

# Q4

## Annehem remains strong in an uncertain world

### October–December

- Rent revenue for the period amounted to SEK 56.8 million (50.2)
- Net operating income amounted to SEK 45.0 million (39.1)
- Income from property management amounted to SEK 11.5 million (17.0)
- Income from property management excl. currency effects amounted to SEK 19.4 million (17.0)
- Earnings per share amounted to SEK 0.15 (1.10).
- Investments in existing properties amounted to SEK 5.7 million (9.0)
- Valuations of investment properties yielded an increase in fair value of SEK 12.3 million (66.8)

### Significant events after the end of the period

- Annehem took possession of its first residential property in Malmö, Carl Florman 1, on 19<sup>th</sup> of January, 2023
- From 1<sup>st</sup> of January, 2023, Annehem will be divided into the new segments, Sweden and the Rest of the Nordic Region
- The financial growth target is shifted from year 2024 to year 2027
- The Board proposes that no dividend is paid

### January–December

- Rent revenue for the period amounted to SEK 217.9 million (187.8)
- Net operating income amounted to SEK 181.3 million (155.8)
- Income from property management amounted to SEK 74.2 million (86.2)
- Income from property management excl. currency effects amounted to SEK 90.5 million (86.2)
- Earnings per share amounted to SEK 3.51 (3.56).
- Long-term net asset value per share amounted to SEK 44.1 (40.9)
- Investments in existing properties amounted to SEK 32.8 million (52.5)
- The fair value of investment properties amounted to SEK 4,309.2 million (3,994.1).
- Valuations of investment properties yielded an increase in fair value of SEK 98.0 million (172.9)

Net operating income  
Jan–Dec 2022

**SEK 181.3million**

Property value

**SEK 4,309million**

Economic occupancy rate  
31 December 2022

**95%**

### Summary of the Group's performance

SEK million	oct-dec		Full year	
	2022	2021	2022	2021
Rent revenue	56.8	50.2	217.9	187.8
Net operating income	45.0	39.1	181.3	155.8
Income from property management	11.5	17.0	74.2	86.2
Income from property management excl. currency effects	19.4	17.0	90.5	86.2
Income from property management excl. currency effects per share, SEK	0.33	0.29	1.53	1.46
Net income for the period	8.9	65.1	207.3	209.7
Net income for the period per share, SEK	0.15	1.10	3.51	3.56
Net loan-to-value ratio, %	38.3	38.3	38.3	38.3
Equity/assets ratio, %	53.4	53.9	53.4	53.9
Interest-coverage ratio, multiple	2.5	2.7	2.7	3.0
Economic occupancy rate, %	95.0	93.0	95.0	93.0
Return on equity, %	0.4	2.9	8.3	9.2
Surplus ratio, %	79.3	77.9	83.2	83.0

# CEO's comments

The past year has been one of the most challenging and surprising years for some time. The new world situation, with war close to home, higher electricity and energy prices, rising inflation and the central banks' rapid increase in key policy rates has affected us all – countries, communities, companies and ordinary people. The property sector in particular faced a dramatic change in circumstances during 2022. In these troubled times, Annehem's property portfolio with its focus on sustainable and modern office properties in areas well served by public transport located in Nordic growth areas has served us well and we stand strong as we look to 2023.

In our previous report, I talked about Annehem's new vision to be one of the most sustainable property companies in the Nordics. From that point of view, I continued work with my management team to clarify Annehem's growth journey moving forward. We are to be a company that grows profitably and sustainably. I want to emphasise that we will remain a commercial property company with most of our portfolio comprising office properties in attractive locations. In parallel, we believe a diversification of our risks and opportunities is important looking ahead and a selected share of our portfolio will comprise other property types, such as community service and logistics properties and residential homes. When we invest, the common thread is that this takes place in growth cities where we are active and can leverage our efficient property management activities close to our tenants. We require all acquisitions to have a high level of sustainability potential. With its strong financial position and stable and long-term owners, Annehem is well positioned for profitable growth in the future.

Together with the Board, we have reviewed our financial targets and considered our current situation and our overall environment. Our growth target of 20 percent per year remains but due to the current market situation, the time horizon is extended until 2027, where we should have achieved double the volume in property value. We also clarified and further raised the level of ambition in relation to our sustainability target. In the quarter, we adopted a target of net zero CO<sub>2</sub>e emissions by 2030, changed the definition of our energy target to measure property energy rather than the previous measure of purchased energy, and adopted a new target for biodiversity, inclusion and education in our sustainability policy. Other long-term targets remain, though the interest-coverage ratio will be difficult to achieve in the next few years. Read more about our strategy and overall targets on pages 4–5.

## Strong increase in net operating income

We reported net operating income for 2022 of SEK 181.3 million (155.8), an increase of 16 percent year-on-year. Income from property management, adjusted for currency effects in net financial items, amounted to SEK 90.5 million (86.2). Less net financial items, we reported an excellent result for the year together with a high occupancy rate of 95 percent and surplus ratio of 83.2 percent. Earnings per share for the quarter is 0.15 (1.10), where the biggest difference compared to the previous year is higher interest costs and a lower level of property value.

Valuations for the fourth quarter showed that we, in principle, remain unchanged from the preceding quarter, with an adjustment of 0.3 percent. Several different factors play a part. The return requirement also rose during this quarter by 10–20 basis points, which had a negative impact on property values. Concurrently, index adjustments on 96 percent of our rental value had a positive impact on property values. Most of our leases are unheated, in other words energy costs are charged to tenants based on consumption. In addition, the property management team successfully signed leases and implemented operating measures that delivered better overall net operating income. Taken together, this resulted in unchanged values.

## Financing

Annehem has a high equity/assets ratio and low loan-to-value ratio with loan financing that largely comprises interest-hedged bank loans. During the quarter, we successfully secured financing for another three years of SEK 1.6 billion of the total debt of SEK 1.9 billion, on the same terms and conditions as previously, plus a discount received for the green properties in the portfolio. Furthermore, the covenant relating to the interest-coverage ratio was reduced from 2.0 to 1.7. This offers us good opportunities to focus on the future, the company's growth and on developing our sustainable property management.

## Transaction market

In the final quarter, we could see increased activity in the transaction market, primarily among some of the major property companies that are divesting large volumes. Given the rapid rise in interest expenses, and continued high price levels, buyers and sellers are some distance apart. Despite that, we are positive about the market in the coming years with business opportunities that will arise over time.



