

An aerial photograph of a dense forest with a winding road. The road is a light-colored, two-lane path that curves through the dark green trees. There are several large, semi-transparent, light green circular and curved overlays on the image, creating a layered effect. The text 'HOLMSTRÖM' is in a large, bold, yellow font, and 'FASTIGHETER HOLDING' is in a smaller, bold, yellow font below it.

HOLMSTRÖM
FASTIGHETER HOLDING

ANNUAL REPORT
2023



In a tough financial environment, we still find positive trends in our two associated companies, Ankarhagen and Vincero Fastigheter. We hope to see the results of much of the value creation that has been done this year as early as 2025 and 2026.

– FREDRIK HOLMSTRÖM
FOUNDER

2023 IN BRIEF

Magnolia Bostad divested

The associated company Magnolia Bostad was divested to Areim. In connection with the signing of the agreement, Holmström Fastigheter received an initial purchase price of approximately SEK 111 million. The remaining shareholding (21.8%) will gradually be divested when the capital raising for Magnolia Bostad takes place. In the event of financing not being obtained, Holmström Fastigheter may receive up to an additional SEK 89 million upon divestment. The agreement with Areim runs until 30 June 2033.

Refinancing of loans

During the year, the company refinanced all its existing bank debt and at the same time extended the maturity of its bank debt by approximately two years. In the refinancing process, the company opted not to lock in the interest rate in order to have the flexibility to follow the downward trend of the interest rate curve in the upcoming year.



Energy project: solar panels on the properties Autopiloten 5 and Autopiloten 9, Skarpnäck.

Energy efficiency improvements

An energy survey of the property portfolio was carried out with the aim of implementing projects in the coming years to eventually achieve fossil-free heating.

As part of this work, two geothermal and photovoltaic projects were implemented in Skarpnäck, resulting in an energy saving of 34 per cent.

KPI, HOLMSTRÖM FASTIGHETER	2023	2022
Profit/loss after net financial items, SEK m	-873	-478
Balance sheet total, SEK m	1,581	2,509
Number of investment properties	25	25
Market value of the properties, SEK m	781	832
Property value, SEK per m ²	19,634	21,457
Annual rental income, SEK per m ²	1,245	1,155
Property yield, %	3.8%	3.6%
Vacancy rate (economic), %	3.8%	4.1%
Lettable area, m ²	38,784	38,784
Annual return on equity, %	-21.8%	-27.7%
Adjusted equity ratio, %	34.3%	61.2%
Interest coverage ratio, multiple	0.4	0.9



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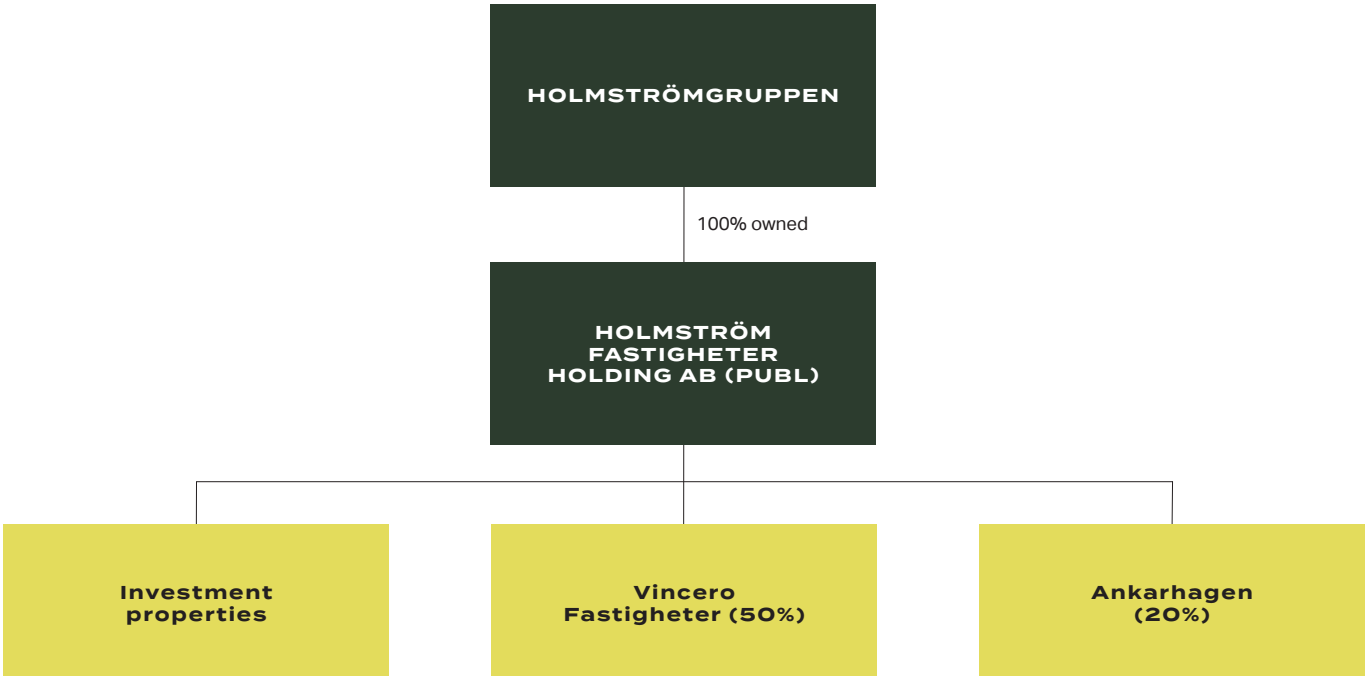
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Holmström Fastigheter's Annual Report for 2023 is issued by the Board and CEO. The legal annual report can be found on pages 46–71.

THIS IS HOLMSTRÖM FASTIGHETER

Holmström Fastigheter Holding AB (publ) ("Holmström Fastigheter") is a public company in the property sector and is a wholly-owned subsidiary of Holmströmgruppen. The business is based on the ownership of residential and community properties as well as part ownership of property-related associated companies. Our focus is on promoting sustainable and long-term value creation.



INVESTMENT PROPERTIES

Holmström Fastigheter owned 25 properties at the end of the year, in the Mälardal Region and Örnköldsvik. The portfolio covers around 39,000 m², of which 77 per cent is residential and 23 per cent is commercial premises. All the properties are managed by Holmströmgruppen.

VINCERO FASTIGHETER

Holmström Fastigheter owns 50 per cent of Vincero Fastigheter, which owns and manages 40 commercial properties in Stockholm, Uppsala and Västerbotten, comprising around 69,000 m², with good transport links. The properties often have the potential to increase in value by developing existing properties into residential buildings.

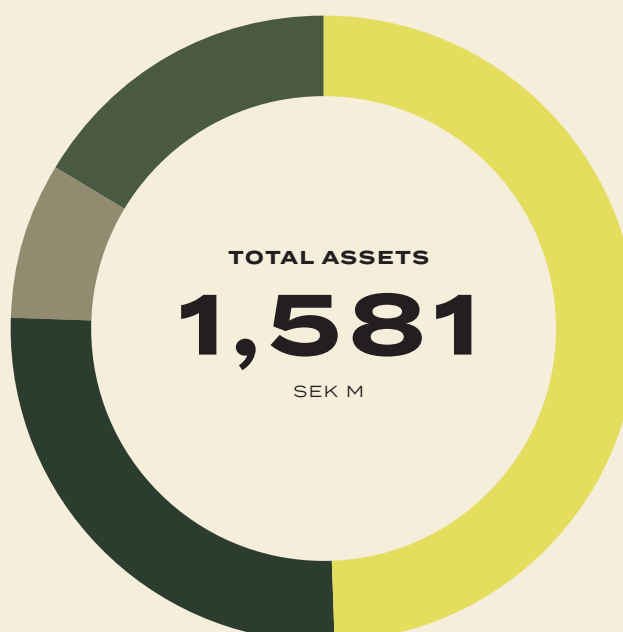
ANKARHAGEN

Holmström Fastigheter owns 20 per cent of Ankarhagen, which acquires, further develops and manages commercial properties in the warehouse, light industry and retail sectors. The properties are located in central Sweden, from Stockholm in the east to Karlstad in the west. The property portfolio consists of 38 properties totalling approximately 116,000 m².

ASSETS, HOLMSTRÖM FASTIGHETER

BOOK VALUES

- » INVESTMENT PROPERTIES
SEK 781 M (49.4%)
- » SHARES IN VINCERO FASTIGHETER
INCLUDING SHAREHOLDER LOAN
SEK 412 M (26.1%)
- » SHARES IN ANKARHAGEN INCLUDING
SHAREHOLDER LOAN
SEK 133 M (8.4%)
- » OTHER ASSETS
SEK 255 M (16.1%)



INVESTMENT PROPERTIES

25 properties, total of around 39,000 m²

VINCERO FASTIGHETER

40 properties, total of around 69,000 m²

ANKARHAGEN

38 properties, total of around 116,000 m²

MAGNOLIA BOSTAD

In June 2023, Holmström Fastigheter signed an agreement to sell all the company's shares in HAM Nordic AB, the owner of Magnolia Bostad AB (publ), to Areim. In connection with the signing of the agreement, Areim obtained full control of Magnolia Bostad and Holmström Fastigheter received a purchase price of approximately SEK 111 million. Holmström Fastigheter still owns 21.8 per cent of the shares in HAM Nordic, but it has been agreed that these will gradually be divested when Areim raises capital intended for Magnolia Bostad,

and this can bring in an additional SEK 177 million to Holmström Fastigheter. Areim has a commitment to attempt, as soon as possible given market conditions, to carry out one or more capital raisings totalling SEK 1,150 million, which is the level at which all the shares will have been divested. In the event of financing not taking place, Holmström Fastigheter may receive up to a further approximately SEK 89 million in the event of a divestment of HAM Nordic AB. The agreement with Areim runs until 30 June 2033.

“A journey that was impossible to decline”

Linn Reuterswärd has been working as a property manager at Holmström Fastigheter since 2018. She is responsible for the company's own properties and for Magnolia Bostad's newly produced properties.

“My main task is to enhance and create value in our existing property portfolio. As a manager, I have a broad role that requires both operational and strategic responsibility; I work at a detailed level while at the same time not losing sight of the big picture. Among other things, I have implemented some of our largest energy investments in Stockholm and act as my manager's right-hand person. It's a leadership role that I really enjoy doing.”

“Holmström Fastigheter is a safe workplace with many talented employees, where initiative and own projects are encouraged. It is a company that does not stand on the sidelines but dares to make wise investments, even in difficult times.”

What made you start working at Holmström Fastigheter?

“Fredrik Holmström explained his vision and the expansion he wanted to achieve.



It was quite simply a journey that was impossible to decline. The company has grown a lot during the last few years and is a really good employer.”

In her spare time, Linn loves horses and

has been a competitive rider, but now rides only at a hobby level by helping out at K1 with the horses that can be seen on the streets of Stockholm in the mounted palace guard parade.

“A real entrepreneurial spirit”



Almin Subasic has now been Energy and Environment Manager at Holmström Fastigheter for a year.

“I lead the company's strategic work by being responsible for energy efficiency improvements, the monitoring of targets and the collection of various indicator values. Together with our property managers and operating engineers, I try to find technical solutions in our buildings to both lower energy use and reduce our environmental emissions.”

Almin is an energy engineer with an education from Jönköping University. Before joining Holmström Fastigheter, he worked as an energy engineer, project manager and energy controller at various companies in the property sector.

“Holmström Fastigheter is a friendly and open employer where we have fun together, while the company is at the same time characterised by a real entrepreneur-

ial spirit. Already during my first week, I was struck by the friendly atmosphere, both within and between departments. What I appreciate most about my role is the freedom to influence where our next focus should be in the area of energy and environment.”

What made you start working at Holmström Fastigheter?

“I saw that Holmström Fastigheter was in an expansive phase with an interesting property portfolio and high future goals. I also noted that it is a company that prioritises and recognises the importance of investing in its employees, and providing them with opportunities for personal development and responsibility.”

Away from work, Almin loves travelling and experiencing new places and cultures.

“I especially love the tropical heat of Asia!”



Felicia Björkqvist Executive Assistant, Olivia Henåker Communications Manager and Oscar Stibeck Investment Manager.

Holmström Fastigheter initiates branding project

Holmström Fastigheter has embarked on a branding project to renew and strengthen its identity.

“We are now working to review our current identity, vision and the values that define us, and make them even clearer,” says Olivia Henåker, Communications

Manager. This includes deepening our relationships, both internally and externally, to ensure that we meet the needs and expectations of our partners and tenants.”

“As part of this process, we have conducted ESI (employee satisfaction index) and CSI (customer satisfaction index)

surveys to objectively assess our position and identify areas requiring development and improvement. This initiative creates added value for both our stakeholders and our organisation. We look forward with anticipation to building on this in 2024.

A WORD FROM THE CEO

In 2023, we and our colleagues in the industry navigated through a challenging economic landscape. The policy rate was gradually raised during the year, as was the yield requirement for property investments. Lending from banks remained tight, and the bond market suffered from low liquidity. Property transaction volumes saw a 60 per cent decline from 2022 and a nearly 80 per cent drop from the peak year of 2021.

Despite the overall challenging conditions, a degree of optimism emerged as the year drew to a close. Expectations of earlier interest rate cuts prompted a downward shift in the interest rate curve, resulting in a positive performance for property shares towards the end of the year. Despite lingering uncertainties, especially geopolitical risks, we note that sentiment remains cautiously optimistic in 2024 and anticipate a gradual uptick in the appetite for property investments over the course of the year.

DECLINING VALUE TREND AND REFINANCING OF CURRENT DEBT PORTFOLIO

Holmström Fastigheter's operating result for the full-year 2023 dropped to SEK -811 million (-448) due to a more challenging environment. The main reason behind the weaker performance was the impairment of the holding in Magnolia Bostad as a result of its divestment, but Vincero and our directly owned properties also had a negative impact due to reductions in the value in our property portfolios.

During the year, we actively managed our loan portfolio and refinanced our entire existing bank debt, while also extending our capital commitment for bank debts by approximately 2 years. In the refinancing process, we opted not to lock in the interest rate in order to have the flexibility to follow the expected downward interest rate curve during the coming year.

INVESTMENT PROPERTIES

The book value of our properties fell by approximately 6 per cent during the year, from SEK 832 million to SEK 781 million. The rising yield requirements had a negative impact, but energy investments, rent hikes and lower vacancy rates added value. The prime locations of numerous properties in our portfolio, along with their potential for conversion into tenant-owned apartments, provide resilience in valuations.

Sustainability initiatives are important to our business, and they also have a beneficial effect on the company's performance. In 2023, energy consumption was just under 10 per cent lower than in the previous year. We see continued potential for investment in energy savings in areas such as geothermal heating and solar panels.

MAGNOLIA BOSTAD

The most significant event of the year for the company was the divestment of Magnolia Bostad to Areim. Although the decision was difficult emotionally, we believe it was the right decision. Residential developers have faced a challenging market environment, and we believe it will take some time before a turnaround occurs. We still own 21.8 per cent of the shares in Magnolia Bostad, but it has been agreed that these will gradually be transferred when the capital raising intended for Magnolia Bostad takes place.



VINCERO FASTIGHETER

Our associated company Vincero Fastigheter's largest development area is Sjödalén in Huddinge. Here, the company is involved in the creation of a zoning plan that is expected to result in around 2,700 building rights. As a result of 16 separate property acquisitions, the company has succeeded in becoming the sole property owner in the area, thereby gaining control over the entire zoning plan area. This has provided the company with improved control, resulting in lower risk and higher efficiency. The zoning plan process began in 2020 and entered the consultation phase in 2022. Now, after diligent effort, the company is looking forward to the zoning plan undergoing review in the first half of 2024. We expect the zoning plan to be ready at the beginning of next year.

