



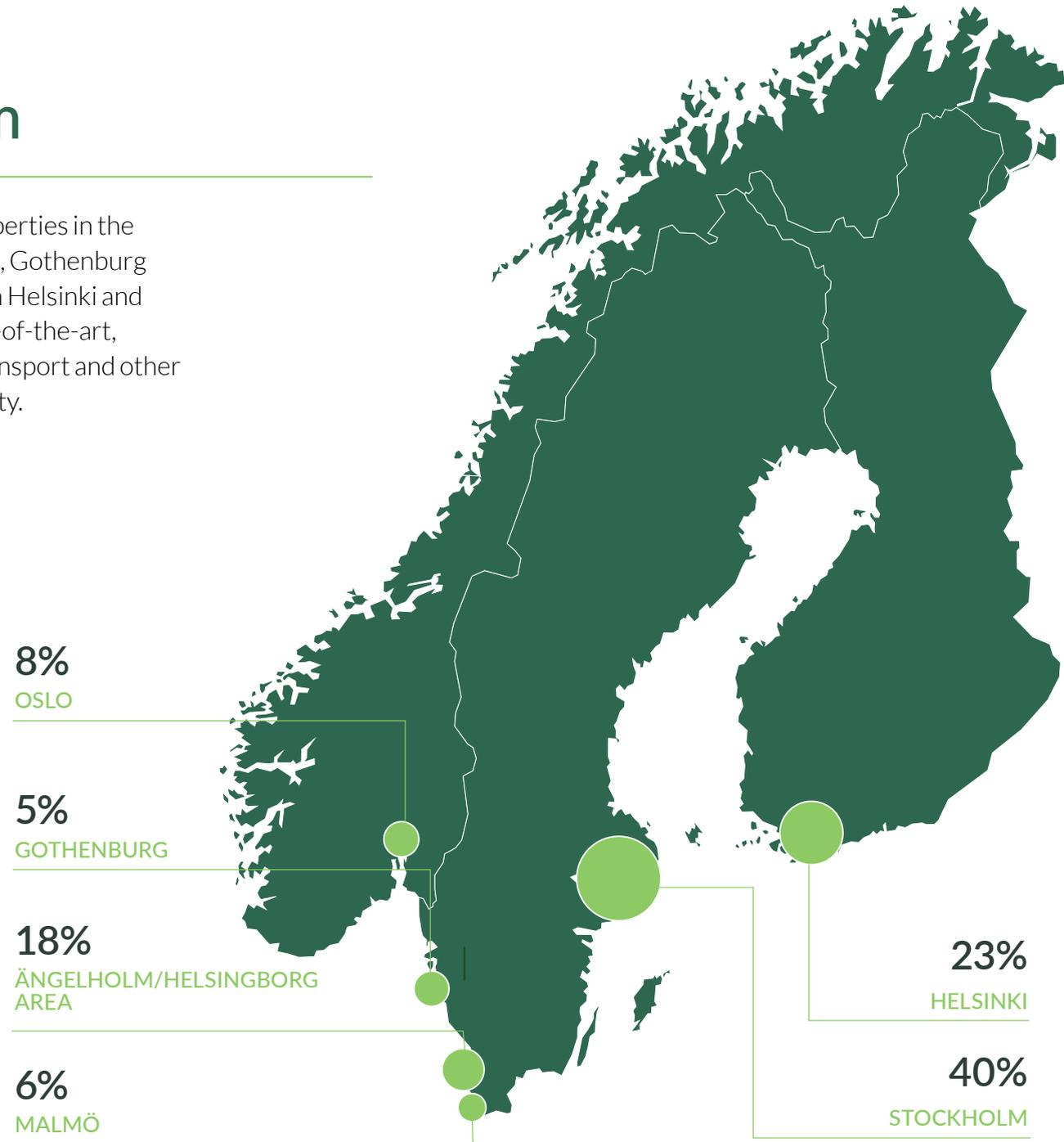
2021 ANNUAL REPORT | ANNEHEM FASTIGHETER AB

Prepared for growth

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

This is Annehem

We own and manage commercial properties in the Swedish growth regions of Stockholm, Gothenburg and Skåne, and also at a Nordic level in Helsinki and Oslo. The properties are largely state-of-the-art, flexible, with good access to public transport and other communications, and are of high quality.