Monica Fallenius, CEO

*"We are to be a company that grows profitably and sustainably."*

### Investments in sustainable growth

Most of Annehem's property portfolio currently comprises office properties, but we took clear steps during the year to diversify our portfolio with other types of properties. In May, we took possession of our first logistics property in Södertälje Almnäs. In July, we signed a land purchase agreement at Sundsvalls Logistikpark. Sundsvall Municipality approved the transaction in the fourth quarter. The transaction has a major focus on sustainability and was conducted in a joint venture with Peab. In January 2023, we also took possession of our first residential property, Carl Florman 1, in Malmö. Naturally, our newly added properties are certified and have a high sustainability performance and potential for further improvements. This is essential moving forward in our efforts towards the vision of becoming the most sustainable property company in the Nordics.

### Efficient and sustainable property management together with our tenants

One of our goals is to have a property portfolio that is 90 percent green in accordance with the EU taxonomy, and that we actively invest to increase the sustainability performance of our properties. We are developing our property management together with our tenants to gradually improve our properties. One telling example of this is the long-term lease we signed during the quarter with Ängelholm Municipality to establish a preschool in Valhall Park. We are upgrading one of our existing buildings here and in addition to converting it, are investing in energy optimisation. The preschool children will have a fantastic outdoor space close to the countryside in the area. During the quarter, we also joined the #HurFörHus campaign, an initiative from the property sector. The campaign means we will initiate, implement and spread energy-saving suggestions, both great and small, where we work closely with our tenants. We will measure and follow up this as we move forward.

### Satisfied employees produce satisfied tenants

One natural aim is that our employees enjoy working at the company and a committed and motivated employee is one of the best means to create loyal tenants. We conduct Fastighetsbarometer surveys every year to measure employee (ESI) and tenant satisfaction (CSI). I am proud to announce that the ESI was 83 and the CSI 77. I am convinced that the team with the right conditions will create even more satisfied and loyal tenants over the next few years.

I am humble when facing the challenges of the year ahead. We are swift-footed and prepared to adapt to changes and opportunities as they arise.

Many thanks to all of our employees, tenants and partners for their excellent cooperation during the year!

Ängelholm, 23 February 2023

Monica Fallenius  
CEO

# This is Annehem Fastigheter

## Vision

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

## Our direction moving forward

### 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.

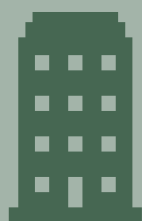
### Focus on sustainable and effective property management and development

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.

## A sustainable and modern property portfolio



Offices



Community service

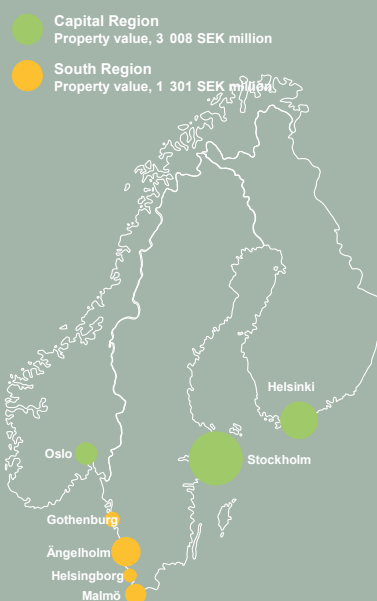


Logistic



Residential homes

## In attractive locations in Nordic growth areas



# Our targets

Our targets are presented below. In conjunction with the year-end report, we have adjusted our targets relating to the time horizon for our growth target and property portfolio value to 2027.

## Growth and returns

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

## Risk and dividends

	Target	Outcome 2022	Outcome 2021
Equity/assets ratio	> 30%	53.4%	53.9%
Net loan-to-value ratio over time	< 60%	38.3%	38.3%
Interest-coverage ratio, long-term	> 2.2x	2.7x	3.0x
Dividend policy	The profits shall essentially be reinvested in order to utilise growth opportunities and achieve Annhem's growth targets	-	-

## Sustainability

	Target 2024	Outcome 2022	Outcome 2021
Energy intensity [kWh/Atemp, property energy]*	9% reduction	79 (-6%)	85 (base year)
Proportion of property portfolio that is sustainable in accordance with the EU Taxonomy Regulation	90%	81%	85%
CO <sub>2</sub> e emissions [tonnes CO <sub>2</sub> e, Scope 1 & 2]*	30% reduction	527 (-23%)	683 (adjusted base year**)

\* reduction compared with 2021, \*\* Adjusted base year for net zero target, based on new measurement and reporting principles for climate statement

# Comments on the Group's performance

## Income statement

### Fourth quarter

Rent revenue amounted to SEK 56.8 million (50.2), other property income amounted to SEK 11.4 million (9.8), and total property expenses to SEK 23.1 million (20.9), which means that net operating income increased to SEK 45.0 million (39.1). The positive trend for rent revenue was mainly attributable to the additional properties compared with the year-earlier period.

Other property income amounted to SEK 11.4 million (9.8) and comprised invoiced operating costs, income from short leases and from the rental guarantees issued by Peab for the properties Stenekullen 2, Ultimes I&II and Jupiter 11, which amounted to SEK 1.9 million (2.0) for the quarter. Rental guarantees were issued for 100 percent of the vacant spaces in Stenekullen 2 (from 1 June 2020), Ultimes I&II (from 1 July 2020) and Jupiter 11 (from 1 May 2021) by Peab. These guarantees are valid until the vacant spaces are leased, but for no longer than 36 months from the issuing date.

Income from property management amounted to SEK 11.5 million (17.0) in the quarter. Interest expenses amounted to SEK 20.0 million (9.8), which are higher than the year-earlier quarter, due to increased borrowing in order to finance the additional properties and higher key policy rates. Other financial items amounted to SEK -8.0 million (-2.6) and mainly comprised currency effects of SEK 6.0 million (4.0) and changes in value of currency futures of SEK -14 million (-6.6), which had a negative impact on income from property management.

The effects of unrealised changes in value of properties amounted to SEK 12.3 million (66.8). The effects of changes in value of fixed-interest derivatives amounted to SEK -2.8 million (1.3).

Tax expense for the period amounted to SEK 12.1 million (20.1). The tax effect is due primarily to deferred tax on the growth in value of the property portfolio and the fair value measurement of fixed-interest derivatives.

Income for the period amounted to SEK 8.9 million (65.1).

### January to December period

Rent revenue amounted to SEK 217.9 million (187.8), other property income amounted to SEK 44.7 million (39.1), and total property expenses to SEK 81.3 million (71.1), which means that net operating income increased to SEK 181.3 million (155.8). The positive trend for net operating income was mainly attributable to the additional properties compared with the year-earlier period.