ANKARHAGEN

Ankarhagen performed well in 2023, with a sharp improvement in net operating income to SEK 84 million (68). The company's net leasing of approximately SEK 9 million during the year, along with positive index adjustments, were key factors in the favourable performance. Despite the increase in property yields to around 7.3 per cent, property values held up well as a result of the strong operational performance.

KEY EVENTS IN 2024

In 2024, we will continue working on our loan portfolio with a strong focus on refinancing our bond loan, which matures in October.

We initiated efforts to convert our properties in Nynäshamn and Åkersberga into tenant-owner associations. The attractive location of these properties, along with current rent levels, set the stage for a deal that is mutually beneficial for both us and the residents. We believe that a divestment may occur in the second half of the year.

We also initiated a process to divest our minority stake in Ankarhagen, which we hope to conclude by the autumn.

Finally, we look forward to Vincero Fastigheter's zoning plan process in Huddinge moving forwards to the adoption stage early next year, which will be a value-creating milestone for the company.

This is my last word as CEO, so I would like to take this opportunity to thank all our employees, the Board of Directors and our partners, and wish them all the best for the future.

Stockholm, April 2024

Erik Rune
CEO

FINANCIAL TARGETS

Holmström Fastigheter will develop and manage the existing property portfolio in a way that supports the company's financial goals and thereby generates a competitive return in relation to risk over time.

RETURN ON EQUITY
OVER A BUSINESS CYCLE

> 8%

Return on the Group's equity amounted to -21.8 per cent in 2023. The return since the Group was formed three years ago is -12.7 per cent on an annual basis, which falls short of the target by 20.7 percentage points.

ADJUSTED EQUITY RATIO

> 40%

At the end of 2023, the adjusted equity ratio amounted to 34.3 per cent, which is 5.7 percentage points below Holmström Fastigheter's target.



INVESTMENT STRATEGY

INVESTMENT PROPERTIES

Direct investments in property

- Mainly residential properties
- Presence in a few markets for efficient property management and the right market expertise
- Active ownership for good value growth over time



INVESTMENT STRATEGY

VINCERO FASTIGHETER

- Management of commercial properties in locations close to good transport links in the Stockholm region with development potential for housing
- Innovative urban development to create unique large-scale residential areas with characteristics for residents that contribute to sustainable urban environments
- Long-term management of self-produced and acquired housing in the Stockholm region and other growth areas



INVESTMENT STRATEGY

ANKARHAGEN

- Acquires, manages and refines commercial properties in the warehouse and light industry sectors in locations close to cities in growth regions in central Sweden
- The Group's overall financial target is to ensure short-term and long-term capital supply, and achieve a long-term and stable capital structure with a differentiated maturity profile and a low financial risk exposure
- The business is characterised by a long-term perspective, stable cash flows and profitable growth

FINANCING

Holmström Fastigheter's operations are capital intensive and are financed by a combination of equity, interest-bearing liabilities and other liabilities. Equity and external interest-bearing liabilities represented 34 per cent (42) and 61 per cent (36) respectively of the company's financing at year-end.

EQUITY

Holmström Fastigheter's aim is to generate a risk-adjusted return on equity of at least 8 per cent. The Group's equity at the end of the year amounted to SEK 542 million (1,054), corresponding to an adjusted equity ratio of 34.3 per cent (61.2).

BANK LOANS

Holmström Fastigheter's directly owned property portfolio consist primarily of residential properties in the Stockholm Region and Örnköldsvik. These residential properties are generally characterised by long-term stable cash flows with low vacancy risk combined with a large number of tenants. In order to ensure access to financing, Holmström Fastigheter focuses on building long-term relationships with the company's lenders.

Holmström Fastigheter's bank loans corresponded to 59.4 per cent (47.6) of the properties' market value at year-end. Bank loans totalled SEK 463 million (396). Bank loans often include various types of commitments, known as covenants, which the borrower must fulfil. In the event of a breach of these commitments, the bank may require Holmström Fastigheter to repay the loan early. The financial commitments in Holmström

Fastigheter's loan agreements are linked to loan-to-value ratios and typically consist of certain KPIs having to be met. Examples of these commitments are that the loan-to-value ratio should be below a specific level.

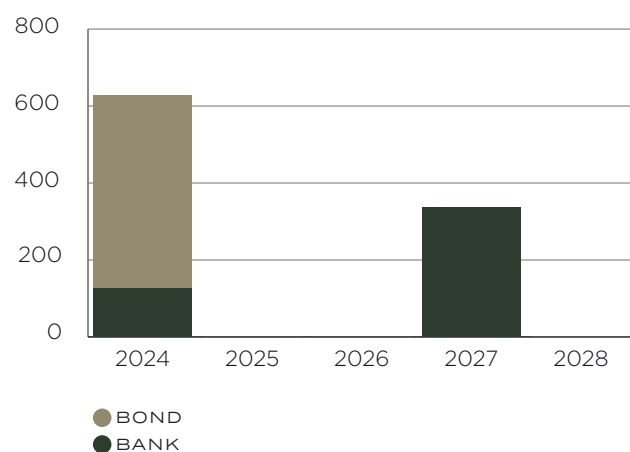
ASSETS PLEDGED FOR INTEREST-BEARING BANK DEBT

Mortgage deeds totalling SEK 473 million (409) were pledged as security for the interest-bearing bank debts at year-end. In addition, Holmström Fastigheter usually also provides security in the form of shares and holdings in the property-owning Group companies and various types of guarantees. The company is of the opinion that the pledge agreements are on market terms.

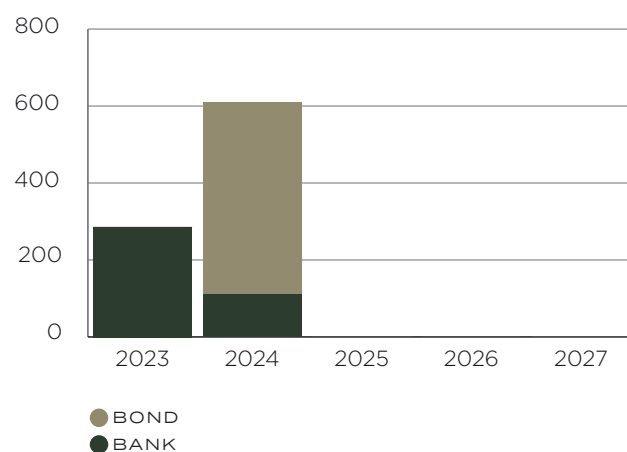
SUSTAINABILITY AND GREEN FINANCING

Contributing to the development of a sustainable society with regard to the environment and people is a key issue for Holmström Fastigheter. A priority area is therefore that the property portfolio's energy use must be resource-effective to contribute to a lower climate impact in combination with better economic conditions for the company. During the year, Holmström Fastigheter continued with its efforts to raise green financing for energy investments.

CREDIT MATURITY STRUCTURE 31 DEC 2023
SEK MILLION



CREDIT MATURITY STRUCTURE 31 DEC 2022
SEK MILLION



CAPITAL COMMITMENT

Holmström Fastigheter's long-term external interest-bearing liabilities amounted to SEK 334 million (606), corresponding to 34.8 per cent (67.9) of the company's total external interest-bearing liabilities. Current external interest-bearing liabilities amounted to SEK 627 million (287), which corresponds to 65.2 per cent (32.1) of external interest-bearing liabilities and is made up of bank loans of SEK 127 million and a bond of SEK 500 million. Loan maturities in 2024 amount to this entire amount, of which approximately SEK 500 million, corresponding to approximately 80 per cent of current liabilities, consists of bond loans.

INTEREST RATE FIXING

Of Holmström Fastigheter's total external interest-bearing liabilities, SEK 0 million (200) or 0.0 per cent (22.3) have a fixed interest rate. The average fixed interest period was 0.11 years (0.15) at year-end. The company's average interest rate for existing external interest-bearing liabilities at the end of the year was 7.6 per cent (4.8).

BOND

In 2021, Holmström Fastigheter issued a bond with a nominal value of SEK 500 million, maturing on 14 October 2024. Financial covenants for the bonds include that the bond shall be listed on the market and that the company shall publish quarterly reports. Note 27 describes the interest rate terms of the bond.



Holmström Fastigheter has a presence in many locations around Sweden. This is through property holdings, and through the partly owned associated companies Vincero Fastigheter and Ankarhagen.

- Holmström Fastigheter
- Vincero Fastigheter
- Ankarhagen



Holmström Fastigheter: Terrakottan 4, Stockholm.



Vincero Fastigheter: Sjödal stage 2, Huddinge.



Ankarhagen: Jordbromalm 1:10, Haninge.



Holmström Fastigheter: Kilen 3, Örnköldsvik.

SUSTAINABILITY

Our property management is committed to ensuring a sustainable future, not only environmentally but also regarding social and economic responsibility. We conduct our business with a high level of respect for people, society and the environment. For us, sustainability is about understanding our role in society and acting responsibly in our business areas.



ENVIRONMENT AND CLIMATE

During the year, Holmström Fastigheter carried out an energy survey of its property portfolio, with the aim of implementing projects in the coming years to eventually achieve fossil-free heating. This was done by exploring potential geothermal and photovoltaic projects.



Holmström Fastigheter and SBAB established a mutually beneficial partnership during the year. SBAB's green bonds have created greater opportunities for sustainable development and capital allocation in environmental initiatives for us as property owners. The cooperation has also enabled us to start planned investments at a faster pace. Via green financing, Holmström Fastigheter has implemented energy projects in which existing heat sources have been replaced with fossil-free alternatives.



The installation of geothermal heating and solar panels was carried out during the year in Skarpnäck and has already resulted in energy savings of 34 per cent.



We continue to actively work with energy management to control our energy use, with the aim of reducing climate impact and ensuring strong finances.

Our energy tracking system continues to facilitate and streamline resource usage by providing a quick overview of the total climate impact.

► **EVENTS IN 2023**

- Implemented geothermal and solar panel projects.
- Purchasing of eco-friendly company vehicles
- Introduced a web-based platform for the collection, processing, analysis and visualisation of energy data.
- Put into operation geothermal heating and solar panels in two properties in Skarpnäck, resulting in energy savings of 34 per cent.
- Energy efficiency improvements at the Berga 10:6 and Postmästaren 2 properties generated energy savings of around 30 per cent.
- Replaced district heating central units and installed indoor temperature sensors in parts of the property portfolio. In addition, the buildings were connected to a master control system. Expected savings are around 15 per cent (80 MWh) per year.
- Implemented numerous energy efficiency measures.
- Carried out climate risk assessment of parts of the portfolio to ensure compliance with the EU's green taxonomy regulation and other climate goals.

In September 2015, the world's heads of state and government adopted a new development agenda and global goals for sustainable development. Agenda 2030 consists of 17 global goals for sustainable development that aim to eradicate poverty, stop climate change and create peaceful and secure societies.

Holmström Fastigheter has chosen to prioritise four UN global goals in Agenda 2030. Our focus is on good health and well-being, sustainable energy for all, sustainable cities and communities, and combatting climate change.



Marija Nikolic, Head of Property and Sustainability, together with Christian Fredefors, Account Manager at SBAB.

Marija Nikolic, Head of Property and Sustainability at Holmström Fastigheter, emphasises that the creation of long-term value is of key importance for the company.

“Our investments and decisions are characterised by a sustainability perspective, which includes actively working with energy optimisation and heat recovery in our properties,” she says. “We consider it to be a matter of course to take responsibility for the impact we make on the climate and the environment, and want to enable a more sustainable life for everyone who is in and around our properties.”

SOCIAL RESPONSIBILITY

“The skills and well-being of our employees are at the core of our long-term sustainability and success,” says Marija. To be a successful operator, it’s important to take care of our staff. If Holmström Fastigheter has healthy people who enjoy their work and feel good, we are convinced that this has a positive impact on the organisation’s operations and profitability.

We believe that openness and respect are key aspects in building long-term relationships that benefit both us as a property company and society in general. As an employer and landlord, we strive to create a safe and sustainable working environment. As a concrete step in this direction, we have introduced ESI (NMI) and CSI (NKI) to measure and improve how our staff and tenants feel. These measures support our desire to ensure a positive and pleasant environment for everyone who is part of Holmström Fastigheter.”

DIVERSITY AND EQUALITY

Holmström Fastigheter has a zero tolerance policy against all forms of discrimination and harassment. Diversity and equality are crucial to our organisation, not only as a moral principle but also as a critical factor for ensuring growth and profitability. This promotes a better understanding of partners, customers and the local market. Without an active commitment to diversity and equality, Holmström Fastigheter runs the risk of losing the opportunity to attract the talent that is necessary to achieve the company’s growth, and thus missing out on business opportunities. Our diversity and equality policies, which are clearly articulated in the company’s Code of Conduct, Staff Handbook and policy documents, reflect our firm belief in creating an inclusive and equal working environment. We consider this to be a key part of our corporate responsibility.

SAFETY AND SECURITY

In Holmström Fastigheter’s pursuit of social sustainability, safety and security are a fundamental pillar in creating sustainable residential environments. By applying a fair and transparent process to approve tenants, we work to ensure that everyone has equal opportunities to a home, regardless of their background or origin.

From a perspective of socio-economic sustainability, we minimise risks by using thorough identity and background checks of our suppliers, which reduces potential financial losses for both Holmström Fastigheter and society as a whole.

CORPORATE GOVERNANCE STATEMENT

Holmström Fastigheter Holding AB (publ) is a Swedish public company with its registered office in Stockholm. Since 15 December 2021, the company has had a bond listed on Nasdaq Stockholm.

CORPORATE GOVERNANCE

The 2023 Corporate Governance Statement has been prepared as part of the company's compliance with the Swedish Companies Act and the Swedish Annual Accounts Act.

ARTICLES OF ASSOCIATION

The Articles of Association, together with applicable laws, regulate operations and governance. The company shall directly or indirectly own and manage property and securities and related activities. The financial year is the calendar year. The company's Articles of Association do not contain any specific provisions on the appointment and dismissal of directors or on amendments to the Articles of Association. The Articles of Association can be found on the company's homepage.

SHARES AND SHARE OWNERSHIP

On 31 December 2023, the share capital amounted to SEK 500,000, divided into 500,000 shares, 100 per cent of which are owned by F. Holmström Fastigheter AB.

ANNUAL GENERAL MEETING

The Annual General Meeting was held on 28 April 2023. Fredrik Holmström was elected chairman of the Annual General Meeting.

BOARD OF DIRECTORS

The Board shall consist of a minimum of 3 and a maximum of 10 members with a maximum of 10 deputies. The Board of Directors is elected by the Annual General Meeting and as of 31 December 2023 consisted of three members: Fredrik Holmström, Erik Rune and Fredrik Tibell. Fredrik Holmström was Chairman of the Board throughout the year. At the Extraordinary General Meeting held on 26 March 2024, Ken Wendelin took over from Erik Rune, and as of 11 April 2024, Fredrik Tibell was appointed Chairman of the Board. Fredrik Holmström remains on the Board as a member. The role of the Board is to be responsible for the company's organisation and management, to assess the company's financial situation on an ongoing basis and to ensure that there are effective

systems for monitoring and controlling the company's activities and compliance with laws and other regulations. The tasks of the Board of Directors are conducted through organised cooperation with the company's Executive Management. The Board complies with the assessment obligations imposed by law via submitted reports. In addition to this, the Board of Director's work is governed by guidelines issued by the Annual General Meeting and by the Board's work plan.

CHAIR OF THE BOARD

The Chair of the Board shall, in close cooperation with the CEO, monitor the company's performance and chair Board meetings. The Chair is responsible for ensuring that the other members of the Board receive sufficient information to carry out their work effectively. At the Annual General Meeting held on 28 April 2023, Fredrik Holmström was re-elected as Chairman of the Board. On 11 April 2024, Fredrik Tibell took over as Chairman of the Board of Directors, while Fredrik Holmström continues in his role as a member.