Distribution as a percentage of total property value.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

The year in brief

- Rent revenue for the year amounted to SEK 187.8 million (151.5).
- In accordance with the company's dividend policy, no dividend is proposed for 2021.
- Net operating income amounted to SEK 155.8 million (115.0). The improvement is attributable to continued growth in the property portfolio and a higher occupancy rate year-on-year.
- Income from property management amounted to SEK 86.2 million (16.0). Last year's costs were impacted by costs for setting up Annhem as an independent Group as well as IPO and refinancing costs of SEK 29.0 million, which yielded an adjusted income from property management of SEK 45.0 million.
- The fair value of investment properties amounted to SEK 3,994.1 million (3,317.5).
- Investments in existing properties amounted to SEK 52.5 million (137.3).
- Earnings per share amounted to SEK 3.56 (1.22).
- Signed an agreement to acquire two housing projects and one logistics project at a total underlying property value of SEK 481.0 million.
- During the year, Annhem took possession of two properties in the form of Jupiter 11 in Helsingborg (SEK 131.0 million) and Ledvolten 1 in Ulriksdal (SEK 290.0 million).
- Continued favourable score in the Fastighetsbarometer survey, with Annhem outperforming the industry average with a CSI of 77 (80).
- According to CICERO's evaluation based on 2020, which forms part of the basis for a Nasdaq Green Equity Designation application, Annhem Fastigheter's income and investments are 61 percent and 79 percent, respectively, green or dark green.

SEK million	2021	2020
Rent revenue	187.8	151.5
Net operating income	155.8	115.0
Income from property management	86.2	16.0
Income from property management excl. items affecting comparability	86.2	45.0
Income from property management excl. items affecting comparability per share, SEK	1.46	0.76
Income for the period	209.7	71.8
Earnings per share for the period, SEK	3.56	1.22
Net loan-to-value ratio, %	38.3	33.1
Equity/assets ratio, %	53.9	54.4
Interest-coverage ratio, multiple	3.0	1.4
Interest-coverage ratio excl. items affecting comparability, multiple	3.0	2.0
Economic occupancy rate, %	93.0	95.5
Return on equity, %	9.2	3.5
Surplus ratio, %	83.0	75.9



Significant events 2021

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Possession of Ledvolten

In December, Annhem took possession of the newly built Ledvolten 1 property. The property is located in Solna and is directly adjacent to Annhem's two other properties in the area. The property's tenants are the medtech company Carmeda, with a contract for ten years, and Annhem's Stockholm office. The building has an environmental certificate in accordance with BREEAM Very Good with energy classification B. The underlying property value is SEK 290 million. Possession of the property entails a modern and flexible addition to Annhem.

Allbright

In 2021, Annhem was ranked the sixth most gender equal company in Sweden. Every year, the Allbright Foundation reviews gender equality in Sweden's listed companies. A total of 339 companies were reviewed in 2021. The companies are reviewed on the basis of women's representation on the Board and in management positions. In addition to this, Allbright publishes a green stock market list that includes Annhem and covers all of the reviewed companies that have achieved a gender balance (40/60) in the management team. The distribution in Annhem's management team is 50/50.

Possession taken of Jupiter 11

During the year, Annhem took possession of the Jupiter 11 property located in northern Helsingborg. The property comprises the newly built Peab Center Helsingborg and houses offices, warehouse space and a gym. Environmental certification is in progress for the Peab Center Helsingborg in accordance with Swedish Green Building Council Silver, with energy classification B. The agreed underlying property value is SEK 131 million. Possession of the property entails another addition to Annhem's modern and flexible property portfolio.