Other property income amounted to SEK 44.7 million (39.1) and comprised invoiced operating costs, income from short leases and from the rental guarantees issued by Peab for the properties Stenekullen 2, Ultimes I&II and Jupiter 11, which amounted to SEK 7.7 million (9.4) for the January to December period. Rental guarantees were issued for 100 percent of the vacant spaces in Stenekullen 2 (from 1 June 2020), Ultimes I&II (from 1 July 2020) and Jupiter 11 (from 1 May 2021) by Peab. These guarantees are valid until the vacant spaces are leased, but for no longer than 36 months from the issuing date.

Income from property management amounted to SEK 74.2 million (86.2) for the January to December period. Interest expenses amounted to SEK 62.5 million (44.1), which are higher than for the year-earlier period, due to higher borrowing in order to finance the additional properties and a higher key policy rate. Other financial items amounted to SEK -16.4 million (0.0) and mainly comprised currency effects of SEK 13.6 million (10.0) and changes in value of currency futures of SEK -30 million (-10.0).

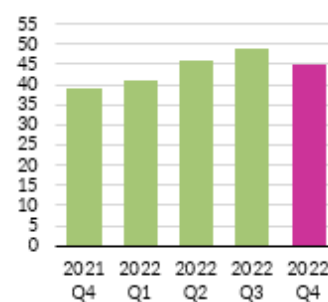
The effects of unrealised changes in value of properties amounted to SEK 98.0 million (172.9). The effects of changes in value of fixed-interest derivatives amounted to SEK 90.9 million (3.0).

Tax expense for the period amounted to SEK 55.7 million (52.4). Tax expense is due primarily to deferred tax on the growth in value of the property portfolio and the fair value measurement of fixed-interest derivatives.

Income for the period amounted to SEK 207.3 million (209.7).

### 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 4,309.2 million (3,994.1) on 31 December 2022. Of the total value, SEK 2.0 million comprised the effect of lease value of leasehold rights in the Kamaxeln 2 property.

The fair value of properties is primarily based on measurements conducted on 31 December 2022. During the year, Annehem Fastigheter also invested in existing properties with a value amounting to SEK 32.8 million (52.5) at 31 December 2022. The value of the properties in Finland at 31 December 2022 was positively impacted by the stronger EUR/SEK rate compared with 31 December 2021, yielding a total effect of SEK 81.2 million. In December, Annehem extended the financing of its outstanding debt of SEK 1.6 billion of total debt of SEK 1.9 billion until November 2025.

The Company's equity amounted to SEK 2,501.1 million (2,275.9).

Interest-bearing liabilities totalled SEK 1,889.6 million (1,721.3), of which SEK 2.0 million comprised lease liabilities attributable to ground rents. During the second quarter, Annehem acquired the Almnäs 5:28 property and therefore raised financing of SEK 57.9 million. During the first quarter, Annehem Fastigheter utilised a further SEK 75.0 million of the credit facility that the Group secured in December 2020, amounting to a total of SEK 1,936.0 million, distributed between SEK, NOK and EUR. At 31 December 2022, SEK 192.5 million remained unutilised.

## Cash flow statement

During the quarter, cash flow from operating activities amounted to SEK -18.2 million (11.0). The change was attributable to lower income from property management adjusted for unrealised currency effects and a reduction in operating liabilities. For the January to December period, the corresponding figure was SEK 54.3 million (56.1).

Cash flow from investing activities for the quarter amounted to SEK -17.0 million (-289.3), and pertained to investments in existing properties and the final settlement of the Almnäs acquisition. For the January to December period, the corresponding figure was SEK -134.1 million (-458.9), and pertained to the acquisition of Almnäs 5:28 in May, additional investments for the completion of Ledvolten, which was acquired in December 2021, and investments in Valhall Park and Ljungbyhed Park.

Cash flow from financing activities for the quarter amounted to SEK -2.6 million (165.0), related to repayment of the credit facility. The corresponding figure for the January to December period was SEK 125.0 million (146.1), where the quarter-on-quarter difference derived from drawing on the existing credit facility of SEK 75.0 million and financing of Almnäs 5:28 amounting to SEK 57.9 million.

Cash flow for the quarter amounted to SEK -37.8 million (-113.3), where the corresponding figure for the January to December period was SEK 45.2 million (-256.7).

# Sustainable development

Annehem's share received Nasdaq Green Equity Designation on 9 May 2022, which signalled the launch of our wider efforts for sustainable development in Annehem. CICERO Shades of Green conduct an external review of the company's sustainability activities every year. This year's review showed that 74 percent (73) of the rental value and 85 percent (86) of the fair value of properties was green, according to CICERO Shades of Green.

This is a good start for Annehem in 2022, and we foresee potential for further improvements related to our share of green income and investments. Annehem's property portfolio, which largely comprises modern, newly built office properties in growth areas, provides continued favourable conditions to increase the share of green rent revenue over time.

Our sustainability targets are based on the outcome for 2021 and subsequent overall goals will be followed up and reported to the market annually.

- 9 percent reduction in energy intensity relating to property energy by 2024
- 90 percent of property value is to be sustainable by 2024 in accordance with the EU Taxonomy Regulation.
- 30 percent reduction in CO<sub>2</sub> emissions by 2024, with the long-term goal of net zero emissions by 2030 pertaining to Scope 1 and 2.

An important focus area in sustainability for Annehem includes work environment, health and social issues, where work is conducted on the basis of the UN Sustainable Development Goals.

In addition to actively certifying our properties, reinvestments in our properties are to be made sustainably.

In collaboration with our tenants, we are currently already carrying out sustainable initiatives in relation to enhancing energy efficiency, the use of materials and outdoor areas.



## Sustainability

Property	Certification	Green electricity	Energy class	Taxonomy-aligned
Stenekullen 2	Swedish Green Building Council Silver	Yes	A	Yes
Jupiter 11	Swedish Green Building Council Silver	Yes	B	Yes
Sadelplatsen 3	BREEAM Good	Yes	B	Yes
Sadelplatsen 4	BREEAM In-Use Very Good	Yes	B	Yes
Ledvolten	BREEAM Very Good	Yes	B	Yes
Almnäs	Swedish Green Building Council Silver	Yes	B	Yes
Ultimes I & II incl Parking	LEED Platinum	Yes	B	Yes
Carl Berner Torg	BREEAM Very Good	Yes	B	Yes
Partille Port	BREEAM In-Use Very Good	Yes	C	No
Kamaxeln	Not certified	Yes	G	No
Valhall Park	Not certified	Yes	n/a	No
Ljungbyhed Park	Not certified	Yes	n/a	No



# Our properties

Annhem Fastigheter owned assets in the form of fully developed properties on 31 December 2022 at a fair value of SEK 4,309.2 million. All properties are 100-percent owned by the Company. The properties largely comprise modern and sustainable commercial, community service and logistics properties.