CEO AND EXECUTIVE MANAGEMENT

The CEO is responsible for operational management, day-to-day administration and managing the business in accordance with the guidelines, instructions and decisions of the Board. As of 31 December 2023, Executive Management consisted of Erik Rune, Marija Nikolic and Ken Wendelin through an asset management agreement with F. Holmström Fastigheter AB. Katarina Strömberg was a member of the Executive Management from January to December 2023. From April 2024, Fredrik Holmström is the CEO.

AUDITORS

The company's external auditors are appointed by the Annual General Meeting. The auditors are tasked with reviewing on behalf of the shareholders the Board of Directors' and the CEO's management of the company and ensuring that the annual accounts have been prepared in accordance with applicable laws and regulations. At the Annual General Meeting held on 28 April 2023,

the registered accounting firm Ernst & Young AB was re-elected as auditor for the period until the Annual General Meeting in 2024. Authorised auditor Fredric Hävrén from Ernst & Young AB was appointed chief auditor. In addition to the audit assignment, Ernst & Young AB was engaged for additional services in 2023, mainly accounting matters. Such services have always and only been provided to the extent consistent with the rules of the Auditing Act and FAR's Code of Professional Conduct regarding auditor impartiality and independence.

INTERNAL CONTROLS

Under the Swedish Companies Act, the Board of Directors is responsible for internal control. The purpose of internal control is to achieve, with reasonable assurance, effective and efficient operations, reliable financial reporting and information about the business, and compliance with applicable laws, regulations, policies and guidelines. The corporate governance statement on the company's internal control relates to the company's financial reporting.

Control environment

The allocation and delegation of responsibilities has been documented and communicated in the following governing internal documents: Formal work plan of the Board of Directors, Instructions to the CEO, Authorisation Order and other internal governance documents. The company's work on internal control aims to identify high-risk areas and minimise these risks. All internal governance documents are reviewed annually and updated when necessary, such as changes in legislation, accounting standards or listing requirements.

Risk assessment

The risk of material misstatement in financial reports is assessed annually by the company's Board of Directors, Executive Management and the company's external auditors. The CEO, in collaboration with different departments within the company, is responsible for structured risk mapping across all business activities. Company risks are divided into three main types: (1) external risks, (2) operative risks and (3) organisational risks.

Control activities

Control activities are designed on the basis of the risk analysis to address the significant risks identified. These are both of a preventive nature, in other words actions aiming to avoid losses or errors in reports and in the nature of detection. The controls must also ensure that any errors will be corrected. The company's financial system is structured in such a way that the payment of invoices has to follow the procedures set out in the internal governance documents. In addition to these control structures, a range of control activities are undertaken to further detect and correct errors and anomalies. Such control activities consist of monitoring at various levels of the organisation, such as review and comparison of profit and loss items, account reconciliations, and approval and accounting of business transactions by the finance department.

Information about communication

The guidelines for communication are that correct information should be provided in a correct and timely manner and in compliance with the law and Nasdaq Stockholm's regulations for issuers (interest-bearing instruments). Internal governance documents clarify who is responsible for what and the daily interaction between the people involved ensures that relevant information and communication reaches all stakeholders. All new employees at Holmströmgruppen receive information about the governing documents and the company holds information sessions where the values and the code of conduct are discussed.

Follow-up

Follow-up takes place on many different levels within the company. The company's budget is determined by the Board each year. The Board receives regular summary financial information and, at least once a quarter, financial reports with comments. The company's external auditor reports its findings from reviews and assessments of internal control to the Board of Directors. The company has procedures to ensure that action is taken to address any deficiencies and that highlighted actions are followed up.

Auditor's report on the corporate governance statement

For the General Meeting of Holmström Fastigheter Holding AB (publ), corp. ID number 559286-6809

ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors that is responsible for the corporate governance statement for the year 2023 (financial year 1 January 2023 – 31 December 2023) on pages 18–19 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

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

OPINIONS

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

Stockholm, 30 April 2024

Ernst & Young AB

Fredric Hävrén
Authorised auditor

THE BOARD

Holmström Fastigheter’s Board of Directors consists of Fredrik Tibell (Chairman), Fredrik Holmström and Ken Wendelin.



Fredrik Tibell
Chairman of the Board

Born: 1966
Education: Studied Economics at Stockholm University.

Founder, owner and CEO of Caritas Corporate Finance AB, a financial consultancy mainly for companies in the property sector. Chairman of the Board of Svenska Husgruppen Intressenter AB, Ankarhagen Holding AB and Magnolia Holding 4 AB, among others.

From April 2024, Fredrik Tibell is Chairman of the Board of Holmström Fastigheter.



Fredrik Holmström
Member and CEO

Born: 1971
Has worked for the Group since: 2006
Education: BSBA from IUM, Monaco (formerly University of Southern Europe).

Founder and former Chairman of the Board of Magnolia Bostad, and founder of Klippudden Fastigheter. Member of the Board of Vincero Fastigheter AB and Ankarhagen Holding AB. Chairman of the Board and owner of Holmströmgruppen, the parent company of Holmström Fastigheter.

As of April 2024, Fredrik Holmström is a member of the Board and CEO of Holmström Fastigheter.



Ken Wendelin

Member of the Board, CFO and Deputy CEO

Born: 1975

Has worked for the Group since: 2023

Education: M.Sc. in Business and Economics from the Stockholm School of Economics.

Most recently CFO and Deputy CEO of Aros Bostad (Publ). Previously Director and Global Co-Head Real Estate at SEB Enskilda and worked at SEB Industry & Corporate Analysis Real Estate and Infrastructure, Corem Property Group (Publ) and Catella.

EXECUTIVE MANAGEMENT

At the start of the year, Holmström Fastigheter's Executive Management consisted of CEO Erik Rune, CFO and Deputy CEO Ken Wendelin and Head of Property and Sustainability Marija Nikolic. In April 2024, Fredrik Holmström took over the role of CEO and joined the Executive Management.



Erik Rune
CEO (2020 - April 2024)

Born: 1973
Employed at the Group since: 2015
Education: M.Sc. in Business and Economics from the Stockholm School of Economics.

Most recently Deputy CEO and COO of Magnolia Bostad. Previously CFO of CBRE Global Investors and CEO of London and Regional Properties' Nordic operations. Has also worked in property finance at Eurohypo and SEB and property consulting at SEB Enskilda.

In April 2024, Erik Rune left his role as CEO of Holmström Fastigheter.



Ken Wendelin
CFO and Deputy CEO

Born: 1975
Has worked for the Group since: 2023
Education: M.Sc. in Business and Economics from the Stockholm School of Economics.

Most recently CFO and Deputy CEO of Aros Bostad (Publ). Previously Director and Global Co-Head Real Estate at SEB Enskilda and worked at SEB Industry & Corporate Analysis Real Estate and Infrastructure, Corem Property Group (Publ) and Catella.



Holmström Fastigheter's Executive Management.



Marija Nikolic
Head of Property and Sustainability

Born: 1971
Has worked for the Group since: 2019
Education: Studied Property at Stockholm University.

Most recently Head of Property at HEBA Fastighets AB (publ), previously Head of Property at Savills.



Fredrik Holmström
CEO

Born: 1971
Has worked for the Group since: 2006
Education: BSBA from IUM, Monaco (formerly University of Southern Europe).

Founder and former Chairman of the Board of Magnolia Bostad AB, and founder of Klippudden Fastigheter AB.

From April 2024, Fredrik Holmström has been the CEO of Holmström Fastigheter and part of the Executive Management.

INVESTMENT PROPERTIES



During the year, we intensified our sustainability efforts by making green investments for fossil-free heating with geothermal energy and solar panels. These actions are part of our long-term aim to not only create economic value, but also contribute to a more sustainable and environmentally-friendly future for generations to come.

– MARIJA NIKOLIC
HEAD OF PROPERTY AND SUSTAINABILITY

INVESTMENT PROPERTIES

Holmström Fastigheter's property portfolio currently comprises 25 properties and is divided into the Mälaren Region and Örnköldsvik Region. The properties cover around 39,000 m², of which about 77 per cent are residential units and 23 per cent are commercial premises, calculated using lettable area.

The residential properties make up the portfolio's largest segment, which is in line with Holmström Fastigheter's strategy to mainly invest in residential properties. Commercial areas are usually located on the ground floor of residential properties.

LOCATION

The properties are in Stockholm, Nynäshamn and Österåker (Mälaren Region) and in Örnköldsvik and Husum (Örnköldsvik Region). The properties are mainly located in central, attractive locations in areas showing good economic growth, positive population growth and a shortage of housing.

► **EVENTS IN 2023**

- Put into operation geothermal heating and solar panels in Skarpnäck in connection with energy projects.
- Signed an agreement with a marketplace platform for the rental of flats.
- To save energy, district heating central units were replaced and temperature sensors installed.



Postmästaren 2, Nynäshamn.



Fajansen 11, Stockholm.

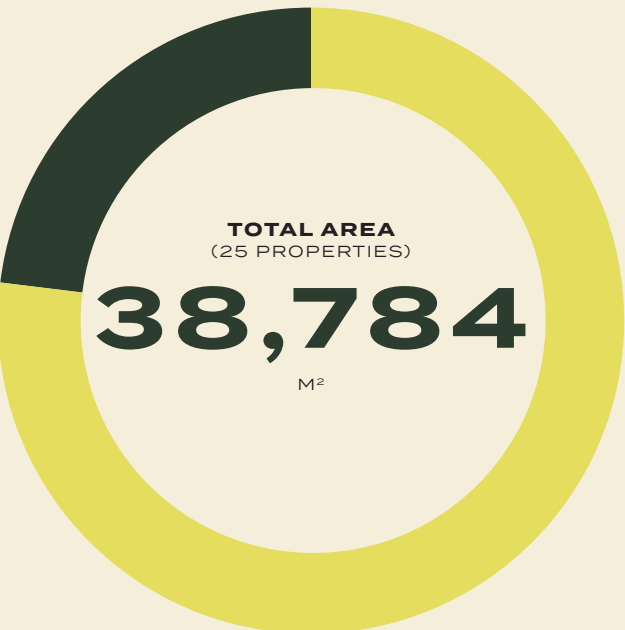


Ryssland 4, Örnköldsvik.



Berga 10:6, Österåker.

INVESTMENT PROPERTIES
DISTRIBUTION BY PROPERTY TYPE



» RESIDENTIAL, 77% » COMMERCIAL PREMISES, 23%

INVESTMENT PROPERTIES
DISTRIBUTED BY MARKET VALUE

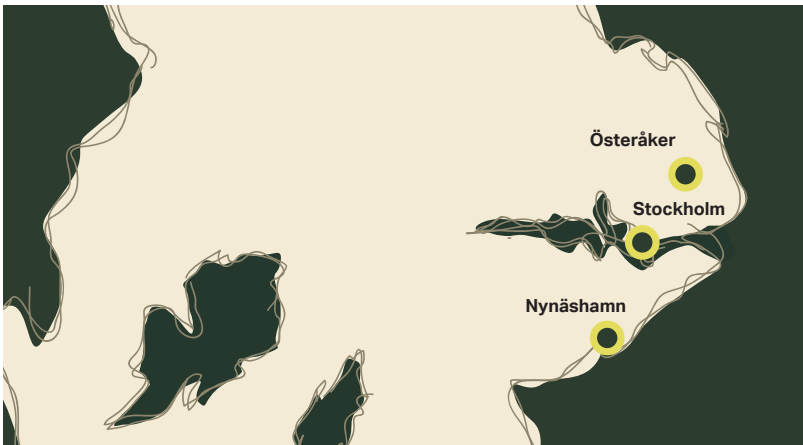


» MÄLAREN REGION, 70% » ÖRNSKÖLDSVIK REGION, 30%

HOLMSTRÖM FASTIGHETER IN BRIEF

	31/12/2023
Number of investment properties	25
Market value of the properties, SEK m	781
Property value, SEK per m ²	19,634
Annual rental income, SEK per m ²	1,245
Property yield, %	3.8%
Vacancy rate (economic),%	3.8%
Lettable area, m ²	38,784

MÄLAREN REGION



Autopiloten 5, Skarpnäck.

The Mälaren Region includes five properties located in Stockholm, Österåker and Nynäshamn. In total, the properties comprise around 18,000 m², of which 74 per cent are residential units and 26 per cent are commercial premises.

STOCKHOLM

Holmström Fastigheter owns three properties in Stockholm municipality. They include 52 residential units totalling 3,630 m². One property is located at Norrbackagatan 28, the other two are located in Skarpnäck.

ÖSTERÅKER

The Berga 10:6 property is located near the centre of Åkersberga, in Österåker municipality. The property consists of 5,282 m², divided into 41 flats and eight commercial premises.

NYNÄSHAMN

The property in Nynäshamn covers a total of 9,414 m² and is centrally located around 200 metres from the railway station. The property consists of four buildings with 3–4 storeys, which



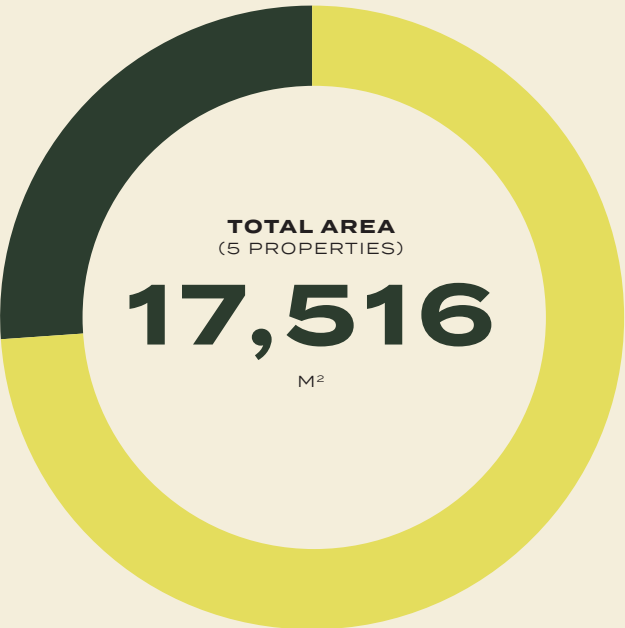
Postmästaren 2, Nynäshamn.

together form an entire neighbourhood. In total, the properties include 80 flats and 18 commercial premises.



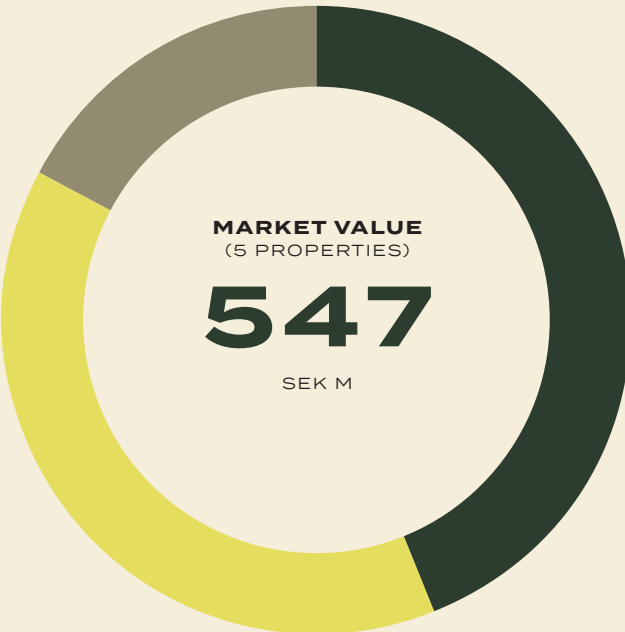
Timmermannen 32, Stockholm.