Certification by CICERO

In December, CICERO published a report that forms the basis for Annhem's "designation green status" application, which we intend to submit to Nasdaq. To receive a green equity designation, at least 50 percent of Annhem's income and investments must be regarded as green. The report including the base year showed that 61 percent of income and 79 percent of investments are green. This is possible largely due to the modern, flexible and environmentally friendly offices we have in our portfolio.

Certification of Partille Port and Sadelplatsen 4

During the autumn, Annhem has been working with the above properties to environmentally certify these within the framework of BREEAM in Use. Both Partille Port and Sadelplatsen 4 achieved the level of Very Good.

New green financing, Handelsbanken

Annhem raised green financing in conjunction with the acquisition of Jupiter 11 and Ledvolten 1. The financing entails a cut in the interest expense by half compared with previous borrowing. We are delighted to have secured another bank as a lender, which is aligned with our strategy.

Acquisition of leasehold rights in Finland

In the second quarter, Annhem acquired leasehold rights in UlTimes as part of the redemption option that was part of the acquisition of the property for EUR 9.2 million.

Agreement on acquisition of Almnäs, Södertälje

The expansive Almnäs industrial area near Södertälje includes the Almnäs 5:28 property, which was acquired by Annhem in May. The sole tenant of the property is PostNord. The building is in the process of obtaining environmental certification in accordance with Swedish Green Building Council Silver, with energy classification B. The agreed underlying property value is SEK 96.5 million. The addition of an environmentally classified logistics property in a good location with a tax-funded tenant is entirely in line with Annhem's strategy. Possession of the property is scheduled for 1 April 2022.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

CEO'S COMMENTS

Continued high demand for modern properties with a high degree of flexibility in growth areas provides a solid platform



Jörgen Lundgren
CEO

On 11 December, it was the first anniversary of Annhem's Listing on Nasdaq Stockholm, Mid Cap. It has been an exciting year, in which we commenced our growth journey with a number of acquisitions. The value of the property portfolio increased from SEK 3,318 million to SEK 3,994 million. Our high-quality properties are located in the metropolitan areas of Sweden, Norway and Finland, which are all displaying strong growth.

We are building on a stable foundation in an uncertain world

The past year has been special for all of us. The pandemic entailed continued uncertainty for many companies in various ways. This also affects us as property owners to varying degrees as many tenants have found it difficult to assess how increased remote working will impact the need for office space. At the same time, there are employees who have difficulty in working from home due to lack of

space, for example. The need to meet co-workers is important for sharing experiences and understanding, which in turn generates creativity and energy. The pandemic further increased the demand for flexible premises, where security, experience and well-being are at the core. Annhem's premises are well suited so that we, together with our tenants, can continue to develop the meeting places of the future with flexibility, sustainability and customised solutions as key concepts. Annhem can also benefit from its relatively long leases with an average of 6.0 years and large and reputable customers. To date, we have not received any concrete suggestions concerning changes to existing contracts.

Strong balance sheet supports further growth

At year-end, we had an unutilised credit framework of SEK 420 million and cash of SEK 190 million, a total of SEK 610 million, at our disposal. During 2021, green financing was secured for the properties that were taken into possession during the year, which entailed a cut in the interest expense by half compared with the terms of the initial financing. Overall, this means that we have not only secured financing for the three agreed acquisitions in the form of a logistics project and two residential projects, but also have the capacity for further acquisitions.

Sustainability action an enormous opportunity for further value generation

Sustainability is now a hygiene factor and must be high on the agenda for property companies and other companies. Tenants, shareholders and creditors require that Annhem works on constant improvements in the area of sustainability. For us, this is stimulating and a self-evident aspect of the Company's development going forward. For this, Annhem established a number of sustainability goals in 2021. Starting from the 2021 outcome, we will reduce our energy consumption by at least 9 percent by 2024, that is, 3 percent per year. Moreover, Annhem has a goal for 90 percent of its property value to be sustainable by 2024 in accordance with the EU taxonomy regulation.