As of December 2022, net letting amounted to SEK 13.8 million (22.0), distributed among newly signed leases amounting to SEK 17.7 million (33.9) less terminated leases amounting to SEK 3.9 million (11.9).

## Detailed description of property portfolio

### Change in portfolio during 2022

Additional properties, names	City	From	Area, sqm	Annualised rental	
				value, SEK million	Fair value incl leasing, SEK million
Almnäs	Södertälje	2022-05-31	2,158	4.7	104.0

### Property portfolio on 31 December 2022

Property	Property name	City	Area, sqm	Rent-revenue SEK million	Annualised rental value, SEK million	Fair value incl leasing <sup>1</sup> , SEK million
Valhall Park, Ängelholm	Barkåkra 50:3	Ängelholm	51 564	38,2	40,6	486,0
Ljungbyhed Park	Sjöleden 1:5-1:17	Ljungbyhed	73 234	29,6	35,0	222,2
Kamaxeln	Kamaxeln 2	Malmö	950	1,6	1,6	19,4
Peab Center Malmö	Stenekullen 2	Malmö	4 937	15,3	15,3	241,2
Peab Center Helsingborg	Jupiter 11	Helsingborg	4 807	8,4	8,4	138,0
Peab Center Solna	Sadelplatsen 3	Stockholm	12 455	42,7	42,7	970,0
Sadelplatsen 4	Sadelplatsen 4 <sup>2</sup>	Stockholm	13 494	15,5	18,9	378,0
Ledvolten	Ledvolten	Stockholm	4 268	14,5	14,5	328,1
Almnäs	Almnäs 5:28	Södertälje	2 158	5,3	5,3	104,0
Partille Port	Partille 11:60	Partille	6 431	12,7	13,0	194,0
Ulimes I&II inkl Parking	Ultimes	Helsingfors	17 015	68,4	68,4	944,3
Carl Berner Torg	Carl Berner Torg	Oslo	3 640	15,0	15,0	284,0
<b>Total</b>			<b>194 953</b>	<b>267,1</b>	<b>278,8</b>	<b>4 309,2</b>

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

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

### Summary of value trend

Changes in the property portfolio	Oct-Dec		Full year	
	2022	2021	2022	2021
SEK million				
At beginning of the period	4,252.9	3,624.3	3,994.1	3,317.5
Acquired properties	-	279.9	103.0	410.9
Investments in existing properties	5.7	9.0	32.8	52.5
Unrealised changes in fair value	12.3	66.8	98.0	172.9
Currency effect on properties abroad	38.5	14.2	81.2	40.3
At end of the period	4,309.2	3,994.1	4,309.2	3,994.1

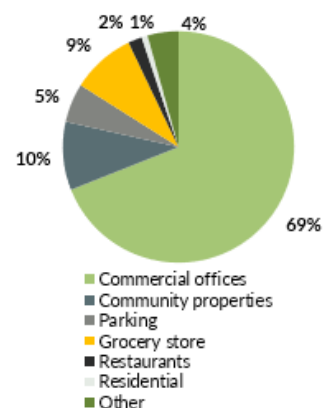
### Acquisitions and investments

During the second quarter, Annhem took possession of the Almnäs 5:28 property in Södertälje with an underlying property value of SEK 96.5 million. During January–December 2022, investments were made in existing properties totalling SEK 32.8 million, with the investments primarily related to the Ledvolten, Valhall Park and Ljungbyhed Park properties.

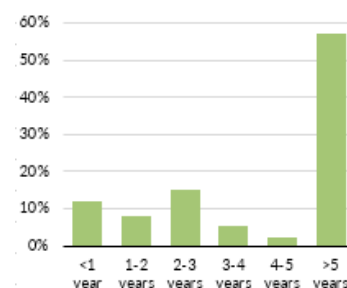
### Acquired but not taken into possession

In addition, Annhem signed an agreement with Peab in 2020 for the acquisition of residential properties at an underlying property value of SEK 385.0 million, with possession to be taken in 2023 and 2024, respectively. Annhem took possession of Carl Florman in January 2023. Possession will be taken of the second property in Partille, Partille Port Bostäder 10:50, in autumn 2024.

### Specification of income 2022



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



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 based on internal valuations conducted on 31 December 2022. At 30 September, external valuations were conducted by independent appraisers. During the year, fair value increased by SEK 98.0 million, primarily due to leases. During the year, Annehem Fastigheter also invested in existing properties with a value amounting to SEK 32.8 million at 31 December 2022. Investments are primarily attributable to the completion of the Ledvolten property, which was acquired in December 2021, and the Valhall Park and Ljungbyhed Park properties. The properties are measured at fair value where classification is conducted at level 3 in accordance with IFRS 13.

Neither the war in Ukraine nor the coronavirus pandemic has led to any loss of revenue by Annehem Fastigheter to date in 2022.

### Current earnings capacity

Earnings capacity, SEK million	2022-12-31
Rent revenue	278,8
Vacancy	-11,7
<b>Rent revenue</b>	<b>267,1</b>
Property expenses	-85,0
Property tax	-12,5
<b>Net operating income</b>	<b>169,6</b>
Other operating income	-0,4
Central administration	-36,4
Net financial items	-60,1
<b>Income from property management</b>	<b>72,8</b>

Annehem Fastigheter presents its earnings capacity on a 12-month basis on 31 December 2022 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, property expenses, interest 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 2022 and their financing, after which the current earnings capacity illustrates the subsequent annualised earnings for Annehem Fastigheter. Transactions 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.

### Comments on earnings capacity

The rental value, compared with the previous quarter, has risen as a result of renegotiations and also taking into account rental guarantees for a number of properties during the period. Rental guarantees were issued for vacant spaces in the properties Stenekullen 2 (from 1 June 2020), Ultimes I&II (from 1 July 2020) and Jupiter 11 (from 1 May 2021) by Peab, and apply for 36 months from the date of acquisition. If the vacancies are leased to other tenants, the guarantees are not paid. At the end of December 2022, the economic occupancy rate was 95.0 percent.

# Financing

## Description of the financing situation

On 31 December 2022, Annehem Fastigheter had interest-bearing liabilities of SEK 1,889.6 million, yielding a loan-to-value ratio of 38.3 percent. The interest-bearing liabilities on 31 December 2022 comprised external loans amounting to SEK 1,889.6 million including lease liabilities, pertaining to ground leases, amounting to SEK 2 million.