MÄLAREN REGION
DISTRIBUTION BY PROPERTY TYPE



» RESIDENTIAL, 74% » COMMERCIAL PREMISES, 26%

MÄLAREN REGION
DISTRIBUTION BY MARKET VALUE

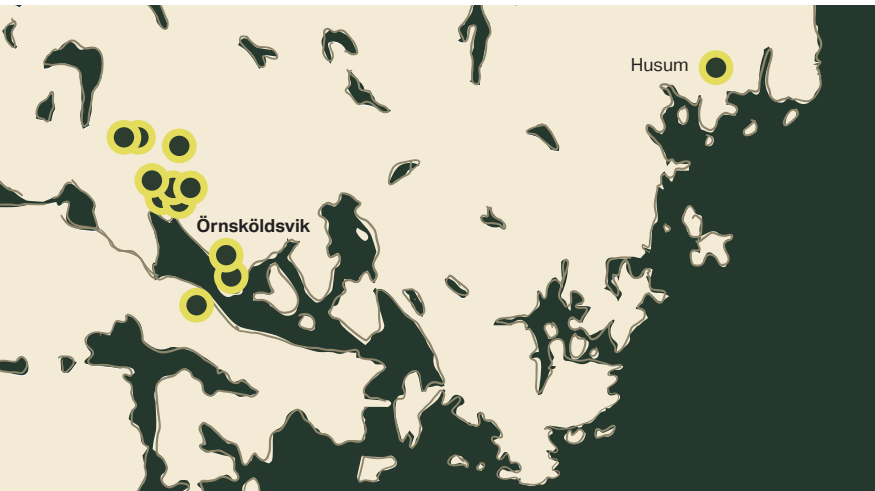


- » NYNÄSHAMN, 44%
- » STOCKHOLM, 39%
- » ÖSTERÅKER, 17%

MÄLAREN REGION IN BRIEF

	31/12/2023
Number of investment properties	5
Market value of the properties, SEK m	547
Property value, SEK per m ²	30,771
Annual rental income, SEK per m ²	1,474
Property yield, %	3.2%
Vacancy rate (economic),%	4.3%
Lettable area, m ²	17,516

ÖRNSKÖLD SVIK REGION



Nederön 1:63, Örnköldsvik.

Örnköldsvik Region, located in northern Sweden, has about 33,000 inhabitants. The property portfolio in Örnköldsvik accounts for 30 per cent of the market value of the Holmström Fastigheter properties. In total, the properties include 250 residential units and 19 commercial premises.

LOCATION

All the properties are located within Örnköldsvik municipality and are distributed between Örnköldsvik and Husum, the latter a smaller town about 25 minutes' drive from Örnköldsvik.

TYPE OF PROPERTY

Örnköldsvik Region mainly consists of centrally located residential properties, supplemented by commercial areas with reputable tenants such as the municipality and the Social Democratic Party.

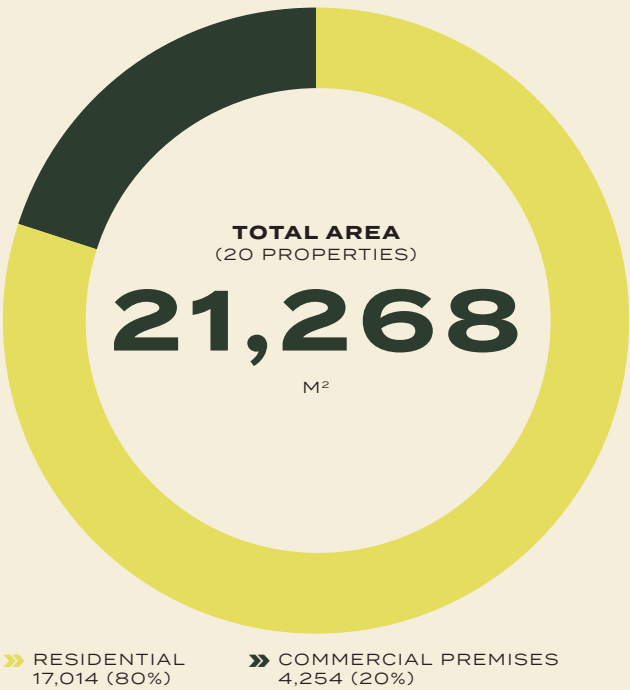


England 13, Örnköldsvik.



Husum 1:217, Örnköldsvik.

ÖRNSKÖLDSEVIG REGION
DISTRIBUTION BY PROPERTY TYPE



ÖRNSKÖLDSEVIG REGION
DISTRIBUTION BY MARKET VALUE



ÖRNSKÖLDSEVIG REGION IN BRIEF

	31/12/2023
Number of investment properties	20
Market value of the properties, SEK m	234
Property value, SEK per m ²	10,640
Annual rental income, SEK per m ²	1,056
Property yield, %	5.2%
Vacancy rate (economic), %	3.2%
Lettable area, m ²	21,268

VINCERO FASTIGHETER



In 2023, Vincero Fastigheter focused on its major development areas, where work is progressing at a high pace, and we are now preparing the company for an extensive construction phase in the coming years.

– ROBIN RUTLI
CHAIRMAN OF THE BOARD

VINCERO FAS- TIGHETER

Vincero VF5 AB ("Vincero Fastigheter") owns and manages commercial properties in Greater Stockholm, Uppsala and Västerbotten with good transport links. The focus is on creating the right conditions for its tenants' businesses and thereby increasing returns over time.



Fjärdingen 27:5, Uppsala.



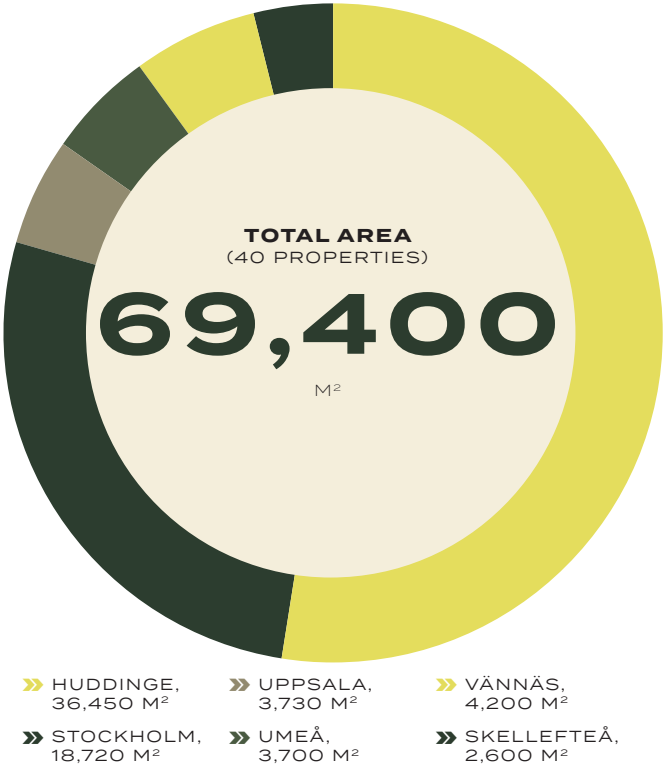
Andreas Rutili and Robin Rutili, founders of Vincero Fastigheter together with Fredrik Holmström.

In the long term, Vincero Fastigheter aims to own and manage newly produced and energy-efficient rental housing in attractive locations in Greater Stockholm.

Vincero Fastigheter was founded in 2016 and at the end of the year its portfolio comprised 40 properties, with a total area of approximately 69,400 m². At the end of the year, there were 3,650 estimated building rights in the portfolio, divided between three development projects, of which Sjödalén in Huddinge is the largest.

The company is not expanding its own organisational structure but ensures expertise in both commercial and financial management through a management agreement with Vincero AB, which is run by the brothers Robin and Andreas Rutili. Vincero AB and Holmström Fastigheter each own 50 per cent of Vincero Fastigheter.

VINCERO PROPERTIES
GEOGRAPHICAL DISTRIBUTION



INNOVATIVE URBAN DEVELOPMENT

Vincero Fastigheter acquires and manages commercial properties with good transport links in Greater Stockholm that are being transformed into attractive residential areas through active urban planning.

In Södalen, which is adjacent to central Huddinge, Vincero Fastigheter has innovative ambitions of developing a major residential area with around 2,700 homes.

“Based on innovative urban planning, we are creating areas with unique qualities for their residents that contribute to more sustainable urban environments,” says Andreas Rutli, who founded Vincero Fastigheter together with his brother Robin. With our large, pooled, development volumes, we are well placed to invest in the latest technology and next generation solutions.

In Södalen, less than a kilometre east of central Huddinge, Vincero Fastigheter has acquired 19 properties. Södalen has good potential to become an attractive residential area with good transport links and proximity to services, schools and recreation. Central Stockholm is only 15 minutes away by commuter train from Huddinge centre and Flemingsberg is just a few minutes away. Flem-

Robin och Andreas Rutli, founders of Vincero Fastigheter.





Sjödalén Stage 4. Illustrations from the ongoing planning process.



Sjödalén Stage 4. Illustrations from the ongoing planning process.



Sjödalén Stage 4. Illustrations from the ongoing planning process.

ingsberg is one of the fastest growing development areas in the country, and will become a hub for transportation, education and work in the south of Stockholm.

Vincero Fastigheter has ambitions of developing a next-generation residential area in eight large neighbourhoods in Storängen. To understand how residential areas will be developed in the future, the company has chosen to work with around fifty of Sweden's and Europe's leading experts in areas

such as energy, mobility, digitalisation, the environment and social issues. These specialists, who come from industry, academia and government, have been working for a couple of years to develop an innovation programme to form the basis for the development of the next-generation residential area in Storängen. This innovation programme will also form the basis for guidelines for urban planning in other residential areas developed by the company.

ANKARHAGEN



2023 was a very exciting year for Ankarhagen. We achieved record net lettings and made great progress in our sustainability efforts. At the same time, property management earnings were affected by higher interest costs.

– MARKUS SJÖVALL
CEO

ANKARHAGEN



Ankarhagen's Board of Directors: Markus Sjövall, Julia Mejegård, Fredrik Tibell and Fredrik Holmström.

Ankarhagen

During the year, net lettings totalled SEK 9 million. In total, we entered into new leases with an annual rental value of SEK 76 million, and renegotiated agreements which increased the contracted base rent by SEK 1 million. We also entered into agreements of SEK 5 million for relocations, which together with bankruptcies totals net letting of SEK 9 million. Net letting corresponded to approximately 9 per cent of Ankarhagen's rental value at the beginning of 2023, which is a high level.

Rental income increased by 19 per cent to SEK 99 million (83) and the total contract value continued to increase and amounted to SEK 384 million (376). Net operating income increased by 22 per cent to SEK 84 million (68) and the surplus rate amounted to 85 per cent (82), which is the highest level the Group has recorded.

Management and administration costs amounted to SEK 25 million (25), corresponding to 25 per cent of the Group's rental income. The cost item will gradually decrease as a proportion of the Group's rental income as the property portfolio grows. The corresponding figure for listed property companies, which admittedly have a much larger asset base, is around 5–12 per cent.

Property management earnings fell to SEK 20 million (25) and, with the above summary, we can conclude that the reduction in property manage-

ment earnings can thus be entirely attributed to higher interest expenses.

The value of the property portfolio amounted to SEK 1,232 million (1,213) and the balance sheet total was SEK 1,336 million (1,325), while the equity ratio remained unchanged at 35 per cent.

In 2023, no acquisitions were made, but we divested two of the portfolio's smallest properties as a step in streamlining the portfolio. We continued to invest in our existing properties, adapting and completing a number of premises, including for Julia in Karlskoga, the Swedish Civil Contingencies Agency in Kristinehamn and Maskinparken in Västerås.

In the Group's valuation calculations, the average required rate of return was adjusted upwards from 6.6 to 7.3 per cent, which, all other things being equal, would have meant a significant downward adjustment of the nominal value of the property portfolio. Given that we managed to increase cash flow during the year as a result of strong net lettings, this downward adjustment did not materialise. For the second year in a row, we had a nominal increase in the value of the property portfolio despite the increase in yield requirements.

As we reached an All time high for most of our key performance indicators, it can be said that from an operational perspective 2023 was another strong year for Ankarhagen.

INCREASING INTEREST RATES

During the year, interest rates continued to rise, increasing the Group's interest costs and contributing to a decline in the interest coverage ratio. The interest coverage ratio is lower than we would like, but continues to exceed the financial commitments to the Group's lenders. At the time of writing, the interest rate curve appears to have peaked and expectations of future inflation are gradually declining. As a large part of the loan portfolio is at variable rates, the property management earnings and interest coverage ratio are expected to recover in 2024.

INCREASED SHARE OF GREEN LOANS

We took a major step in our sustainability efforts, as 43 per cent (3) of our loans are now classified as being "green loans". We are at the forefront of sustainability efforts based on what can be expected from a company of our size and are strongly positioned for the ever-increasing demands regarding conducting sustainable business.

OUR CRAFT

Ankarhagen's "craft" is to acquire and invest in properties that we believe have long-term development potential that can be realised through active management.

The acquisition strategy aims to acquire property at a price per square metre that is well below the replacement cost at its existing location. The strategy is also based on the surplus rate performance indicator, which is calculated using net operating income as a percentage of rental income. A high surplus rate tends to reflect well-written leases and efficient energy consumption. A low surplus rate often implies the opposite and thus a significant potential for long-term improvements. Based on a clear business plan for the property, we can start value-adding development work after acquisition, with the aim of achieving higher contracted income, lower costs and a higher net operating income.

Value creation is based on having competent and efficient employees who can execute defined business plans at the property level. Our approach is more labour-intensive than that of many competitors and requires a slightly larger organisation. At the same time, the organisation allows for a high level of net lettings and thus provides security against increased vacancies in times when tenants' finances deteriorate and where needs for premises can change rapidly.

PROVEN BUSINESS MODEL

With the business model and approach described above, we have created a property portfolio that has a value of just over SEK 1.2 billion. The value

has been created one business deal at a time, based on proactive and focused management.

We have never carried out share issues of any kind and we have had positive financial results every year since the company was founded.

During the last five-year period, the average annual growth rate (CAGR) in rental income amounted to 21 per cent and net operating income to 27 per cent. The average return on equity for the same period was 26 per cent.

GOOD STABILITY

Ankarhagen currently manages 38 properties, spread out across growing regional cities in central Sweden. The properties house 93 tenants spread over 105 leases, 99 per cent of which are indexed to the CPI. Our tenants operate in widely different sectors, such as industry, last-mile logistics, services and trade.

The properties are located in established industrial areas where there is a constantly growing need for premises. The buildings are flexible, and in a scenario where premises becomes vacant it is relatively easy to make adjustments for a new tenant at a low cost. The properties are valued at a level below the cost of replacing them and the average rent level in the portfolio is not particularly high. Despite the fact that the economy indicates that tenants are having a tougher time, we assess the risk of future vacancies in Ankarhagen's portfolio to be low.

THE OUTLOOK FOR 2024

At the time of writing, we see continued strong demand for Ankarhagen's premises. We feel that the transaction market is starting to thaw and that banks are becoming more willing to lend. The outlook for 2024 is generally positive and our view is that rental income and net operating income will continue to increase and that central administration costs as a share of rental income will decrease. Assuming that the interest rate curve does not change significantly, we believe that property management earnings for the year will also increase.

Finally, I would like to thank all our partners, old and new. Furthermore, I would like to thank all our employees, who worked hard during the year to drive Ankarhagen forwards.

Markus Sjövall
CEO and President

COMMERCIAL PREMISES IN CENTRAL SWEDEN

Ankarhagen invests in commercial properties, mainly in the warehouse and light industry sectors. Ankarhagen's geographic market is central Sweden's regional cities and areas, more specifically Mälardalen and Karlstad.