During the year, CICERO conducted an independent evaluation (Shades of Green) of Annhem from a sustainability perspective, which resulted in 61 percent of our income and 79 percent of our

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

investments for 2020 being graded as dark green or green. This is a good start, but based on our efforts in 2021 and what we will do in 2022, we foresee the potential for further improvements related to our share of green income and investments.

During 2021, we acquired two environmentally certified buildings: Jupiter 11, with Swedish Green Building Council Silver, and Ledvolten 1, with BREEAM certification Very Good. Furthermore, we certified two buildings according to BREEAM in Use, Partille Port 11:60 and Sadelplatsen 4, with both buildings achieving the level of Very Good.

In November, Annhem received the satisfying news from All-bright that we came in sixth of 339 companies evaluated in its equality ranking of Swedish listed companies. We are very proud of this.

Value-generating strategic acquisitions and properties taken into possession

Annhem has acquired, but not yet taken into possession, properties with an underlying property value of SEK 481 million. In 2021, properties with a value of SEK 531 million were taken into possession, including the redemption of leasehold rights in Helsinki, Finland. Our strategy entails increased exposure to residential homes, logistics and community service properties, which completed acquisitions are in line with. We are proceeding with a pipeline of letters of intent, which will enable further strengthening of our geographic position in Stockholm, Helsinki and Malmö.

Limited impact of the pandemic

From a results perspective, the impact of the ongoing pandemic during the year was extremely limited. Concessions on rents related to the pandemic amounted to slightly less than SEK 0.2 million. Income from property management increased by 91.5 percent during the year. At the close of 2021, the economic occupancy rate amounted to 93.0 percent, a decrease of 2.0 percent on the preceding quarter, which was attributable to the expiry of a block lease of parking spaces in Solna. The property value at year-end amounted to SEK 3,994 million, of which capital appreciation comprised SEK 172.9 million or approximately 5 percent. The net loan-to-value ratio amounted to 38.3 percent.

Market commentary

Low interest rates and very robust monetary and finance policy activities have continued to support the economy. The international situation following Russia's invasion of Ukraine makes forecasts concerning market developments uncertain. The inflation rate has increased sharply in 2021 and amounted to 2.7

percent in Sweden (HICP) 2021 measured as an annual average. In December, inflation amounted to 4.1 percent on an annual basis, the highest level since the early 1990s. It is something that many economic analysts regard as a temporary effect of the pandemic, although increasing numbers of economists are indicating a risk for more sustained price increases. Inflation is expected to amount to 2.6 percent in 2022, according to the OECD forecast. This is slightly above the Riksbank inflation target of 2 percent. The macroeconomic trend in Norway and Finland is expected to track that of Sweden rather well. GDP recovered after the decline in 2021 and unemployment is decreasing.

Annhem's three home markets have all experienced very low interest rate levels. In Sweden, which has a variable rate of exchange, the Riksbank's key policy rate was zero. The market does not expect any interest rate rises before the end of 2022 at the earliest. In Finland, which is part of the Eurozone and thus has the same monetary policy as the remaining Euro countries, the key policy rate was also zero. Finally, in Norway, which has, like Sweden, a variable rate of exchange, the central bank increased the key policy rate to 0.25 percent in the autumn of 2021. The access to financing was excellent in all home markets in 2021. Credit spreads, meaning the difference in price between bonds with the same durations but different credit ratings, have been at historically low levels.

According to *Colliers 2022 Investor Outlook Report*, there is a tangible trend that offices are back on the investors' radar, in particular, modern offices of high quality in prime locations and with a clear environmental profile. Annhem's office premises are in an excellent position to meet this demand. Following the pandemic, there is a pent-up need for office space, which cannot be offset by the offering, as new production has been inhibited by rising production costs.

The rent levels for office properties in Stockholm are expected to increase by nearly 3 percent per year during the period of 2022–2024. In Solna, where Annhem Fastigheter has a focused portfolio, the economic vacancy rate amounted to 6.0 percent, which is lower than in Stockholm in total. For community service properties, tax-financed operations, demand is high, which often results in long and stable leases. Continued significant demand for residential properties is being driven by healthy population growth.