## Change in loan structure during the period

SEK million	Full year		Full year
	2022	2021	2021
Interest-bearing liabilities at beginning of the period	1,721.3	1,546.9	1,546.9
New external bank loans	132.9	234.0	234.0
Change in lease liability <sup>1</sup>	-0.1	-87.9	-87.9
Amortisations of external bank loans	-7.9	-	-
Changes in capitalised loan costs	-1.8	3.4	3.4
Currency effects	45.2	24.9	24.9
<b>Interest-bearing liabilities at end of the period</b>	<b>1,889.6</b>	<b>1,721.3</b>	<b>1,721.3</b>

1) Pertains to the redemption of lease liabilities in 2021 when exercising a call option in a ground lease attributable to Ultimes I&I incl Parking.

## Key figures relating to loan portfolio

	Full year	
	2022	2021
Debt / equity ratio, multiple	0.8	0.8
Average interest rate, %	3.7	2.2

## Available liquidity

SEK million	Full year	
	2022	2021
Cash and cash equivalents	237.9	190.2
Unused loan facility	192.5	420.0
<b>Total</b>	<b>430.4</b>	<b>610.2</b>

## Fixed-interest and loan maturity structure

Year	Capital <sup>2</sup>	Interest	Share, %
within a year	232.8	77.8	15%
1-2 years	57.0	73.1	6%
2-3 years	1,542.5	0.6	76%
3-4 years	57.4	0.6	3%
more than 4 years <sup>1</sup>	0.0	0.6	0%
<b>Total at the end of the period</b>	<b>1,889.6</b>	<b>152.6</b>	<b>100%</b>

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

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

## Fixed-interest and loan maturity structure

Year	Fixed interest-rates		Capital <sup>1</sup>
	SEK million	SEK million	Share, %
within a year	1,133.7	232.8	0.1
1-2 years	0.0	57.0	3%
2-3 years	0.0	1,542.5	82%
3-4 years	756.0	57.4	3%
more than 4 years	-	-	-
<b>Total at the end of the period</b>	<b>1,889.6</b>	<b>1,889.6</b>	<b>100%</b>

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

## Sensitivity analysis

The average interest for the fourth quarter of 2022, based on a weighted average of interest-bearing liabilities on 1 January and 31 December, respectively, amounted to 3.7 percent. The effect of changes in average interest rates on profit is presented in the table below:

Change, %-points	SEK million	
+/- 0.5%	+/-	8.3
+/- 1.0%	+/-	16.6
+/- 1.5%	+/-	28.3

# Other information

## The Company's shareholders

Shareholders	Numbers of shares	Capital, %	Votes, %
Ekhaga Utveckling AB	13,587,282	23.0	49.4
Familjen Paulsson	3,470,346	5.9	11.3
Volito AB	4,900,000	8.3	6.3
Verdipapirfondet, Odin Eiendom	2,916,432	4.9	2.4
Peabs Vinstandelsstiftelse	1,737,214	2.9	1.4
Familjen Kamprads Stiftelse	1,720,000	2.9	1.4
UBS Switzerland AG, W8IMY	259,549	0.4	1.4
Carnegie Spin-off	1,548,600	2.6	1.3
Handelsbanken Microcap Norden	1,446,969	2.5	1.2
SEB Fastighetsfond Norden	240,151	0.4	0.9
<b>10 largest share owners, sum</b>	<b>31,826,543</b>	<b>53.9</b>	<b>77.1</b>
Other share owners	27,166,005	46.1	22.9
<b>Total</b>	<b>58,992,548</b>	<b>100.0</b>	<b>100.0</b>

## Russian invasion of Ukraine

Russia's invasion of Ukraine almost one year ago continued to have a major negative impact on the world economy and where the security policy map has been radically redrawn. The major effects are sharply rising gas prices, continued disruptions in supply and transport chains and price increases. This has led to lower growth, higher inflation and an increased need for self-sufficiency for both companies and nations.

## The impact of the coronavirus pandemic

The global impact of the coronavirus pandemic has been large. It is still difficult to assess when we will return to a completely stable situation as the spread of infection continues and new virus variants are added. Vaccination levels also vary greatly between continents and between countries in Europe. As people have started to return to work, this has led to a discussion concerning what the division between remote working and office work should be in the future. For commercial property companies, this will involve adjustments to the letting process, requiring more flexible premises and contract solutions. Annehem is agile and ready to address the transition of tenants. To date in 2022, the effects of the coronavirus pandemic on Annehem have not resulted in a loss of revenue.

For a more detailed description of Annehem's risks, refer to the Risks section on page 22, and the Risks and risk management section of Annehem's 2021 Annual Report.

### Organisation and employees

Annehem Fastigheter had an average of 17 full-time employees in the fourth quarter of 2022. 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 2021 comparative period.

### Significant events after the end of the period

- Annehem took possession of its first residential property, in Malmö, Carl Florman 1, on 19<sup>th</sup> of January 2023.
- As of 1 January 2023, Annehem is divided into the new segments: Sweden and Rest of Nordics.
- The financial growth target is shifted from year 2024 to 2027
- The Board proposes that no dividend is paid

### Financial calendar

Interim report January-March 2023	27 April 2023
2022 Annual General Meeting	23 May 2023 - Ängelholm
Half-year report January-June 2023	20 July 2023
Interim report January-September 2023	26 October 2023

### Review

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

### Assurance of the CEO

The CEO gives assurance that the interim 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, 23 February 2023

**Monica Fallenius**  
CEO

*This information is information that Annehem Fastigheter AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, on 23 February 2023 at 8:00 a.m. CET.*

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## Consolidated income statement