Jordbromalm 1:10, Haninge.

Ankarhagen, founded in 2011, invests mainly in commercial properties in Mälardalen and central Sweden with its main focus being on the warehouse and light industry sectors and commercial premises close to urban centres. The company's business concept is to acquire, manage and improve commercial properties in the warehouse and light industry sectors in locations close to urban centres in growth regions in central Sweden.

The company also runs the project development of previously unused land where new premises are developed and built for new and existing customers.

Ankarhagen's properties are in Greater Stockholm and in other larger towns in Mälardalen and the rest of central Sweden. In total, the Group owns 38 properties covering around 500,000 m² of land with zoning plans and a total lettable area of 116,000 m².



In 2023, Ankarhagen certified its largest property, Östanvinden 4 in Karlstad, according to the Miljöbyggnad Silver standard.



In 2023, Jula moved into the Fotbromsen 2 property in Karlskoga.



Nattvinden 5, Karlstad.

ANKARHAGEN
GEOGRAPHICAL DISTRIBUTION BY PROPERTY VALUE



- » KARLSTAD, 49%
- » ÖREBRO, 13%
- » STOCKHOLM, 12%
- » VÄSTERÅS, 11%
- » ESKILSTUNA, 7%
- » OTHER CENTRAL SWEDEN, 8%

FINANCIAL INFO AND ACCOUNTS



In 2023, Holmström Fastigheter signed an agreement to sell its stake in Magnolia Bostad AB's (publ) owner company HAM Nordic to Areim. As a result, the Group now focuses exclusively on Vincero Fastigheter for residential development in its property area.

– KEN WENDELIN,
CFO AND DEPUTY CEO

BOARD OF DIRECTORS' REPORT

The Board of Directors and CEO of Holmström Fastigheter Holding AB (publ), 559286-6809, registered office in Stockholm, are hereby authorised to present the Annual Report for the company's second financial year, 1 January 2023 – 31 December 2023.

THE BUSINESS IN GENERAL

Parent company

The company owns and manages the shares in F Holmström Holding 1 AB, corp. ID number 559293-3427. The company has no employees.

THE GROUP

The Group currently owns 25 (25) properties, located in Örn-sköldsvik and the Mälardalen Region. They have a lettable area of around 39,000 m² (39,000), of which 77 per cent (77) is residential and 23 per cent (23) is commercial premises. All the properties are managed by Holmströmgruppen.

The Group owns 50 per cent (50) of Vincero Fastigheter 5 AB, which owns and manages 40 commercial properties in Stockholm, Uppsala and Västerbotten comprising around 69,400 m² and with good transport links.

The Group owns 20 per cent (20) of Ankarhagen Holding AB, a property company whose business concept is to acquire, manage and improve property mainly focusing on warehouses and light industry in locations close to urban centres in growth regions in central Sweden. The company also runs project development of previously unused land where new premises are built for new and existing customers.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In June 2023, Holmström Fastigheter signed an agreement to sell all the company's shares in HAM Nordic AB, the owner of Magnolia Bostad AB (publ), to Areim. In connection with the signing of the agreement, Areim obtained full control of Magnolia Bostad and Holmström Fastigheter received a purchase price of approximately SEK 111 million. Holmström Fastigheter still owns 21.8 per cent of the shares in HAM Nordic, but it has been agreed that these will gradually be divested when Areim raises capital intended for Magnolia Bostad, and this can bring in an additional SEK 177 million to Holmström Fastigheter. Areim has a commitment to attempt, as soon as possible given market conditions, to carry out one or more capital raisings totalling SEK 1,150 million, which is the level at which all the shares will have been divested. Should funding not materialize, Holmström Fastigheter can receive up to approxi-

mately SEK 89 m for the divestment of HAM Nordic AB. The agreement with Areim extends to 2033-06-30.

During the fourth quarter, it was announced that Fredrik Holmström would take over as CEO of Holmström Fastigheter. Fredrik Holmström will succeed Erik Rune, who in connection with this will also resign as a member of the Board of Holmström Fastigheter.

SUSTAINABILITY

Holmström Fastigheter strives to achieve sustainable development and we consider sustainability issues to be a natural part of our work. We take the environment and people into account and take responsibility for future generations. We are convinced that a healthy approach to sustainability issues brings great benefits for us as a company, for our employees and for society as a whole. For us, sustainability is about understanding our role in society and acting responsibly in the areas that we can influence.

OWNERSHIP STRUCTURE

Holmström Fastigheter Holding AB (publ) 559286-6809, registered office in Stockholm, is a wholly-owned subsidiary of F. Holmström Fastigheter AB, corp. ID number 556530-3186, registered in Stockholm.

The parent company of the largest Group, of which the company is a subsidiary, is F Holmströmgruppen AB, corp. ID number 556696-3590, registered in Stockholm.

GROUP RESULTS AND FINANCIAL POSITION

Net sales for the financial year amounted to SEK 48 million (53) and the decrease is primarily due to the sale of Klippudden Fastigheter to the JV started in February 2022 with Slättö Core Plus AB.

The operating loss was SEK -811 million (-448) and includes a negative change in the value of investment properties of SEK -74m (-28), the loss from participations in associated companies of SEK -749 million (-437) and the loss from other securities and receivables of -11 million (-2).

Net financial income was SEK -62 million (-30). The loss after tax for the full year was SEK -859 million (-455).

The balance sheet total amounted to SEK 1,581 million (2,509). As of 31 December 2023, the Group's equity was SEK 542 million (1,054), which gave an adjusted equity ratio of 34.3 per cent (61.2). Equity attributable to non-controlling interests totalled SEK 44 million (51). In 2023, the return on equity was -22 per cent (-28).

MULTI-YEAR OVERVIEW

Amounts in SEK million unless stated otherwise

CONDENSED INCOME STATEMENT	2023	2022	2021
Rental income	48	53	84
Net operating income	27	26	52
Profit/loss from participations in associated companies and joint ventures	-749	-437	573
Change in value, investment properties, realised	0	10	0
Change in value, investment properties, unrealised	-74	-38	311
Profit/loss before tax	-873	-478	898
CONDENSED STATEMENT OF FINANCIAL POSITION	2023	2022	2021
Investment properties	781	832	2,259
Participations in associated companies	428	1,396	1,698
Cash and cash equivalents	131	99	121
Equity including non-controlling interests	542	1,054	2,234
Balance sheet total	1,581	2,509	4,161
KPIS	2023	2022	2021
Number of investment properties	25	25	67
Market value of the properties, SEK m	781	832	2,259
Property value, SEK per m ²	19,634	21,457	22,810
Annual rental income, SEK per m ²	1,245	1,155	1,165
Property yield, %	3.8%	3.6%	3.4%
Vacancy rate (economic), %	3.8%	4.1%	4.1%
Lettable area, m ²	38,784	38,784	99,038
Annual return on equity, %	-21.8%	-27.7%	59.6%
Adjusted equity ratio, %	34.3%	61.2%	56.6%
Interest coverage ratio, multiple	0.4	0.9	1.90

As the Group was formed in December 2020 there are no comparatives for earlier periods. The majority of the Group's assets were acquired on 19 March 2021 from Holmströmgruppen.

The Group's cash flow from operating activities amounted to SEK -22 million (2), cash flow from investment activities was SEK 123 million (296) and cash flow from financing activities was SEK -69 million (-320). Cash and cash equivalents as of 31 December 2023 amounted to SEK 131 million (99).

EVENTS AFTER THE END OF THE PERIOD

No significant events have occurred after the end of the period.

PROPOSED APPROPRIATION OF COMPANY PROFITS

The following is available to the Annual General Meeting, SEK:

Profit/loss brought forward	1,009,495,810
Profit/loss for the year	-541,550,998
	467,944,812
To be carried forward	467,944,812
	467,944,812

The company's other earnings and position are shown in the following income statement and balance sheet with additional information. All amounts are expressed in SEK million unless stated otherwise.

CONSOLIDATED INCOME STATEMENT

AMOUNTS IN SEK MILLION	Note	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Operating income			
Rental income	4, 6	48	53
Other income	4	5	0
Operating costs	5	-25	-26
Property tax	5	-1	-1
Net operating income		27	26
Central administration	5, 8, 9	-5	-7
Profit/loss from participations in associated companies and joint ventures	11	-749	-437
Income from other securities and receivables		-11	-2
Change in value, investment properties, realised		0	10
Change in value, investment properties, unrealised	16	-74	-38
Operating profit/loss		-811	-448
Financial income	12	11	10
Financial expenses	13	-73	-40
Profit/loss after financial items		-873	-478
Deferred tax	14, 15	14	24
Tax on profit/loss for the year		-1	0
NET PROFIT/LOSS FOR THE YEAR		-859	-455
Profit/loss attributable to			
Parent company shareholders		-855	-451
Non-controlling interests		-4	-4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK MILLION	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Profit/loss for the period	-859	-455
Other comprehensive income for the period	0	0
Total other comprehensive income	0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-859	-455
Total profit/loss attributable to		
Parent company shareholders	-855	-451
Non-controlling interests	-4	-4

CONSOLIDATED BALANCE SHEET

AMOUNTS IN SEK MILLION	Note	31/12/2023	31/12/2022
ASSETS			
Fixed assets			
<i>Tangible assets</i>			
Investment properties	16	781	832
Right of use assets	7	5	5
<i>Total tangible assets</i>		<i>785</i>	<i>837</i>
<i>Financial fixed assets</i>			
Participations in associated companies	18, 19	428	1,396
Receivables from associated companies	20	117	152
Other long-term securities	21	118	18
<i>Total financial assets</i>		<i>663</i>	<i>1,566</i>
Total fixed assets		1,448	2,403
Current assets			
<i>Current receivables</i>			
Rental receivables and accounts receivable	22	1	0
Prepaid expenses and accrued income	23	2	7
<i>Total current receivables</i>		<i>3</i>	<i>7</i>
<i>Cash and cash equivalents</i>	29	<i>131</i>	<i>99</i>
Total current assets		133	106
TOTAL ASSETS		1,581	2,509
EQUITY AND LIABILITIES			
Equity			
Share capital	24	1	1
Retained profits including net profit/loss for the year		497	1,002
Equity attributable to parent company shareholders		498	1,003
Non-controlling interests		44	51
Total equity		542	1,054
Non-current liabilities			
Deferred tax liability	25	15	29
Other provisions	26	27	27
Non-current interest-bearing liabilities	27	334	606
Non-current leasing liabilities	7	5	5
Total non-current liabilities		381	666
Current liabilities			
Current interest-bearing liabilities	27	627	287
Current liabilities to parent company	27	0	481
Accounts payable		2	2
Tax liability		0	0
Accrued expenses and deferred income	28	30	19
Total current liabilities		658	789
TOTAL EQUITY AND LIABILITIES		1,581	2,509

CHANGES IN GROUP EQUITY

AMOUNTS IN SEK MILLION	Share capital	Retained profits including net profit/loss for the year	Non-controlling interests	Total equity
Opening equity 01/01/2022		2,163	70	2,234
Profit/loss for the year		-451	-4	-455
Other comprehensive income		0	0	0
Transactions with owner				
Acquisition of non-controlling interests		-3	-15	-18
Dividend		-700		-700
Group contribution provided		-7		-7
Closing equity 31/12/2022	1	1,002	51	1,054
Opening equity 01/01/2023	1	1,002	51	1,054
Profit/loss for the year		-855	-4	
Other comprehensive income				
Transactions with owner				
Unconditional shareholder contribution		358		
Acquisition of non-controlling interests				
Dividend			-3	
Group contribution provided		-8		
Closing equity 31/12/2023	1	497	44	542

CONSOLIDATED CASH FLOW STATEMENT

AMOUNTS IN SEK MILLION	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Operating activities		
Profit/loss before tax	-873	-478
<i>Adjustments for non-cash flow items</i>		
- Profit/loss share in associated companies	749	437
- Unrealised change in value, investment properties	74	28
Other non-cash income statement items	19	2
Income tax paid	-1	-1
Cash flow from operating activities before changes in working capital	-32	-13
Cash flow from changes in working capital		
Changes in operating receivables	5	2
Changes in operating liabilities	5	13
Cash flow from operating activities	-22	2
Investment activities		
Investments in new builds, additions and renovations	-23	-30
Changes in investment properties	0	533
Changes in financial assets	146	-207
Cash flow from investment activities	123	296
Financing activities		
Shareholder contribution received	350	0
Dividend	0	-700
Transactions with non-controlling interests	-3	0
External loans raised	337	32
Amortisation of external loans	-269	-4
Shareholder loans raised	0	821
Amortisation of shareholder loans	-484	-470
Cash flow from financing activities	-69	-320
Cash flow for the year	33	-22
Cash and cash equivalents at the start of the year	99	121
Cash and cash equivalents at the end of the year	131	99

PARENT COMPANY INCOME STATEMENT

AMOUNTS IN SEK MILLION	Note	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Operating income			
Net sales		0	0
Gross profit/loss		0	0
Central administration	8	-1	-1
Operating profit/loss		-1	-1
Income from participations in Group companies	17	-503	0
Financial income	12	17	5
Financial expenses	13	-55	-33
Profit/loss after net financial items		-542	-29
Appropriations		1	1
Profit/loss before tax		-541	-28
Tax on profit/loss for the year		0	0
NET PROFIT/LOSS FOR THE YEAR		-541	-28

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK MILLION	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Profit/loss for the year	-541	-28
Other comprehensive income for the period	0	0
Comprehensive income for the year	-541	-28

PARENT COMPANY BALANCE SHEET

AMOUNTS IN SEK MILLION	Note	31/12/2023	31/12/2022
ASSETS			
Fixed assets			
<i>Financial fixed assets</i>			
Participations in subsidiaries	17	636	1,139
Total fixed assets		636	1,139
Current assets			
<i>Current receivables</i>			
Receivables from Group companies	32	333	494
Prepaid expenses and accrued income	23	17	5
<i>Total current receivables</i>		<i>350</i>	<i>499</i>
<i>Cash and cash equivalents</i>	29	<i>0</i>	<i>0</i>
Total current assets		351	500
TOTAL ASSETS		987	1,639
EQUITY AND LIABILITIES			
Equity			
Share capital	24	1	1
<i>Total restricted equity</i>		<i>1</i>	<i>1</i>
<i>Non-restricted equity</i>			
Retained profits		1,008	678
Profit/loss for the year		-541	-28
<i>Total non-restricted equity</i>		<i>467</i>	<i>650</i>
Total equity		468	651
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	27	0	496
<i>Total non-current liabilities</i>		<i>0</i>	<i>496</i>
<i>Current liabilities</i>			
Current interest-bearing liabilities	27	498	0
Current liabilities to Group companies	32	0	481
Accrued expenses and deferred income	28	20	11
<i>Total current liabilities</i>		<i>519</i>	<i>492</i>
TOTAL EQUITY AND LIABILITIES		987	1,639

CHANGES IN PARENT COMPANY EQUITY

AMOUNTS IN SEK MILLION	Share capital	Profit/loss carried forward	Profit/loss for the year	Total equity
Opening equity 01/01/2022	1	1,390	-13	1,378
Allocation according to the Annual General Meeting	-	-13	13	0
Profit/loss for the year	-	-	-28	-28
Transactions with owner				
Dividend	-	-700	-	-700
Group contribution received	-	1	-	1
Closing equity 31/12/2022	1	678	-28	651
Opening equity 01/01/2023	1	678	-28	651
Allocation according to the Annual General Meeting	-	-28	28	0
Profit/loss for the year	-	-	-541	-541
Transactions with owner				
Dividend				
Unconditional shareholder contribution	-	358	-	358
Group contribution received	-	1	-	1
Closing equity 31/12/2023	1	1,008	-541	468

PARENT COMPANY CASH FLOW STATEMENT

AMOUNTS IN SEK MILLION	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Operating activities		
Profit/loss before tax	-541	-28
Change in value of shares in subsidiaries	503	-
Interest received	-12	-5
Interest paid	9	10
Cash flow from operating activities before changes in working capital	-41	-23
Cash flow from changes in working capital		
Changes in operating receivables	0	6
Changes in operating liabilities	2	-8
Cash flow from operating activities	-39	-25
Investment activities		
Acquisition of subsidiaries	0	0
Cash flow from investment activities	0	0
Financing activities		
Shareholder contribution received	358	0
Dividend paid	0	-700
Changes in Group receivables	161	362
Changes in shareholder loan	-481	360
Bonds raised	0	0
Transaction costs relating to bonds	0	2
Cash flow from financing activities	39	24
Cash flow for the year	0	-1
Cash and cash equivalents at the start of the year	0	1
Cash and cash equivalents at the end of the year	0	0

ADDITIONAL INFORMATION

Note 1 Accounting principles

ABOUT THE COMPANY IN GENERAL

Holmström Fastigheter Holding AB (publ), corp. ID number 559286-6809 is a company registered in Stockholm. Its address is Sturegatan 6, Box 5184, 102 44 Stockholm, Sweden.