In Helsinki and Oslo, the rent levels for office properties are expected to increase at a somewhat slower pace in 2022–2024 than in Stockholm, according to Jones Lang Lasalle. In Helsinki, rents are expected to increase by an average of 2 percent per year, while in Oslo, they are expected to rise by an average of 1.4 percent annually during the period.

Uncertainty increases with associated opportunities and challenges

For some time now, it has been necessary for premises to function as flexible and sustainable meeting places, although this shift accelerated further during the pandemic. It is becoming increasingly important that our tenants perceive them as places where energy and creativity can come together to create the security and satisfaction that result in companies developing. We continue to monitor the macro-economic situation, in which inflation is rising to levels not seen for a long time. The question is whether this rise is temporary, driven by, for example, high energy prices, or if the price increases are more general, which we are seeing signs of in the US. Naturally, this question is very important in determining the stance we take in relation to the risk of interest-rate increases. We are preparing for a rate increase by extending our fixed-interest periods, which are currently at 3 years.

We can see that we are well-positioned in relation to the expectations that our existing and future tenants have of us as a landlord. Annhem has the ability to deliver on the increased interest in modern offices of high quality in prime locations and with a clear environmental profile that is expected after the pandemic.

Russia's invasion of Ukraine

Russia's invasion of Ukraine is a humanitarian disaster. Annhem has donated SEK 100,000 to UNICEF in March 2022, at a time when the donation is being doubled by the Akelius Foundation to support its crucial efforts for children still in Ukraine.

Closing words from the CEO

On 7 February 2022, it was announced that I will not be continuing in my role for the company's future journey. My time at the company has been very exciting as we have worked together to build Annhem, first as part of Peab and then as a separate independent company listed on Nasdaq Stockholm. I will remain for a period to facilitate in the handover to the new CEO with the ambition to hand over a strong company, with good prospects and well positioned for growth.

I would also like to take this opportunity to thank all of my co-workers for the time we spent together. It has been characterised by great commitment and sound cooperation. I would like to wish you all every success in your continued work at Annhem.

Jörgen Lundgren
CEO

Introduction to the Directors' Report

The Directors' Report contains a description of Annhem's strategy and targets, financial position and risk management. The report also includes the Board's proposal for remuneration and distribution of profit, and information about Annhem's sustainability agenda, information about the share and Annhem's financial development during the year. The Directors' Report is an integrated part of the Annual Report and the various sections can be found on the pages set out below.

Strategy, targets and target achievement

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

[>> More information on pages 11-13.](#)

Sustainability

In 2021, Annhem continued to develop work processes and follow-up, primarily in property management. Targets have been set in accordance with Scope 1-3 in addition to monitoring of water consumption. We assess all acquisitions on the basis of certification level and an energy classification of at least B, in other words we are continuing our ambitious work to meet the sustainability requirements of today and tomorrow.

[>> More information on pages 25-30.](#)

The share

Annhem Fastigheter AB has two share classes, Class A and Class B. Annhem's shares are registered for trading on Nasdaq Stockholm, Mid Cap. As of 31 December 2021, Annhem had issued a total of 58,992,548 shares, of which 6,863,991 are A shares and 52,128,557 are B shares. Each B share entitles the holder to one vote at shareholders' meetings, while each A share entitles the holder to ten votes and every shareholder has the right to cast votes according to the total number of shares they hold in Annhem.

[>> More information on pages 34.](#)

Risks and risk management

Annhem is aware that owning and managing properties means the business is exposed to risks, both internal and external, or uncertainties that may impact the Group's ability to achieve the overall growth target. Annhem works continuously and in a structured manner to identify and actively monitor financial and other risks that the business meets or faces.