SEK million	Oct-Dec		Full year	
	2022	2021	2022	2021
Rent revenue	56.8	50.2	217.9	187.8
Other property income	11.4	9.8	44.7	39.1
<b>Total income</b>	<b>68.1</b>	<b>60.0</b>	<b>262.6</b>	<b>226.9</b>
<i>Property expenses</i>				
Operating costs	-11.9	-11.0	-44.2	-37.5
Maintenance costs	-4.3	-3.7	-10.2	-9.2
Property tax	-3.6	-2.9	-12.6	-9.6
Property administration	-3.4	-3.3	-14.3	-14.8
<b>Net operating income</b>	<b>45.0</b>	<b>39.1</b>	<b>181.3</b>	<b>155.8</b>
Central administration	-12.0	-8.6	-36.2	-30.4
Other operating income	2.4	0.5	7.7	9.9
Other operating costs	-2.6	-1.7	-9.3	-4.9
Interest income	6.7	0.0	9.5	-
Interest expenses	-20.0	-9.8	-62.5	-44.1
Other financial items <sup>1</sup>	-8.0	-2.6	-16.4	0.0
<b>Income from property management</b>	<b>11.5</b>	<b>17.0</b>	<b>74.2</b>	<b>86.2</b>
Changes in values of properties, unrealised	12.3	66.8	98.0	172.9
Changes in values of derivatives	-2.8	1.3	90.9	3.0
<b>Income before tax for the period</b>	<b>21.0</b>	<b>85.1</b>	<b>263.0</b>	<b>262.1</b>
Current tax	-1.0	0.3	-1.0	0.2
Deferred tax	-11.1	-20.4	-54.7	-52.6
<b>Net income for the period attributable to the company shareholders</b>	<b>8.9</b>	<b>65.1</b>	<b>207.3</b>	<b>209.7</b>
<b>Average numbers of shares, before and after dilution</b>	<b>58,992,548</b>	<b>58,992,548</b>	<b>58,992,548</b>	<b>58,992,548</b>
<b>Earnings per share, before and after dilution, SEK</b>	<b>0.15</b>	<b>1.10</b>	<b>3.51</b>	<b>3.56</b>

1) Other financial expenses 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	
	2022	2021	2022	2021
<b>Profit for the period</b>	<b>8.9</b>	<b>65.1</b>	<b>207.3</b>	<b>209.7</b>
<b>Other comprehensive income</b>				
<i>Items that will be reclassified to profit or loss</i>				
Change in market value of derivative instruments	-0.2	-0.3	-1.6	1.5
Fiscal effect on derivative instruments	0.0	0.0	0.3	-0.3
Translation differences from foreign operations for the period	4.3	2.6	19.1	7.1
<b>Total other comprehensive income</b>	<b>4.1</b>	<b>2.3</b>	<b>17.8</b>	<b>8.3</b>
<b>Comprehensive income for the period attr. to parent company shareholders</b>	<b>13.0</b>	<b>67.3</b>	<b>225.1</b>	<b>218.0</b>

## Consolidated Balance Sheet

SEK million	2022-12-31	2021-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible fixed assets	0.1	0.1
Investment properties	4,309.2	3,994.1
Equipment and machinery	5.2	4.2
Derivative instrument	104.5	0.7
Other fixed assets	1.3	0.8
<b>Total fixed assets</b>	<b>4,420.3</b>	<b>3,999.8</b>
<b>Current assets</b>		
Accounts receivables	1.9	3.1
Current receivables	22.9	24.4
Derivative instruments	0.9	5.6
Cash and cash equivalents	237.9	190.2
<b>Total current assets</b>	<b>263.6</b>	<b>223.3</b>
<b>TOTAL ASSETS</b>	<b>4,684.0</b>	<b>4,223.1</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	0.5	0.5
Other contributed capital	1,786.9	1,786.9
Reserves	22.0	5.0
Retained earnings including net income for the year	691.7	483.5
<b>Equity attributable to parent company shareholders</b>	<b>2,501.1</b>	<b>2,275.9</b>
<b>Non-current liabilities</b>		
Current interest-bearing liabilities	1,655.6	1,721.3
Derivative instruments	10.4	1.4
Other non-current liabilities	3.2	3.1
Deferred tax liabilities	195.6	139.1
Provisions for pensions	1.6	1.0
<b>Total non-current liabilities</b>	<b>1,866.5</b>	<b>1,865.9</b>
<b>Current liabilities</b>		
Current interest-bearing liabilities	234.0	-
Derivative instruments	-	1.7
Accounts payable and other liabilities	22.1	11.9
Current tax liabilities	1.8	4.0
Other current liabilities	58.5	63.6
<b>Total current liabilities</b>	<b>316.4</b>	<b>81.3</b>
<b>Total liabilities</b>	<b>2,182.9</b>	<b>1,947.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,684.0</b>	<b>4,223.1</b>

## Consolidated cash flow statement

SEK million	oct-dec		helår	
	2022	2021	2022	2021
Income from property management	11.5	17.0	74.2	86.2
<i>Items not affecting cash flow</i>				
Depreciation	0.1	0.3	0.4	1.2
Unrealised currency effects	-0.1	-0.9	-16.3	-8.3
Other non-cash items	-	-	-4.6	-
Income tax paid	-	-	-	-
<b>Changes in working capital</b>				
Operating receivables	-8.9	-13.3	-2.1	-18.4
Operating liabilities	-20.7	8.0	2.6	-4.6
<b>Cash flow from operating activities</b>	<b>-18.2</b>	<b>11.0</b>	<b>54.3</b>	<b>56.1</b>
<i>Investing activities</i>				
Investments in existing properties	-5.7	-9.0	-32.8	-52.5
Acquisitions of investment properties	-11.3	-279.9	-99.8	-410.9
Divestment of fixed assets	-	-	-	4.9
Investments in machinery and equipment	-	-0.5	-1.5	-0.5
<b>Cash flow from investing activities</b>	<b>-17.0</b>	<b>-289.3</b>	<b>-134.1</b>	<b>-458.9</b>
<i>Financing activities</i>				
Borrowings	-	165.0	132.9	234.0
Repayment of loans	-2.6	-	-7.9	-87.9
<b>Cash flow from financing activities</b>	<b>-2.6</b>	<b>165.0</b>	<b>125.0</b>	<b>146.1</b>
<b>Cash flow for the period</b>	<b>-37.8</b>	<b>-113.3</b>	<b>45.2</b>	<b>-256.7</b>
Cash and cash equivalents at the beginning of the period	275.0	304.2	190.2	448.0
Exchange rate difference in cash and cash equivalents	0.6	-0.6	2.5	-1.1
<b>Cash and cash equivalents at the end of the period</b>	<b>237.9</b>	<b>190.2</b>	<b>237.9</b>	<b>190.2</b>

## Consolidated Statement of Changes in Equity

SEK million	2022-12-31	2021-12-31
<b>Opening balance, equity</b>	<b>2,275.9</b>	<b>2,057.9</b>
Net income for the period	207.3	209.7
Other comprehensive income for the period	17.8	8.3
<b>Comprehensive income for the period</b>	<b>225.1</b>	<b>218.0</b>
<b>Closing balance, equity attributable to Parent Company shareholders</b>	<b>2,501.1</b>	<b>2,275.9</b>



