-323.3	187.9
Cash flow for the period	-87.5	177.8	-180.6	199.7
Cash and cash equivalents in the beginning of the period	115.3	30.6	208.4	8.7
Cash and cash equivalents at the end of the period	27.8	208.4	27.8	208.4

Comments on Parent Company

The Parent Company had income related to invoiced management fees and expenses related to personnel and external services, including communication, legal and auditing.

No special risks exist for the Parent Company, in addition to those named for the Group in the Risks section.

Notes

NOTE 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim report is designed in accordance with the EU endorsed IFRS standards and the EU endorsed interpretations of applicable standards, IFRIC. This condensed consolidated interim report was prepared in accordance with IAS 34 Interim Financial Reporting, and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act, Interim reports. The accounting policies for the Group and the Parent Company are the same accounting policies and applied calculation bases as in the most recent annual report.

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

NOTE 2 ESTIMATIONS AND ASSESSMENTS

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

Valuation of investment properties

Annehem Fastigheter's portfolio is measured in 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 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 also requires an assessment of and assumptions on future cash flows and determination of the discount factor (return requirement). Annehem continuously monitors inflation, the policy rate and yield requirements, these assumptions form the basis for the calculation of the fair value. The inflation assumption in valuations for the coming year is 2%. At 31 December 2023, the average valuation yield amounted to 5.24 percent (4.91 percent, 31 December 2022). 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.

The properties are measured at fair value where classification is conducted at level 3 in accordance with IFRS 13.

Tax assessments

At the end of the fourth quarter 2023, there was approximately SEK 2.2 million in loss carryforwards that had not been capitalised.

NOTE 3 SEGMENTS

Annehem Fastigheter's operations comprise two operating segments, meaning the operations consist of one business operation that generates income and costs. The operating segment is organisationally divided into two different segments:

1. **Sweden Region**, including Stockholm, Malmö, Ljungbyhed, Ängelholm, Gothenburg and Helsingborg
2. **Rest of Nordics Region**, including Helsinki

2023		Full year		
SEK million	Sweden	Other Nordics	Staff	Total
Rent revenue	178.3	68.9	0	247.2
Net operating income	141.6	69.8	-1.7	209.7
Income from property management	124.6	33.1	-67.2	90.5
Income before tax	-64.0	-21.9	-163.2	-249.1
Investment properties, fair value	3,532.7	879.9	-	4,412.7

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

2022		Full year		
SEK million	Sweden	Other Nordics	Staff	Total
Rent revenue	155.3	62.6	-	217.9
Net operating income	120.8	61.5	-1.0	181.3
Income from property management	111.7	50.2	-87.8	74.2
Income before tax	297.4	-20.1	-14.3	263.0
Investment properties, fair value	3,081.2	1,228.0	-	4,309.2

The operating segments have changed from Capital Region and South Region to Sweden Region and Rest of Nordics Region. The table below illustrates which properties were included in the previous segments and which segment they joined on 1 January 2023.

The segments were previously followed up with South Region including properties in southern Sweden and Capital Region including properties in the Nordic capital cities. Since 1 January 2023, the company's chief operating decision maker, the CEO, instead follows up the Sweden and the Rest of Nordics segments. The geographic division was changed on 1 January 2023 as there is a demographic link between the properties and markets in Sweden that was not reflected in the South Region. Annehem only owns a small number of properties abroad that make up the Rest of Nordics Region. The modified segments division complies with internal reporting and operating profit is regularly reviewed by the company's chief operating decision maker (CEO) as a basis for the distribution of resources to the segments and in assessing their results.

Segments 2022-12-31		Segments 2023-12-31	
Capital Region	South Region	Sweden	Other Nordics
Valhall Park	X	X	
Ljungbyhed Park	X	X	
Kamaxeln 2	X	X	
Stenekullen 2	X	X	
Jupiter 11	X	X	
Ulriksdals Center	X	X	
Sadelplatsen 4	X	X	
Ledvolten	X	X	
Almnäs	X	X	
Partille Port	X	X	
Johanneslust	not accessed	X	
The Corner	not accessed	X	
Carl Berner Torg	X		property sold
Ulimes Business Garden	X		X

NOTE 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

SEK million	Oct-Dec		Full year	
	2023	2022	2023	2022
Property tax	1.0	2.0	3.9	7.7
Rental guarantees	0.2	1.9	3.0	7.7
Other property revenue	7.3	7.5	37.9	29.3
Total other property revenue	8.5	11.4	44.9	44.7

Other property income largely comprises reinvoiced media costs (electricity, heating, water) to tenants, reinvoiced property tax, compensation related to airports, rental guarantees, and income from leasing ad hoc housing.