[>> More information on pages 37-41.](#)

In addition to the abovementioned sections of the Directors' Report, refer also to the Financial developments and events during the year section on pages 51-52. Proposed distribution of profit on page 52 and Guidelines for remuneration to senior executives on pages 46-47, which form part of the Directors' Report.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Strong performance in positive market

Annhem's properties have a clear environmental profile and can be found in growth areas with good transportation links in Sweden, Finland and Norway. During the year, the company performed well in a market distinguished by structural changes accelerated by the current pandemic.

Economic framework

For a property company, changes to long-term interest rates are important. It is therefore important to monitor macro-economic developments worldwide. The world has made a robust recovery following the pandemic year of 2020. Global GDP fell 3.4 percent in 2020 but quickly bounced back in 2021. The strong recovery forecast during the summer lost some momentum during the autumn when new virus outbreaks were seen. Many economic analysts have therefore become more pessimistic, not least due to inflation developments.

In the Economic Outlook report, published in December 2021 by the Organisation for Economic Co-operation and Development (OECD), global GDP was forecast to rise by 5.6 percent in 2021 (see table on the next page). From a historical perspective, this is high but slightly lower than previous forecasts. GDP is expected to grow by 4.5 percent in 2022. Disruptions in the global trading system, high price increases for many goods, not least energy, and a shortage of labour are all holding back the increase.

What stood out during the pandemic was that everything moved much faster than usual. And that economic policies responded so quickly with major incentives in many countries. For example, the stock market crash in March 2020 was the fastest downturn ever, with the exception of black Monday in 1987. The market collapsed 35 percent but the stock market had recovered after only six months. This compares with the global financial crisis in 2008 when it took more than five years for the stock market to return to pre-crisis levels.

To date, the property market has done well during the pandemic. Prices continued to rise worldwide and reached new record highs. But the industry is undergoing significant change. Digitalisation has accelerated during the pandemic as many people have worked from home. New demands are being placed on office properties when many people want to work in a more flexible manner. How-

ever, it is still too early to proclaim the death of the office as some analysts have suggested during the pandemic. Many companies are looking for offices that are easy to reach from the home for employees, as many people want to seamlessly divide their working hours between home and the office. Companies are therefore interested in offices that offer shared working areas, places for meetings and networking. But that also provide access to other services, such as fitness and recreation. That have the flexibility to scale up and down space on the basis of need and at short notice. E-commerce has grown dramatically in recent years and is redrawing city centres as fewer purchases are made in physical stores. In parallel, demands are increasing on individual properties and on

the property sector as a whole as sustainability issues are given a more prominent role in the climate crisis.

Macro developments in Annhem's home markets

In 2021, the economy stepped up significantly in Sweden compared to the negative performance for most of 2020. Growth is mainly driven by rising consumption and investments. Unemployment in Sweden is expected to fall from the high levels during the pandemic to 7.6 percent in 2022 and GDP growth is thought to have peaked at 4.3 percent in 2021 and then will drop back slightly in 2022.



THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	
Board of Directors	42
Senior executives	48
Remuneration report	49
ACCOUNTS	50
Financial developments and events during the year	51
Financial statements	53
Financial key figures	58
Auditor's report	66
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Low interest rates and very robust monetary and finance policy activities have continued to support the economy. There was a strong increase in the rate of inflation during 2021 and in October, it was 3.1 percent, the highest level in 13 years. It is something that many economic analysts regard as a temporary effect of the pandemic, although increasing numbers of economists are indicating a risk for more sustained price increases. Inflation is expected to amount to 2.6 percent in 2022, according to the OECD forecast. This is slightly above the Riksbank inflation target of 2 percent. As shown in the table below, the macroeconomic trend in Norway and Finland is expected to track that of Sweden rather well. GDP recovered after the decline in 2021 and unemployment is decreasing.