## Parent Company Income Statement

SEK million	Oct-Dec		Full year	
	2022	2021	2022	2021
Revenue	13.2	10.5	47.2	34.5
Administration costs	-12.8	-9.0	-38.3	-32.0
<b>Operating result</b>	<b>0.4</b>	<b>1.5</b>	<b>8.9</b>	<b>2.5</b>
<b>Financial items</b>				
Financial net	-0.7	3.2	47.2	30.8
<b>Result after financial items</b>	<b>-0.7</b>	<b>3.2</b>	<b>47.2</b>	<b>30.8</b>
Appropriations	18.4	-3.1	18.4	-3.1
<b>Result before tax</b>	<b>18.1</b>	<b>1.6</b>	<b>74.5</b>	<b>30.3</b>
Deferred tax	0.9	0.4	-6.2	0.1
<b>Result for the period</b>	<b>19.1</b>	<b>2.0</b>	<b>68.3</b>	<b>30.4</b>

## Parent Company Balance Sheet

SEK million	2022-12-31	2021-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible fixed assets	0.1	0.1
Equipment and machinery	1.7	0.8
<b>Financial fixed assets</b>		
Shares in Group companies	18.8	16.6
Long-term receivables, Group companies	1,810.9	1,998.8
Other fixed assets	1.3	0.8
<b>Total financial fixed assets</b>	<b>1,831.0</b>	<b>2,016.2</b>
<b>Total fixed assets</b>	<b>1,877.2</b>	<b>2,017.1</b>
Accounts receivables	43.8	17.0
Accounts receivables from related parties	2.9	5.9
Derivative instruments	44.5	0.7
Cash and cash equivalents	208.4	8.7
<b>Total curret assets</b>	<b>255.9</b>	<b>32.2</b>
<b>TOTAL ASSETS</b>	<b>2,133.2</b>	<b>2,049.3</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	0.5	0.5
<b>Unrestricted equity</b>		
Retained earnings	2,023.9	1,993.5
Result for the year	68.3	30.4
<b>Total equity</b>	<b>2,092.7</b>	<b>2,024.4</b>
<b>Provisions</b>		
Provision for pensions and similar obligations	1.6	1.0
Provision for deferred tax	7.9	0.0
<b>Total provisions</b>	<b>9.5</b>	<b>0.9</b>
<b>Non-current liabilities</b>		
Derivative instruments	10.4	-
<b>Total non-current liabilities</b>	<b>10.4</b>	<b>-</b>
<b>Current liabilities</b>		
Derivative instruments	-	-
Derivative instruments	-	3.2
Liabilities to Group companies, accounts payable	5.4	5.4
Accounts payable	1.4	1.8
Other current liabilities	13.8	10.4
<b>Total current liabilities</b>	<b>20.6</b>	<b>24.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,133.2</b>	<b>2,049.3</b>

## Parent Company Cash Flow Statement

SEK million	Oct-Dec		Full year	
	2021	2021	2022	2021
Result before tax	0.1	1.6	74.5	30.3
<i>Items not affecting cash flow</i>				
Depreciations	0.1	0.1	0.4	0.4
Unrealised currency effects	3.0	3.0	-37.4	1.7
Tax paid	-	-	-	-
<b>Changes in working capital</b>				
Operating receivables	-4.2	-4.2	-23.8	-21.8
Operating liabilities	7.9	7.9	-0.6	-22.6
<b>Cash flow from operating activities</b>	<b>6.9</b>	<b>6.9</b>	<b>13.1</b>	<b>-14.3</b>
<i>Investing activities</i>				
Shares in group companies	-2.3	-2.3	-	-4.1
Investments in machinery and equipment	-0.5	-0.5	-1.3	-0.5
Investments in intangible fixed assets	-	-	-	-
<b>Cash flow from investing activities</b>	<b>-2.8</b>	<b>-2.8</b>	<b>-1.3</b>	<b>-4.6</b>
<i>Financing activities</i>				
Changes interest-bearing receivables, Group companies	-62.8	-62.8	187.9	27.3
<b>Cash flow from financing activities</b>	<b>-62.8</b>	<b>-62.8</b>	<b>187.9</b>	<b>27.3</b>
<b>Cash flow for the period</b>	<b>-58.7</b>	<b>-58.7</b>	<b>199.7</b>	<b>8.2</b>
Cash and cash equivalents in the beginning of the period	67.4	67.4	8.7	0.4
<b>Cash and cash equivalents at the end of the period</b>	<b>8.7</b>	<b>8.7</b>	<b>208.4</b>	<b>8.7</b>

### 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 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 and market-specific conditions can lead to a drop in the value of properties, which could have an adverse impact on Annehem Fastigheter's operations, financial position and earnings.

The valuation also requires an assessment of and assumptions on future cash flows and determination of the discount factor (return requirement). As a means of reflecting this uncertainty in assumptions made and assessments, the property value is 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 2022, there was approximately SEK 3.2 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. **Capital Region**, including Stockholm, Helsinki and Oslo
2. **South Region**, including Malmö, Ljungbyhed, Ängelholm, Gothenburg and Helsingborg

As of 1 January 2023, Annehem will monitor its activities through the Sweden and Rest of Nordics segments.

2022	Full year			
	SEK million	Capital Region	South Region	Staff
Rent revenue	126.3	91.6	0.0	217.9
Net operating income	125.5	56.8	-1.0	181.3
Income from property management	105.3	56.7	-87.8	74.2
Income before tax	111.2	166.1	-14.2	263.0
Investment properties, fair value	3,008.5	1,300.7	-	4,309.2

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.

2021	Full year			
	SEK million	Capital Region	South Region	Staff
Rent revenue	107.7	80.0	0.0	187.7
Net operating income	110.3	46.6	-1.1	155.8
Income from property management	44.5	30.0	11.8	86.3
Income before tax	145.0	100.5	16.5	262.0
Investment properties, fair value	2,826.3	1,167.8	-	3,994.1

## NOTE 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

SEK million	Oct-Dec		Full year	
	2022	2021	2022	2021
Property tax	2.0	2.1	7.7	5.9
Rental guarantees	1.9	2.0	7.7	9.4
Other property revenue	7.5	5.7	29.3	23.8
<b>Total other property revenue</b>	<b>11.4</b>	<b>9.8</b>	<b>44.7</b>	<b>39.1</b>

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

## NOTE 5 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Annhem 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 Annhem Fastigheter's financial policy, and not for speculation.