The annual accounts and consolidated accounts were approved by the Board on 30 April 2024 and will be submitted to the Annual General Meeting for approval on 30 April 2024.

REGULATIONS APPLIED

The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the IFRS Interpretations Committee as adopted by the EU. Furthermore, the consolidated accounts were prepared in accordance with Swedish law and the Swedish Financial Reporting Board's recommendation RFR1, Supplementary Accounting Rules for Corporate Groups.

The parent company applies the same accounting principles as the Group with the exception of the cases set out below in the section entitled "Parent company accounting principles". Deviations that arise between the parent company and the Group principles are the result of limitations to the possibilities for applying IFRS in the parent company due to the Annual Accounts Act and, in some cases, applicable tax regulations.

CONDITIONS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE PARENT COMPANY AND THE GROUP

The parent company's functional currency is SEK, which is also the reporting currency for the parent company and the Group. All amounts, unless stated otherwise, are rounded to the nearest million. Assets and liabilities are reported at cost, with the exception of some financial assets and liabilities that in the Consolidated Statement of Financial Position are measured at fair value. Financial assets and liabilities measured at fair value consist of derivative instruments and securities, measured at fair value via the consolidated income statement.

The Group's accounting principles have been applied consistently to the accounts and consolidation of the parent company and subsidiaries.

The reports are prepared according to the assessment of the company as a going concern.

CLASSIFICATION

Non-current assets and liabilities in the parent company and Group consist only of amounts that are expected to be recoverable or paid later than twelve months from the balance sheet date while current assets and liabilities in the parent company and the Group consist only of amounts that are expected to be recoverable or paid within twelve months from the balance sheet date.

INPUT DATA FOR FAIR VALUE MEASUREMENT

Level 1 – Listed, unadjusted, prices on active markets for identical assets or liabilities that the company has access to at the date of measurement.

Level 2 – Other input data than the listed prices that are included in Level 1, which are directly or indirectly observable for assets and liabilities.

Level 3 – Input data at Level 3 are non-observable input data for assets and liabilities.

CONSOLIDATED ACCOUNTS

The consolidated income statement and balance sheet encompass all companies in which the parent company directly or indirectly holds more than half of the share's voting rights as well as companies in which the Group in any other way has a controlling influence.

The financial statements for the parent company and the subsidiaries that are included in the consolidated accounts refer to the same period and are prepared in accordance with the accounting principles that apply to the Group. A subsidiary is included in the consolidated accounts as of the date of acquisition, which is the date the parent company acquires a controlling influence, normally more than 50 per cent of the votes, and is included in the consolidated accounts until the date on which the controlling influence ceases. Intra-Group transactions and any associated profit/loss are eliminated.

Business combinations vs. asset acquisitions

The acquisition of companies can be classified as either a business combination or an asset acquisition. The assessment is made on a case-by-case basis per acquisition. Company acquisitions, the primary purpose of which is to acquire the company's property and where the company's management organisation and administration is of subordinate importance for the acquisition, are classified as asset acquisitions. Other company acquisitions are classified as business combinations.

The difference between the cost of a business combination and the acquired share of net assets in the acquired operations is classified as goodwill and reported as an intangible asset in the balance sheet. Goodwill is measured at cost less accumulated write-downs. Goodwill is distributed among cash-generating units following an annual impairment test in accordance with IAS 36. Transaction costs are expensed directly to the period's profit/loss. When acquiring assets, the cost is distributed among the acquired net assets in the acquisition analysis.

The percentage of equity attributable to owners with a non-controlling influence (previously referred to as minority holding) is reported as an individual item under equity separate from the share of equity of the parent company's owner. A special note is also provided regarding their share of the period's profit/loss.

Reporting of associated companies and joint arrangements

Joint ventures are arrangements in which the company has joint deciding influence and the investment is reported using the equity method (see the section on associated companies below). Assets (including any goodwill and fair value adjustments) and liabilities for acquired or divested joint arrangements during the year are included in the consolidated financial statements from the date on which the joint controlling influence is acquired and removed on the date on which the joint controlling influence ceases.

The Group's holding of participations in a company that is not a subsidiary but in which the Group exercises a significant but non-controlling influence is classified as a holding of participations in associated companies. Associated companies normally arise when the Group has more than 20 per cent but less than 50 per cent of the votes in the legal entity. The Group reports participations in associated companies and joint ventures in accordance with the equity method. In the event the Group acquires additional participations in the associated company, but the company remains an associated company to the Group, the previous holding is not remeasured. When participations in associated companies are divested such that the significant influence is no longer present, the entire holding is reported as divested and any gains or losses are recognised in the consolidated income statement. In the event that participations remain anyway, they are reported as Other securities.

The equity method means that the holding is initially reported at cost. The carrying amount is increased or decreased thereafter to take into account the Group's share of profit/loss and other comprehensive income from its joint ventures after the date of acquisition. The Group's share of profit/loss from holdings reported under the equity method is included in the consolidated profit/loss and the consolidated share of other comprehensive income is included in other comprehensive income in the Group.

Gradual acquisitions

During the gradual acquisition of previous associated companies, previous holdings are remeasured at fair value and profit/loss is reported in the income statement when the controlling influence is acquired.

REVENUE RECOGNITION

Revenue recognition takes place when a performance commitment is fulfilled by transferring a promised product or service to a customer. An asset is transferred when control of the asset is transferred to the customer. When a performance commitment is met, or as a result of it being met, a company must recognise the amount of the transaction price allocated to the performance commitment.

Rental income

Rental income is announced in advance and reported in the period to which it is attributable, which is specified in the rental contract. The rental contract includes additional charges such as invoiced property tax and heating expenses.

REMUNERATION TO EMPLOYEES AND THE BOARD OF DIRECTORS

Remuneration to employees in the form of salaries, paid vacation, paid absence due to illness, etc., and pensions are reported as earned.

Defined-contribution pensions

The Group only utilises defined-contribution pension plans. In defined-contribution plans, the company pays fixed fees to an external public or private legal entity that manages the future pension commitments. The Group's profit is debited for costs as benefits are accrued. The Group has no additional payment commitments or other obligations once the fees are paid.

FINANCIAL INCOME AND EXPENSES

Financial income consists of interest-bearing income on bank balances, receivables and financial investments. Interest income is reported using the effective interest method. When the value of a receivable classified as a loan receivable and accounts receivable or a loan liability has been impaired, the Group lowers the carrying amount to the recoverable amount, which is determined by the forecast cash flow discounted by the original effective interest rate for the instrument, and continues to dissolve the discounting effect as interest income. Interest income on impaired loan receivables and accounts receivable are reported at the original effective interest rate.

Financial expenses consist of interest expenses and other borrowing costs. Interest expenses are reported using the effective interest method. Financial expenses are reported in the period to which they refer.

LEASING - LESSOR

Lease agreements are classified as either finance or operating leases. Finance leases occur when the economic risks and rewards attributable to the leasing object in all material respects are transferred to the lessee. All other leases are considered to be operating leases. The Group does not have any material finance lease agreements and all lease agreements are therefore reported as operating lease agreements, which means that the lease fee is distributed on a straight-line basis over the term of the lease.

LEASING - LESSEE

As the lessee, rights of use and leasing liabilities for the vast majority of leasing agreements are recognised in the balance sheet. Depreciation of rights of use and interest costs for leasing liabilities are reported in the income statement. In the cash flow analysis, payments attributable to the amortisation of leasing debt are reported in financing operations and payments attributable to interest in operating activities.

The lease liability is valued at the acquisition date at the present value of unpaid leasing fees at the commencement date. Subsequently, the lease liability increases with interest costs and decreases with paid lease fees. The right of use is initially reported at acquisition value, i.e. the original value of the lease liability. The right of use then depreciates over the period of use. Leasing fees are discounted by the marginal loan interest rate unless the implicit interest rate is known. The Group applies the exceptions that the standard allows for short-term leases and leases for which the underlying asset is of low value. These lease agreements are reported as other expenses. After the start date, the lease liability is revalued to reflect re-evaluations and changes to the lease agreement.

The revaluation of the lease liability is adjusted against the right of use. Profits or losses attributable to changes in lease agreements are recognised in the income statement.

TAXES

Income tax consists of current tax and deferred tax. Income tax is reported in the income statement, except when the underlying transaction is reported under Other comprehensive income, or directly against Equity, whereupon the related tax effect is

also reported under either Other comprehensive income or Equity.

Current tax is tax that must be paid or received for the year in question, under application of the tax rates that have been decided or in practice were decided as of the balance sheet date. This also includes adjustments to current tax attributable to previous periods. Deferred tax is calculated in accordance with the balance sheet method and is based on temporary differences between reported and taxable values of assets and liabilities. Deferred tax is not reported for temporary differences that arise during the initial reporting of assets and liabilities that are asset acquisitions and which at the time of the transaction affect neither reported nor taxable profit/loss. Furthermore, temporary differences are not considered to be attributable to participations in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future. Deferred tax is calculated using the tax rates and tax rules that have been decided or in practice are decided as of the balance sheet date.

Deferred tax assets for deductible temporary differences and loss carry-forwards are only reported to the extent that it is probable they will be used. The value of deferred tax assets is written down when it is no longer judged to be probable that they can be used.

INVESTMENT PROPERTIES

Investment properties are properties held for the purpose of collecting rental income or for an increase in value or a combination of the two. Initially, investment properties are reported at acquisition cost, including costs attributable to the acquisition. Investment properties are normally reported on the balance sheet from the contract date if the transfer from the seller is not made on a different date. If ownership of the property is transferred on a different date, this second date is used for the reporting of the investment property.

Additional expenditure that provides an economic benefit to the company, i.e. that increases its value, and that can be measured reliably is capitalised as an asset. Expenses for repair and maintenance are reported in the period they occur.

Investment properties are reported at fair value on the balance sheet date. Fair value is the estimated amount that would be received in a transaction at the time of reporting between knowledgeable parties independent of each other and who have an interest in the transaction being carried out. The valuations are made at the end of each quarter and all investment properties are externally valued at least once a year. Both unrealised and realised changes in value are reported in the income statement as a part of the operating profit.

Income from the sale of investment properties is normally reported on the contract date if the transfer to the buyer is not made on a different date. The transfer of the asset may have occurred at a different time to the contract date. If this is the case, the revenue is reported under this other date. When assessing the revenue recognition date, consideration is given to what has been agreed between the parties regarding risks and benefits and involvement in day-to-day management.

INVENTORIES

Property, plant and equipment are reported as an asset in the balance sheet when, on the basis of available information, it is probable that the future economic benefit associated with the holding will flow to the company and the cost for the asset can be calculated in a reliable manner. Property, plant and equipment are reported at cost after deductions for depreciation according to plan and any write-downs.

IMPAIRMENT PRINCIPLES FOR INTANGIBLE ASSETS AND INVENTORIES

Depreciation according to plan is based on the original cost less the estimated residual value. Depreciation/amortisation occurs on a straight-line basis over the estimated useful life of the asset.

Licences	5 years
Inventories	3–5 years

IMPAIRMENT LOSSES

Carrying amounts for the company's assets are tested every balance sheet date to assess whether there is a need for impairment. If such an indication is present, the asset's recoverable amount is calculated as the higher of the value in use and the net realisable value. Impairment losses are applied if the recoverable amount is less than the carrying amount. An impairment loss is only reversed if the asset's carrying amount after the reversal does not exceed the carrying amount that the asset would have had if no impairment loss had been applied. For goodwill and intangible assets with indefinite useful lives, the impairment test is conducted annually.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is reported in the balance sheet when the company has an existing legal or informal obligation following the occurrence of an event and it is probable that an outflow of economic resources will be required to settle the obligation and it is possible to reliably estimate the amount. Where the effect of when the payment will occur is significant, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market conditions of the value of the money and, where appropriate, the risks associated with the debt. Provisions are retested at every period end. Contingent liabilities are possible obligations that derive from the occurrence of events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent liabilities also include claims deriving from the occurrence of events, but which are not reported as a liability or provision since it is probable that an outflow of resources will be required to settle the claim and/or it is not possible to reliably estimate the amount.

FINANCIAL INSTRUMENTS

A financial asset or financial liability is recognised in the balance sheet when the company becomes party to the instrument's contractual terms and conditions. Financial assets are derecognised from the balance sheet when the rights of the agreement are realised, fall due or the company in any other way loses control over them. Financial liabilities are derecognised from the balance sheet when the obligations in the agreement are discharged or in any other way extinguished.

Financial instruments reported in the balance sheet include cash and cash equivalents, accounts receivable, other long-term receivables, other receivables and derivatives and securities. Liabilities include accounts payable, loans, other liabilities and derivatives. The company does not apply hedge accounting.

Financial instruments are initially reported at cost corresponding to the instrument's fair value at the time of acquisition including transactions costs for all financial instruments except those that belong to the category Financial asset reported at fair value in the income statement, which are reported without transaction costs. Reporting thereafter depends on how they are classified in accordance with that stated below.

The financial assets category consists of three sub-groups: financial assets measured at fair value through the income statement, financial assets measured at accrued acquisition value and

financial assets measured at fair value via other comprehensive income.

Financial assets measured at accrued acquisition value

Assets held for the purpose of collecting contractual cash flows that only constitute payments of principal amounts and interest, and which are not identified as valued at fair value through profit or loss, are valued at accrued acquisition value. The reported value of these assets is adjusted with any reported expected credit losses. Interest income from these financial assets is reported in net financial items using the effective interest method.

Customer receivables are reported at the amount that is expected to be received after deductions for doubtful receivables that have been assessed individually. The expected maturity of rental receivables is short, which is why the value is reported at a nominal amount without discounting. Receivables are reported at cost less any impairment losses. A receivable is tested individually for its estimated probability of default and recognised at the amount expected to be received. Write-downs are made for bad debts and are reported under operating expenses.

Financial assets measured at fair value through the income statement

Assets that do not meet the criteria for accrued acquisition value are measured at fair value through the income statement. Profits or losses due to a debt instrument that after initial recognition are valued at fair value through profit or loss and are not included in a hedging relationship are recognised in net financial items when they arise. Interest income from these financial assets is reported in net financial items using the effective interest method.

Cash and cash equivalents and blocked accounts

Cash and cash equivalents consist of cash and immediately accessible balances at banks and equivalent institutions. Amounts in blocked accounts are funds serving as collateral for repayment of loans or the financing of investments in properties as well as rent deposits and are reported as Other receivables.

Liability instruments are reclassified only when the Group's business model for managing these assets changes.

Equity instruments are instruments that meet the definition of equity from the issuer's perspective, which means instruments without a contractual obligation to pay and which deposit a residual right in the issuer's net assets. Profits or losses due to equity instruments measured at fair value via the balance sheet are recognised in net financial items.