NOTE 5 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Annehem Fastigheter holds forward exchange contracts and fixed-interest derivatives to mitigate the impact of fluctuations in currency and interest rates. The derivatives are used solely for financial hedging purposes as part of Annehem Fastigheter's financial policy, and not for speculation.

For certain hedging relationships entered into before 30 September 2021, hedge accounting was applied on fixed-interest derivatives in SEK and NOK, and the fixed-interest derivatives identified as cash flow hedging instruments were initially reported at fair value on the transaction date for the derivatives and subsequently revalued to fair value at the end of each reporting period. The effective portion of changes in the fair value of derivatives, which are referred to as cash flow hedges, is reported in other comprehensive income and accumulated in the fair value reserve in equity. For all hedged forecast transactions, the accumulated amount in the hedging reserve was reclassified to profit or loss in the same period or periods when the hedged expected cash flow impacts earnings. The ineffective portion of changes in the fair value of derivatives is recognised immediately in profit or loss in other financial items. 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. All of the Group's derivative instruments are classified at level 2 in accordance with IFRS 13. The accumulated amount in the hedging reserve at 31 December 2023 was SEK 0 million, and the hedging reserve is therefore dissolved in its entirety.

As of 1 July 2021, the hedge accounting ceased and all derivatives are thus valued at fair value via the income statement and are presented on the line "Changes in value of derivative instruments" in the consolidated income statement. If the hedge no longer meets the criteria for hedge accounting or the company cancels the identification or the hedging instrument has been sold, matured, wound up or redeemed, the hedge accounting will cease in the future. When the hedge accounting for cash flow hedges has ceased, the amount that has accumulated in the hedging reserve is retained in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected cash flow affects earnings.

As of 31 December 2023, the Group holds fixed-interest derivatives in SEK and EUR, and currency futures in EUR. As of 31 December 2023, the market value of fixed-interest derivatives amounted to SEK 31.6 million (94.1) and currency derivatives to SEK -1.9 million (0.9).

The Group deems that other carrying amounts for the stated financial assets and liabilities recognised at cost and amortised cost correspond approximately to fair value, due to short maturity dates, that reservations have been made for anticipated credit losses and that any penalty interest will be charged.

NOTE 6 TRANSACTIONS WITH RELATED PARTIES

The company is a related party to Peab AB, through the companies' shared largest shareholders. The shares are held directly and indirectly by Ekhaga Utveckling AB. On 31 December 2023, Fredrik Paulsson controlled more than 50 percent of votes in Ekhaga Utveckling AB. In addition, Fredrik Paulsson held 0.86 percent of shares in Annehem on 31 December 2023. Fredrik Paulsson therefore controlled more than 50 percent of votes in Annehem through his direct and indirect holding on 31 December 2023.

SEK million	Oct-Dec		Full year	
	2023	2022	2023	2022
Acquired properties	395.0	0.0	534.9	103.0
Accounts receivables	0.2	0.0	0.2	0.0
Accounts payable	12.3	2.7	12.3	2.7

Risk factors

Risks in the value of the properties

Annehem Fastigheter is exposed to risk related to changes in the value of and incorrect valuation of its properties. Annehem Fastigheter's investment properties are measured at fair value in the balance sheet and realised and unrealised changes in value are recognised in profit or loss. According to Annehem Fastigheter's valuation policy, external valuation reports are to be obtained at least once each year for all properties.

Macroeconomic risks

The company's operations are affected by macroeconomic factors such as the overall economic trends, national and regional economic trends, employment, production of properties, infrastructure developments, population growth, inflation and interest rates, as well as war and crises. Annehem Fastigheter operates in Stockholm, Helsinki, Malmö, Gothenburg and Helsingborg/Ängelholm, which are geographic markets that the company considers particularly attractive, based on historical data. Consequently, Annehem Fastigheter is primarily exposed to the regional economic climate in these geographic markets and there is a risk that these geographic markets will not develop as anticipated by the company or in the same way as the markets' historical development, which could have a material negative impact on Annehem Fastigheter's operations and financial position.

Environmental risks

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

See also the Risks and risk management section in the 2022 Annual Report.

Financial key figures

Number of shares

Number of shares	Oct-Dec		Full year	
	2023	2022	2023	2022
A-shares	6,863,991	6,863,991	6,863,991	6,863,991
B-shares	52,128,557	52,128,557	52,128,557	52,128,557
Total average number of shares	58,992,548	58,992,548	58,992,548	58,992,548

Income from property management

Annehem Fastigheter'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 20.0 percent per year. Shown below is the income from property management, excluding currency effects, which relate to the Group's currency swap derivatives and the revaluation of internal loans in NOK and EUR.