For certain hedging relationships entered into before 30 June 2021, hedge accounting was applied 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 is reclassified to profit or loss in the same period or periods as the hedged expected cash flow affects profit. The ineffective part of changes in the fair value of the derivative is reported immediately in the result within other financial items. Fair values are based on quotations from brokers. Similar contracts are traded in an active market and the prices reflect actual transactions on comparable instruments. All of the Group's derivative instruments are classified at level 2 in accordance with IFRS 13. The accumulated amount in the hedge reserve amounts to SEK 0.6 million on 31 December 2022.

The Group holds fixed-interest derivatives in NOK, SEK and EUR, and currency futures in NOK and EUR. Until 30 June 2021, the Group hedged fixed-interest derivatives in NOK and SEK. 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 "Change 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 2022, the market value of fixed-interest derivatives amounted to SEK 94.1 million (4.8) and currency derivatives to SEK 0.9 million (1.7).

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 doubtful receivables and that any penalty interest will be charged.

## 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, Oslo, 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 section Impact of the coronavirus pandemic on page 12 and the Risks and risk management section in the 2021 Annual Report.

# Financial key figures

## Number of shares

Number of shares	Oct-Dec		Full year	
	2022	2021	2022	2021
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
<b>Total average number of shares</b>	<b>58,992,548</b>	<b>58,992,548</b>	<b>58,992,548</b>	<b>58,992,548</b>

## 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	
	2022	2021	2022	2021
Income before tax	21.0	65.2	263.0	262.1
Add back				
Changes in fair value on investment properties	-12.3	-66.8	-98.0	-172.9
Changes in fair value of derivatives	2.8	-1.3	-90.9	-3.0
<b>Income from property management excl. Items affecting comp.</b>	<b>11.5</b>	<b>17.0</b>	<b>74.2</b>	<b>86.2</b>

Mkr	Oct-Dec		Full year	
	2022	2021	2022	2021
Currency swaps	-14.1	-5.3	-30.4	-7.1
Revaluation of internal loans	6.1	3.9	14.0	10.1
<b>Currency effects</b>	<b>-8.0</b>	<b>-1.4</b>	<b>-16.4</b>	<b>3.0</b>

## Income from property management per share

SEK million	Oct-Dec		Full year	
	2022	2021	2022	2021
Income from property management	11.5	17.0	74.2	86.2
Currency effects	8.0	-	16.4	-
<b>Income fr. property management excl. currency effects</b>	<b>19.4</b>	<b>17.0</b>	<b>90.5</b>	<b>86.2</b>
Number of shares	58,992,548	58,992,548	58,992,548	58,992,548
<b>Income fr. property management excl. currency effects per share</b>	<b>0.33</b>	<b>0.29</b>	<b>1.53</b>	<b>1.46</b>

## Long-term net asset value

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	2022-12-31		2021-12-31	
	SEK/share	SEK/share	SEK/share	SEK/share
Equity according to balance sheet	2,501.1	42.4	2,275.9	38.6
Add back				
Deferred tax according to balance sheet	195.6	-	139.1	-
Interest rate derivatives	-94.1	-	-	-
<b>Long-term net asset value</b>	<b>2,602.6</b>	<b>44.2</b>	<b>2,415.0</b>	<b>40.8</b>

## Interest-coverage ratio

SEK million	Oct-Dec		Full year	
	2022	2021	2022	2021
Income from property management	11.5	17.0	74.2	86.2
Add back				
Interest net	13.4	9.8	53.0	44.1
Currency effects	8.0	0.0	16.4	0.0
<b>Interest coverage, multiple</b>	<b>2.5</b>	<b>2.7</b>	<b>2.7</b>	<b>3.0</b>

## Net loan-to-value ratio

SEK million	2022-12-31	2021-12-31
Interest-bearing liabilities	1,889.6	1,721.3
Cash and cash equivalents	-237.9	-190.2
Net interest-bearing liabilities	1,651.7	1,531.1
Investment properties	4,309.2	3,994.1
<b>Net loan-to-value ratio, %</b>	<b>38.3%</b>	<b>38.3%</b>

## Surplus ratio

SEK million	Oct-Dec		Full year	
	2022	2021	2022	2021
Income from property management	11.5	17.0	74.2	86.2
Add back				
Property expenses	33.6	22.1	107.1	69.6
Net operating income	45.0	39.1	181.3	155.8
Rent revenue	56.8	50.2	217.9	187.8
<b>Surplus ratio, %</b>	<b>79.3%</b>	<b>77.9%</b>	<b>83.2%</b>	<b>83.0%</b>

## Return on equity

SEK million	Oct-Dec		Full year	
	2022	2021	2022	2021
Net income for the period attrib. to the Parent Co's shareholders	8.9	65.1	207.3	209.7
Equity attributable to the Parent Company's shareholders	2,501.1	2,275.9	2,501.1	2,275.9
<b>Return on equity, %</b>	<b>0.4%</b>	<b>2.9%</b>	<b>8.3%</b>	<b>9.2%</b>



# Glossary and definitions

<b>Return on equity</b>	Profit for a rolling 12-month period 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.
<b>Gross rent</b>	Gross rent is defined as rent revenue at a yearly basis excluding supplements and discounts.
<b>Yield</b>	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.
<b>Net operating income</b>	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.
<b>Economic occupancy rate<sup>1)</sup></b>	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.
<b>Property</b>	Property held with property rights or leasehold rights.
<b>Fair value of properties</b>	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.
<b>Income from property management</b>	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.
<b>Income from property management excl. items affecting comparability</b>	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.
<b>Income from property management excl. currency effects</b>	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.
<b>Rent revenue</b>	Rent revenue less vacancies, rent discount and lost rent.
<b>Rental value<sup>1)</sup></b>	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.
<b>Items affecting comparability</b>	Annehem Fastigheter regards items of a non-recurring nature as items affecting comparability.
<b>Long-term net asset value</b>	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.
<b>Net loan-to-value ratio</b>	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.
<b>Net letting<sup>1)</sup></b>	New letting taken out during the period less terminations with notice of vacancy.

<b>Interest-bearing liabilities</b>	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.
<b>Interest-coverage ratio</b>	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.
<b>Debt/equity ratio</b>	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.
<b>Equity/assets ratio</b>	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.
<b>Lettable area</b>	The total floor area that can be rented out. Purpose: Reflects the total area the Company can rent out.
<b>Underlying property value</b>	Agreed transaction price for the property.
<b>Vacancy rent</b>	Estimated market rent for vacant spaces. Purpose: The key figure specifies the potential rent revenue for fully leased spaces.
<b>Currency effects</b>	Currency effects attributable to currency futures and the translation of internal loans in EUR and NOK.
<b>Surplus ratio</b>	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.



Ledvolten 1 in Solna