Financial assets measured at fair value through the income statement

Investments in participations in companies other than Group companies, joint ventures and associated companies are included in assets measured at fair value through the income statement.

The financial liabilities category consists of two sub-groups: financial liabilities measured at fair value through the income statement and financial liabilities measured at amortised cost.

Financial liabilities measured at fair value through the income statement

Financial liabilities measured at fair value through the income statement consist of derivative instruments. Derivative instruments are measured in the consolidated accounts at fair value with changes in value reported in the income statement.

Financial liabilities measured at accrued acquisition value

Refers to all other financial liabilities, such as borrowing, accounts payable, accrued costs for services and goods that are

settled in cash. Financial liabilities (interest-bearing loans and other financing), with the exception of short-term liabilities where the interest rate effect is insignificant, are measured initially at fair value, and thereafter at amortised cost when applying the effective interest method. Accounts payable and other liabilities with short-term expected maturities are measured without discounting to a nominal amount. Liabilities are reported when the counterparty has delivered and a contractual payment obligation arises, even if the invoice has not yet been received. Accounts payable are reported when the invoice has been received.

A financial asset and a financial liability are netted and reported as a net amount in the balance sheet only in the presence of a legal right to net the amounts and to settle the items with a net amount or simultaneously realise the asset and settle the liability.

CASH FLOW STATEMENT

The indirect method is applied to the preparation of the cash flow statement. The reported cash flow only includes transactions that result in incoming or outgoing payments.

PARENT COMPANY ACCOUNTING PRINCIPLES

The parent company prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The Swedish Financial Reporting Board's statements for listed enterprises also apply. Under RFR 2, in the annual accounts for the legal entity the parent company shall apply all the IFRS and statements approved by the EU to the extent possible within the framework of the Swedish Annual Accounts Act and with consideration given to the link between accounting and taxation. The recommendation states which exceptions and additions may be made in relation to IFRS.

Participations in Group companies

Participations in Group companies are reported using the cost method. Costs related to the acquisition of subsidiaries are included as part of the cost for participations in Group companies. The carrying amount for participations in Group companies are tested for any impairment need when such indications arise.

Group contributions, dividends and shareholders' contributions

The company reports Group contributions according to the principle rule, which entails that Group contributions received or paid are reported directly in equity. Anticipated dividends are reported as financial income by the recipient. Shareholders' contributions are reported directly under equity by the recipient and capitalised in shares and participations by the issuer to the extent a write-down is not required. Shareholder's contributions received are reported as an increase in unrestricted equity.

CHANGED REPORTING PRINCIPLES

New or revised existing standards effective from 1 January 2023 have not had a material impact on the consolidated financial statements.

New and amended standards not yet applied by the Group

None of the new or revised existing standards that are not yet in force are expected to have a material impact on the Group's financial statements.

Otherwise, the accounting principles and methods of calculation have remained unchanged compared to the previous year's annual report.

Note 2 Critical assessments and estimations

The preparation of the financial statements in accordance with IFRS requires that the Board of Directors and executive management make assessments, estimations and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. The estimations and assumptions are based on historical experiences and a number of other factors that given the current circumstances are deemed to be reasonable. The results of these estimations and assumptions are then used to assess the carrying amounts for assets and liabilities that otherwise are not clearly evident from other sources. The actual outcome may deviate from these estimations and assessments. The estimations and assumptions are reviewed regularly.

CLASSIFICATION OF ACQUISITIONS

When companies are acquired, an assessment is made of whether the acquisition is to be regarded as an asset acquisition or a business combination.

Companies containing only real estate without associated property management/administration are normally classified as asset acquisitions.

PROPERTY VALUATION

Property and property-related assets are inherently difficult to value due to the specific nature of each property and the fact that it is not necessarily a liquid market. As a result, valuations may be subject to considerable uncertainty. There is no guarantee that the estimates resulting from the valuation process will reflect actual sale prices. Valuations are based on an estimate of future receipts and payments and a discounting of these, taking into account a risk-free interest rate and risk premium. All these factors are therefore future estimates and are subject to uncertainty.

Note 3 Financial risks and finance policy

Through its operations, the Group is exposed to different types of financial risks. Financial risks refer to fluctuations in the company's profit/loss and cash flow as a result of changes in, for example, interest rates. The company is primarily exposed to liquidity risk, financing risk, interest rate risk and credit risk. The Group's finance policy for management of financial risks has been drawn up and decided by the Board of Directors. The finance policy forms a framework of guidelines and rules in the form of risk mandates and limits for the financial operations. The company's financial risk-taking and position can be derived from, for example, the equity ratio, interest coverage ratio and loan-to-value ratio.

LIQUIDITY RISK

Liquidity risk refers to the risk that there would not be sufficient liquidity to meet future payment obligations. Internal liquidity forecasts are prepared on a regular basis for the coming twelve months, where all items affecting the cash flow are analysed in aggregate. The aim of the liquidity forecast is to verify the need for capital.

FINANCING RISK

Financing risk refers to the risk that either no financing can be obtained or financing can only be obtained at much higher prices. In order to manage this risk, the finance policy contains rules regarding the spread of capital tie-up for the credit stock and the size of unutilised loan facilities and investments. The refinancing risk is reduced through a structured and early start to the refinancing process. The Group has an adjusted equity ratio target of at least 40 per cent.

CREDIT RISK

Credit risk refers to the risk that a counterparty or issuer cannot discharge its obligations to the company. At the end of the year, past due accounts receivable amounted to SEK 0 million (0).

GROUP, SEK M	31/12/2023	31/12/2022
Long-term receivables	117	152
Current receivables	3	7
Cash and cash equivalents	131	99
Maximum exposure to credit risk	251	258

MARKET RISK

Interest rate risk

Interest rate risk can consist in part of a change in fair value as a result of changes in interest rates (price risk) and changes in cash flow (cash flow risk). Fixed interest periods are an important factor that influence the interest rate risk. Long fixed interest periods mean a higher price risk and short fixed interest period mean higher cash flow risk. The Group strives to have a short interest rate adjustment period.

CATEGORISATION OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities by measurement category in accordance with IFRS 9 are shown in the table below.

	Financial assets/liabilities measured at fair value through the income statement	Amortised cost value
GROUP, SEK M		
Financial assets in the balance sheet 31/12/2023		
Receivables from associated companies		117
Other long-term securities	118	
Accounts receivable		1
Prepaid expenses and accrued income		2
Cash and cash equivalents		131
Total	118	251
Financial liabilities in the balance sheet 31/12/2023		
Non-current interest-bearing liabilities		334
Other Non-current liabilities		5
Current interest-bearing liabilities		627
Accounts payable		2
Accrued expenses and deferred income		30
Total	0	998
GROUP, SEK M		
Financial assets in the balance sheet 31/12/2022		
Receivables from associated companies		152
Other long-term securities	18	
Prepaid expenses and accrued income		7
Cash and cash equivalents		99
Total	18	258
Financial liabilities in the balance sheet 31/12/2022		
Non-current interest-bearing liabilities		606
Other Non-current liabilities		5
Current interest-bearing liabilities		287
Current liabilities to parent company		481
Accounts payable		2
Accrued expenses and deferred income		19
Total	0	1,400

VALUATION AT FAIR VALUE

The carrying amounts of all financial assets and liabilities are not expected to differ significantly from their fair values. Accounts receivable, other receivables, cash and cash equivalents, accounts payable and some other liabilities have a remaining life of less than six months, which is why the carrying amount is considered to reflect the fair value. The majority of the interest-bearing bank loans, 100 per cent (77.7), have a variable interest rate, and the carrying amount is thus considered to reflect fair value.

The Group's investment properties are valued at fair value according to level 3.

MANAGEMENT OF CAPITAL RISK

The Group's goal with regard to its capital structure is to secure the Group's ability to be a going concern, so it is able to continue to generate returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to keep capital costs low. In order to maintain or adjust the capital structure, the Group can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to decrease liabilities.

The Group assesses its capital on the basis of the adjusted equity ratio. This key figure is calculated as equity, including holdings without a controlling influence and subordinated shareholder loans, as a percentage of the balance sheet total.

In 2023, the Group's strategy was to maintain an adjusted equity ratio of at least 40 per cent. The adjusted equity ratio on 31 December 2023 was 34.3 per cent (61). The Group's strategy is unchanged compared to last year.

Note 4 Net sales per business area

GROUP, SEK M	2023	2022
Rental income	48	53
Other income	5	0
Total	53	53

Consolidated sales refers in its entirety to Sweden. Property activities consist mainly of residential leases. These are normally concluded for an indefinite period, with tenants having the option to terminate with three months' notice. Other income consists primarily of insurance compensation and other such payments.

Note 5 Costs for the business broken down by cost type

GROUP, SEK M	2023	2022
Property maintenance and service agreements	-4	-4
Tariff-related costs	-12	-15
Ongoing maintenance	-8	-5
Property tax	-1	-1
Other external costs	-6	-8
Total	-31	-34

Note 6 Leasing - lessor

Rental contracts in the company can be viewed as operational leasing contracts from an accounting perspective. The contracts refer to rental of commercial premises and residential units. Below are the agreed future minimum lease fees within each interval. Housing contracts are considered to be of indefinite duration.

GROUP, SEK M	2023	2022
Contractual rental income within one year	48	44
Contractual rental income between one and five years	11	10
Contractual rental income beyond five years	0	0
Total	59	54

Note 7 Leasing - lessee

The Group's lease payments consist of ground rent. Right-of-use assets are reported in the balance sheet as Rights of use.

GROUP, SEK M	2023	2022
Right-of-use		
Opening carrying amount	5	6
Divestments	0	-1
Closing carrying amount	5	5

Note 8 Disclosures regarding fees and cost reimbursement for audits

Central administration includes auditor's fees and reimbursement of expenses to the auditor of:

GROUP, SEK M	2023	2022
Ernst & Young AB		
auditing assignments	1	1
Total	1	1
PARENT COMPANY, SEK M	2023	2022
Ernst & Young AB		
auditing assignments	0	0
Total	0	0

Auditing assignment refers to the auditor's remuneration for the statutory audit. The work includes auditing the annual accounts and financial statements, and reviewing the management of the Board of Directors and the CEO, and fees for audit consulting in connection with the audit assignment.

Note 9 Remuneration to employees

The Group does not have salary costs for the Board, CEO or senior executives as the management is employed by the owner company F. Holmström Fastigheter AB. No other remuneration is paid to employees.

Note 10 Average number of employees

THE GROUP	2023	2022
The average number of employees divided into gender is:		
Women	0	0
Men	0	1
Total	0	1

Note 11 Profit/loss from participations in associated companies and joint ventures

GROUP, SEK M	2023	2022
Revaluation	-502	0
Share of profit/loss in associated companies	-247	437
Total	-749	437

Note 12 Financial income

GROUP, SEK M	2023	2022
Interest income, associate companies	9	6
Interest income, other	2	2
Other financial income	0	2
Total	11	10
PARENT COMPANY, SEK M	2023	2022
Interest income, Group companies	17	5
Total	17	5

Note 13 Financial expenses

GROUP, SEK M	2023	2022
Interest expenses, Group companies	-10	-3
Interest expenses, other	-60	-35
Other financial expenses	-2	-2
Total	-73	-40

PARENT COMPANY, SEK M	2023	2022
Interest expenses, Group companies	-10	-3
Interest expenses, other	-43	-28
Other financial expenses	-2	-2
Total	-55	-33

Note 14 Tax on profit/loss for the year

GROUP, SEK M	2023	2022
Current tax		
- tax on profit/loss for the year	-1	0
Deferred tax		
- relating to temporary difference between carrying amounts and taxable values of buildings	14	24
Total	13	24

Note 15 Reconciliation of effective tax

GROUP, SEK M	2023	2022
Profit/loss before tax	-873	-478
Tax according to current tax rate, 20.6%	180	98
Tax effect of non-deductible interest expenses	-12	-6
Tax effect of other non-deductible expenses	-154	-90
Tax effect of Group contributions made	2	-2
Tax effect of temporary differences	-2	24
Reported effective tax	13	24

Note 16 Investment properties

GROUP, SEK M	31/12/2023	31/12/2022
Opening fair value	832	2,259
Investments and acquisitions	23	30
Changes in investment properties	0	-1,429
Realised changes in value	0	10
Unrealised changes in value	-74	-38
Closing fair value	781	832

The number of investment properties amounted to 25 (25).
Investment properties are reported in accordance with IFRS as fair value. Fair value is based on market valuations performed by independent valuation agencies. Normally, a cash flow model is used where the operating surplus less remaining investments is calculated at present value over a five- or ten-year calculation period to determine fair value. The calculation interest rate constitutes a nominal interest rate requirement for total capital

before tax. The interest requirement is based on assessments of the market's return requirements for similar objects. In the valuations, a long-term inflation assumption of 2.0 per cent has been used. The yield requirement is within the range of 2.0% to 4.0% for the Mälaren region and 3.7% to 7.3% for the Örn-sköldsvik region. Investment properties are valued according to level 3.

SENSITIVITY ANALYSIS PROPERTY VALUE	Effect on property value (SEK m)	Effect in per cent
Investment properties		
Property yield +0.25%	-46	-5.9%
Property yield -0.25%	52	6.6%
Inflation +0.5%	1	0.1%
Inflation -0.5%	-1	-0.1%
Long-term vacancy rate +1%	-9	-1.2%
Long-term vacancy rate -1%	9	1.2%

SENSITIVITY ANALYSIS OF PROPERTY VALUES BY REGION	Effect on property value (SEK m)	Effect in per cent
Mälaren Region		
Property yield +0.25%	-37	-6.8%
Property yield -0.25%	43	7.9%
Inflation +0.5%	1	0.1%
Inflation -0.5%	-1	-0.1%
Long-term vacancy rate +1%	-6	-1.1%
Long-term vacancy rate -1%	6	1.1%

Örnsköldsvik Region		
Property yield +0.25%	-10	-4.4%
Property yield -0.25%	11	4.8%
Inflation +0.5%	0	0.1%
Inflation -0.5%	0	-0.1%
Long-term vacancy rate +1%	-3	-1.2%
Long-term vacancy rate -1%	3	1.2%

CHANGE IN VALUE BEFORE TAX, %	Earnings effect (SEK m)	Adjusted equity ratio, %
+10	78	37.4
0	0	34.3
-10	-78	30.9

Note 17 Participations in Group companies

PARENT COMPANY, SEK M	31/12/2023	31/12/2022
Opening acquisition value	1,139	1,139
Shareholder contribution	0	0
Impairment	-503	0
Closing carrying amount	636	1,139

SPECIFICATION OF THE COMPANY'S SHAREHOLDINGS

NAME	Corp. ID number	Domicile	Holding in per cent *	Carrying amount
F Holmström Holding 1 AB	559293-3427	Stockholm	100%	636
				636

* Refers to both equity and ownership.

Note 18 Participations in associated companies and joint ventures

GROUP, SEK M	31/12/2023	31/12/2022
Opening acquisition value	1,396	1,698
Acquisitions	0	132
Disposals	-9	0
New share issue	0	9
Shareholder contribution	11	16
Dividend	0	-22
Revaluation	-502	-1
Reclassification	-222	0
Share of profit/loss from associated companies	-247	-436
Closing accumulated acquisition value	428	1,396

Note 19 Specification of the company's shareholding and ownership of associated companies

NAME	Corp. ID number	Domicile	31/12/2023		31/12/2022	
			Holding in per cent *	Carrying amount SEK m	Holding in per cent *	Carrying amount SEK m
HAM Nordic AB	559279-7376	Stockholm	N/A**	-	39.91%	791
Vincero Fastigheter 5 AB	559299-5467	Stockholm	50.00%	336	50.00%	506
Ankarhagen Holding AB	559343-8699	Stockholm	20.10%	92	0.00%	90
Klippudden Holding 18 AB	559349-4072	Stockholm	50.00%	0	100.00%	9
				428		1,396

* Refers to both equity and ownership.