SEK million	Oct-Dec		Full year	
	2023	2022	2023	2022
Currency swaps	11.1	-14.1	2.5	-30.4
Revaluation of internal loans	-6.1	6.1	-4.7	14.0
Currency effects	5.0	-8.0	-2.2	-16.4

Income from property management per share

SEK million	Oct-Dec		Full year	
	2023	2022	2023	2022
Income from property management	27.1	11.5	90.5	74.2
Currency effects	-5.0	8.0	2.2	16.4
Income fr. property management excl. currency effects	22.1	19.4	92.7	90.5
Number of shares	58,992,548	58,992,548.0	58,992,548	58,992,548
Income fr. property management excl. currency effects per share	0.37	0.33	1.57	1.53

Long-term net asset value (EPRA NRV)

Net asset value is the accumulated capital managed by the company on behalf of its owners. Using this capital, Annehem 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 Annehem's case deferred tax liabilities.

SEK million	2023-12-31	SEK/share	2022-12-31	SEK/share
Equity accoring to balance sheet	2,302.3	39.0	2,501.1	42.2
Add back				
Deferred tax according to balance sheet	157.6	-	195.6	-
Interest rate derivatives	-29.7	-	-94.1	-
Long-term net asset value (EPRA NRV)	2,430.1	41.2	2,602.6	44.1

Interest-coverage ratio

SEK million	Oct-Dec		Full year	
	2023	2022	2023	2022
Income from property management	27.1	11.5	90.5	74.2
Add back				
Interest net	18.2	13.4	75.9	53.0
Currency effects	-5.0	8.0	2.2	16.4
Interest coverage, multiple	2.2	2.5	2.2	2.7
Interest coverage, multiple rolling 12 month	2.2	2.5	2.2	2.7

Net loan-to-value ratio

SEK million	2023-12-31	2022-12-31
Interest-bearing liabilities	2,036.3	1,889.6
Cash and cash equivalents	-119.4	-237.9
Net interest-bearing liabilities	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	Oct-Dec		Full year	
	2023	2022	2023	2022
Income from property management	27.1	11.5	90.5	74.2
Add back				
Property expenses	24.4	33.6	119.2	107.1
Net operating income	51.5	45.0	209.7	181.3
Rent revenue	60.9	56.8	247.2	217.9
Surplus ratio, %	84.6%	79.3%	84.8%	83.2%

Return on equity

SEK million	Oct-Dec		Full year	
	2023	2022	2023	2022
Net income for the period attributable to the Parent Company's shareholders	-9.1	8.9	-200.6	207.3
Equity attributable to the Parent Company's shareholders	2,302.3	2,501.1	2,302.3	2,501.1
Return on equity, %	-0.4%	0.4%	-8.7%	8.3%

Glossary and definitions

Return on equity	Profit for RTM in relation to the average equity during the interim period. Purpose: The key figure shows the return generated on the capital attributable to the shareholders.
Gross rent	Gross rent is defined as rent revenue at a yearly basis excluding supplements and discounts.
Yield	Net operating income for RTM 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.
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.
Economic occupancy rate¹⁾	Rent revenue in relation to rental value 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.
Property	Property held with property rights or leasehold rights.
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.
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.
Income from property management excl. currency effects	Income from property management is comprised of net operating income excluding currency effects, 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.
Rent revenue	Rent revenue less vacancies, rent discount and lost rent.
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.
Items affecting comparability	Annehem Fastigheter regards items of a non-recurring nature as items affecting comparability.
Long-term net asset value (EPRA NRV)	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.
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.
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.
Interest-coverage ratio	Income from property management, including reversal of financial income, expenses and currency effects related to financial items 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. 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.
Net interest income	The net of interest expenses on interest-bearing liabilities and interest income on fixed-interest derivatives.
Debt/equity ratio	Interest-bearing liabilities in relation to equity. Purpose: The debt/equity ratio is a measure of financial risk that shows the Company's capital structure and sensitivity to interest rate changes.
Equity/assets ratio	Equity in relation to total assets. Purpose: Shows how large a share of the Company's assets are financed with equity and has been included to enable investors to assess the Company's capital structure.
Lettable area	The total floor area that can be rented out. Purpose: Reflects the total area the Company can rent out.
Underlying property value	Agreed transaction price for the property.
Vacancy rent	Estimated market rent for vacant spaces. Purpose: The key figure specifies the potential rent revenue for fully leased spaces.
Currency effects	Currency effects attributable to currency futures and the translation of internal loans in EUR and NOK.
Surplus ratio	Net operating income for the period as a percentage of rent revenue. 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.

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



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