** Holmström Fastigheter owned 21.8 per cent of HAM Nordic as of 31 December 2023, but due to the agreement on the sale of the remaining shares, Holmström Fastigheter no longer has any controlling influence, so the holding has been reclassified to Other long-term securities.

VINCERO FASTIGHETER 5 AB - GROUP, SEK M	2023	2022
Fixed assets	2,173	2,536
Cash and cash equivalents	31	37
Other current assets	31	92
Total assets	2,235	2,665
Equity attributable to parent company shareholders	665	1,003
Non-controlling interests	60	63
Long-term financial liabilities to credit institutions	899	689
Long-term financial liabilities to owner companies	161	157
Deferred tax liability	186	264
Other Non-current liabilities	4	0
Current financial liabilities to credit institutions	208	412
Other liabilities	52	77
Total equity and liabilities	2,235	2,665
Net sales	82	66
Operating costs	-19	-17
Net operating income	63	49
Central administration	-20	-17
Profit/loss from participations in associated companies and JVs	-3	0
Change in value, investment properties	-332	-31
Change in value, derivatives	-3	-5
Other changes in value	-35	-61
Net financial items	-86	-55
Appropriations	-4	0
Income tax	75	22
Profit/loss for the year	-363	-88

ANKARHAGEN HOLDING AB - GROUP, PRO FORMA SEK M	2023	2022
Fixed assets	1,274	1,256
Cash and cash equivalents	32	48
Other current assets	30	22
Total assets	1,336	1,326
Equity	410	405
Long-term financial liabilities to credit institutions	491	383
Long-term financial liabilities to owner companies	82	80
Deferred tax liability	105	103
Other Non-current liabilities	39	41
Current financial liabilities to credit institutions	140	255
Other current liabilities	69	59
Total equity and liabilities	1,336	1,326
Net sales	99	83
Production and operating costs	-15	-15
Net operating income	84	68
Central administration	-25	-25
Change in value, investment properties	1	32
Change in value of financial instruments	-2	0
Net financial items	-42	-22
Income tax	-5	-12
Profit/loss for the year	10	41

Note 20 Receivables from associated companies, long-term and current

GROUP, SEK M	31/12/2023	31/12/2022
Carrying amount at the start of the year	152	46
Additional items	18	148
Deductible items	-54	-42
Closing carrying amount	117	152

Receivables from associated companies relate to receivables from Vincero Fastigheter 5 AB totalling SEK 76 million (112) and from Ankarhagen Holding AB totalling SEK 41 million (40).

Note 21 Other long-term securities

GROUP, SEK M	31/12/2023	31/12/2022
Carrying amount at the start of the year	18	1
Acquisitions	0	20
Disposals	-111	-1
Reclassification	222	0
Revaluation to fair value	-11	-2
Closing carrying amount	118	18

Note 22 Rent and accounts receivable

GROUP, SEK M	31/12/2023	31/12/2022
Net rent and accounts receivable	1	0
Provision for bad debt	0	0
Closing carrying amount	1	0

Rent and accounts receivable divided by due date		
Rent and accounts receivable not yet due	1	0
Past due < 30 days	0	0
Past due 31–90 days	0	0
Past due > 90 days	0	0
Total unimpaired rent and accounts receivable	1	0
Past due and impaired rent and accounts receivable	0	0
Total rent and accounts receivable	1	0

Note 23 Prepaid expenses and accrued income

GROUP, SEK M	31/12/2023	31/12/2022
Prepaid expenses	1	5
Accrued interest income	1	2
Total	2	7

PARENT COMPANY, SEK M	31/12/2023	31/12/2022
Accrued interest income	17	5
Total	17	5

Note 24 Share capital and other capital contributions

PARENT COMPANY	<i>Profit/loss carried forward</i>
The item Share capital includes the registered share capital.	Profit/loss brought forward corresponds to accumulated profits and losses generated in the company with additions/deductions for allocation
Number of shares amounts to 500,000 and the quotient value is SEK 1 per share (50,000 and quotient value SEK 1 per share).	to the reserve fund, dividends and other contributions from shareholders.

Note 25 Deferred tax

GROUP, SEK M	31/12/2023	31/12/2022
<i>Relating to temporary difference between carrying amounts and taxable values of buildings</i>		
Carrying amount at the start of the year	29	70
Additional items	0	0
Deductible items	-14	-41
Closing carrying amount	15	29

Note 26 Other provisions

GROUP, SEK M	31/12/2023	31/12/2022
Carrying amount at the start of the year	27	0
Additional items	0	27
Closing carrying amount	27	27

Note 27 Interest-bearing liabilities and other non-current liabilities

GROUP, SEK M	31/12/2023	31/12/2022
Non-current interest-bearing liabilities		
Bank loans	334	110
Bonds*	0	496
Total	334	606
Current interest-bearing liabilities		
Bank loans	127	287
Bonds	500	0
Owner loan	0	481
Total	627	768
Total	961	1,374
Liabilities that fall due for payment within one year after the balance sheet date	627	786
Liabilities that fall due for payment within one and five years after the balance sheet date	334	606
Liabilities that fall due for payment later than five years after the balance sheet date	0	0
Total	961	1,374

* Bond issued with a nominal value of SEK 500 million within a framework of SEK 750 million, with a variable interest rate Stibor 3m + 5.0% due on 14 October 2024.

PARENT COMPANY, SEK M	31/12/2023	31/12/2022
Non-current interest-bearing liabilities		
Bonds	0	496
Total	0	496
Current interest-bearing liabilities		
Bonds	498	0
Owner loan	0	481
Total	498	481
Total	498	977
Liabilities that fall due for payment within one year after the balance sheet date	498	481
Liabilities that fall due for payment within one and five years after the balance sheet date	0	496
Liabilities that fall due for payment later than five years after the balance sheet date	0	0
Total	498	977

Note 28 Accrued expenses and deferred income

GROUP, SEK M	31/12/2023	31/12/2022
Deferred rental income	4	4
Deferred interest expenses	20	11
Other items	5	4
Total	30	19
PARENT COMPANY, SEK M	31/12/2023	31/12/2022
Deferred interest expenses	20	10
Other items	0	1
Total	20	11

Note 29 Cash and cash equivalents

GROUP, SEK M	31/12/2023	31/12/2022
Cash and cash equivalents	131	99
Total	131	99
PARENT COMPANY, SEK M	31/12/2023	31/12/2022
Cash and cash equivalents	0	0
Total	0	0

Note 30 Pledged assets

GROUP, SEK M	31/12/2023	31/12/2022
Property mortgages	433	409
Other pledged assets	146	0
Subordinated shareholder loans	0	481
Total	579	890

Note 31 Contingent liabilities

GROUP, SEK M	31/12/2023	31/12/2022
Other guarantee commitments	202	226
Total	202	222

PARENT COMPANY, SEK M	31/12/2023	31/12/2022
Other guarantee commitments	200	200
Total	200	200

Note 32 Transactions with related parties

THE GROUP

Transactions with related parties have occurred between the parent company, its parent company, its subsidiaries and associated companies and between the subsidiaries, in the form of loans of cash and cash equivalents and invoicing of internal services between the companies.

GROUP, SEK M	2023	2022
Purchases from owner company		
Management fees from F. Holmström Fastigheter AB	3	3
Receivables from associated companies		
Vincero Fastigheter 5 AB	76	112
Ankarhagen Holding AB	41	40
Total	117	152

PARENT COMPANY

Transactions with related parties have occurred between the parent company, its parent company, its subsidiaries in the form of loans of cash and cash equivalents.

PARENT COMPANY, SEK M	2023	2022
Interest income from subsidiaries	17	5
Interest expense to owner company	-10	-3
Total	7	2

PARENT COMPANY, SEK M	31/12/2023	31/12/2022
Receivables from subsidiaries	333	494
Liabilities to owner company	0	-481
Total	333	13

Note 33 Significant events after the end of the financial year

No significant events have occurred after the end of the year.

Note 34 Proposed allocation of profit/loss

The Board of Directors and CEO propose the following allocation of available profits (SEK):

Profit/loss brought forward	1,009,495,810
Profit/loss for the year	-541,550,998
	467,944,812
<hr/>	
To be carried forward	467,944,812
	467,944,812

Signatures

The undersigned declare that the consolidated and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and with generally accepted accounting principles and give a true and fair view of the position and performance of the Group and

the company, and that the Directors' Report for the Group and the parent company gives a true and fair view of the development of the Group's and the company's business, position and performance and describes the principal risks and uncertainties that the companies that make up the Group face.

Stockholm, 30 April 2024

Fredrik Tibell
Chairman of the Board

Fredrik Holmström
Member of the Board & CEO

Ken Wendelin
Member of the Board

Our Auditors' Report was issued on 30 April 2024.

Ernst & Young AB

Fredric Hävrén
Authorised auditor

AUDITORS' REPORT

To the annual general meeting of Holmström Fastigheter Holding AB (publ), corp. ID number 559286-6809

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Holmström Fastigheter Holding AB (publ) for 2023. The annual accounts and consolidated accounts of the company are included on pages 46–71 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the parent company as of 31 December 2023 and of its financial performance and cash flow for the year in accordance with the Swedish Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the Group as of 31 December 2023 and of its financial performance and cash flow for the year in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. A corporate governance statement has been prepared.

The Directors' Report and Corporate Governance Statement are consistent with the other parts of the annual accounts and consolidated accounts, and the Corporate Governance Statement is compliant with the Annual Accounts Act.

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

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

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were the most significant in our audit of the annual accounts and consolidated accounts for the period in question.

These matters were addressed in the context of our audit of, and in forming our opinion on, the annual accounts and consolidated accounts as a whole, but we do not provide a specific opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities section of our report on the annual accounts, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the annual accounts and consolidated accounts. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our Auditors' Report.

VALUATION OF INVESTMENT PROPERTIES

Description of the area

The carrying fair value of investment properties in the Group on 31 December 2023 amounted to SEK 781 million and the changes in value to SEK -74 million. Investment properties were the most significant item in the Group's balance sheet in terms of amount. Fair value measurements are, by their nature, subject to subjective judgements where a small change in the assumptions influencing the measurements may have a significant effect on the carrying amounts. Valuations are based on yields in accordance with the cash flow model and are established in accordance with the local price method for building rights. The cash flow model involves forecasting future cash flows. Property yield requirements are assessed based on the individual risk of each property and actual market transactions. The local price method means that the value assessment is based on comparisons of prices of similar building rights. Given the high degree of assumptions and judgements involved in the valuation of investment properties, we consider this to be a key matter for our audit. A description of the valuation of the property portfolio can be found in Note 1 on accounting principles and Note 16 on property holdings.

How our audit addressed this matter

In our audit, we evaluated the company's property valuation process, including evaluating the valuation methods applied and the inputs to the valuations. We have evaluated the expertise and objectivity of the externally-hired valuation experts. We made comparisons with established market information. Based on our valuation expertise, we reviewed the property valuation model used. With the support of our valuation specialists, we also reviewed the plausibility of the assumptions made for a selection of the properties such as yield requirements, vacancy rates, rental income and operating costs. For a selection of properties, we examined the inputs to the valuation model relating to rental income and operating costs and also checked the calculations on which the valuation is based. We reviewed

the information disclosed in the annual accounts.

INFORMATION OTHER THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains information other than the annual accounts and consolidated accounts, and this can be found on pages 1–45. The Board of Directors and CEO are responsible for this additional information.

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

In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual report and consolidated accounts. In performing our review, we also considered other knowledge we obtained during the audit and assessed whether the information otherwise appeared to contain significant errors.

If, based on the work performed regarding this information, we conclude that the additional information contains a significant error, we are required to report it. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CEO

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

In preparing the annual accounts and consolidated accounts, the Board of Directors and CEO are responsible for assessing the company's ability to continue as a going concern. They disclose, where applicable, conditions that may affect the ability to continue as a going concern and use the going concern assumption. However, the going concern assumption does not apply if the Board of Directors and CEO intend to wind up the company, cease business or have no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from significant misstatement, whether due to fraud or error, and to submit an Auditors' Report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement if it exists. Misstatements may arise from irregularities or errors and are considered significant if, individually or in combination, they could reasonably be expected to influence the financial decisions that users make on the basis of the annual accounts and consolidated accounts.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures, including those based on these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement due to an irregularity is greater than for a material misstatement due to an error, as irregularities may include collusion, falsification, deliberate omissions, misrepresentation, or breach of internal control.
- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- conclude on the appropriateness of the use of the going concern assumption by the Board of Directors and the CEO in the preparation of the annual accounts and consolidated accounts. We also conclude, based on the audit evidence obtained, whether there are any significant uncertainties related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a significant uncertainty exists, we must draw attention in the Auditors' Report to the disclosures in the financial statements about this significant uncertainty or, if such disclosures are inadequate, modify our opinion on the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of the Auditors' Report. However, future events or circumstances may make it impossible for a company to continue operating.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence about the financial information of the units or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the management, supervision and execution of the Group audit. We are independently responsible for our opinions.

We are obliged to inform the Board of Directors of, among other things, the planned scope and focus of the audit and its timing. We are also obliged to disclose significant observations made during the audit, including any significant deficiencies in internal control that we have identified.

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, which are therefore the key audit matters. We describe these matters in the Auditor's Report unless law or other regulations preclude disclosure of the matter.

Report on other legal and regulatory requirements

THE AUDITOR'S REVIEW OF THE ADMINISTRATION AND THE PROPOSED APPROPRIATION OF THE COMPANY'S PROFIT OR LOSS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of Holmström Fastigheter Holding AB (publ) for 2023 and the proposed appropriation of the company's profit or loss.

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

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are described in more detail in the Auditor's responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CEO

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

The Board of Directors is responsible for the proposal for appropriation of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the parent company's and the Group's equity, consolidation requirements, liquidity and position in general. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITIES

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

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

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

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

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

Ernst & Young AB was appointed as Holmström Fastigheter Holding AB's (publ) auditor by the Annual General Meeting on 28 April 2023 and has been the company's auditor since 7 June 2021.

Stockholm, 30 April 2024
Ernst & Young AB

Fredric Hävrén
Authorised auditor

DEFINITION OF KPIS

RETURN ON EQUITY, %

Profit/loss for the year as a percentage of average equity.

ADJUSTED EQUITY RATIO, %

Equity, including holdings without a controlling influence, and subordinated shareholder loans as a percentage of the balance sheet total.

INTEREST COVERAGE RATIO, MULTIPLE

Net operating income divided by net financial items.

NET FINANCIAL ITEMS

The aggregate of all interest expenses less all interest income, excluding:

1. interest on subordinated shareholder loans
2. fees, costs and expenses, stamp duty, registration and other fees incurred in connection with (i) interest rate caps and interest rate options, (ii) financial indebtedness, and (iii) transactions.

RENTAL INCOME

Income from tenants after deduction of discounts and vacancies.

RENTAL VALUE

Contracted annual rents with a supplement for assessed market rent for unleased areas.

VACANCY RATE (ECONOMIC)

The rental value of unleased contracts divided by the rental value of the entire portfolio.

LETTABLE AREA

Lettable area of the properties excluding parking, garage and storage.

PROPERTY YIELD, %

Estimated net operating income on an annual basis in relation to the fair value of the properties at the end of the period.

FINANCIAL CALENDAR

- Interim Report Jan–Mar 2024: 31 May 2024
- Half-yearly Report Jan–Jun 2024: 30 August 2024
- Interim Report Jan–Sept 2024: 29 November 2024
- Year-end Report Jan–Dec 2024: 28 February 2025
- Annual Report 2024: 30 April 2025

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