	2020	2021	2022
GDP (annual % change)			
Sweden	-2.9	4.3	3.4
Norway	-0.7	4.1	4.6
Finland	-2.9	3.4	2.8
World	-3.4	5.6	4.5
Inflation (% change per year)			
Sweden	0.5	2.0	2.6
Norway	1.3	3.4	2.0
Finland	0.4	1.9	1.9
Unemployment (%)			
Sweden	8.3	8.8	7.6
Norway	4.4	4.9	3.9
Finland	7.8	7.7	6.6

Source: OECD Economic Outlook (December 2021)

Interest rate and credit market

Annhem's three home markets have all experienced very low interest rate levels. In Sweden, which has a variable rate of exchange, the Riksbank's key policy rate was zero. The market does not expect any interest rate rises before the end of 2022 at the earliest. In Finland, which is part of the Eurozone and thus has the same monetary policy as the remaining Euro countries, the key policy rate was also zero. Finally, in Norway, which has, like

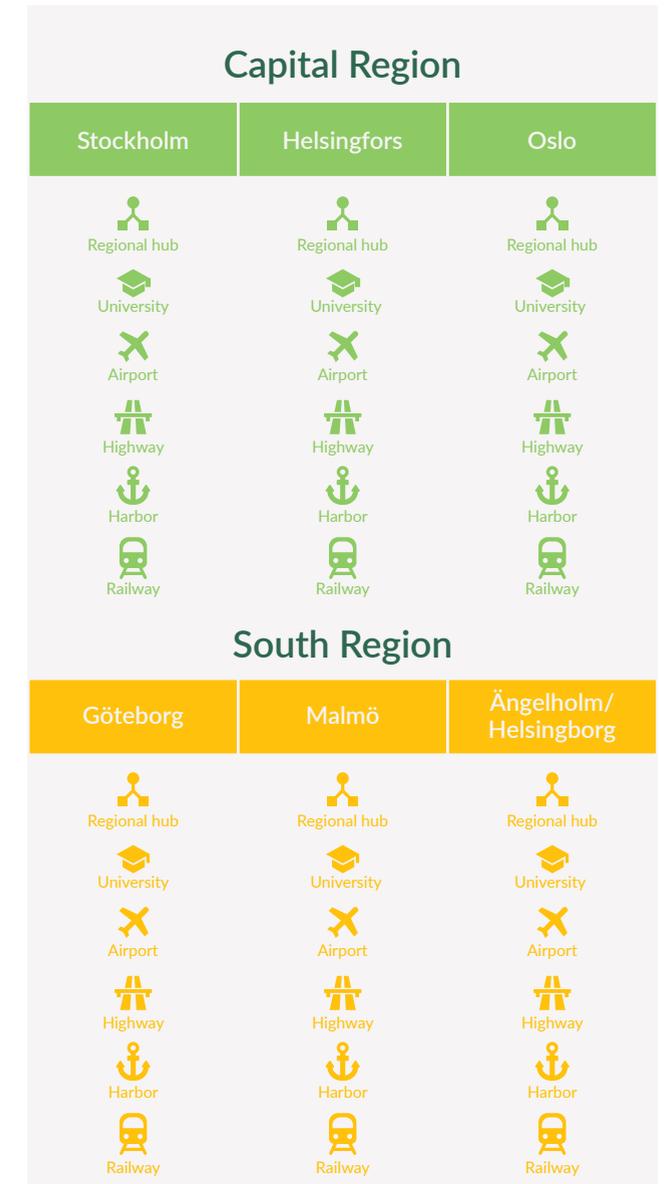
Sweden, a variable rate of exchange, the central bank increased the key policy rate to 0.25 percent in the autumn of 2021.

The access to financing was highly favourable in all home markets in 2021, despite the tendency of an increase in the range of property-related borrowing. Credit spreads, meaning the difference in price between bonds with the same durations but different credit ratings, have been at historically low levels. Long-term interest rates in Sweden and Finland were close to zero during the year. They were, at times, even negative in Finland, while rates were at about 1 percent or higher in Norway. From a low in August, interest rates in all three countries have risen slightly due to concern about higher inflation.

Long-term trends: urbanisation and population growth

The trend towards urbanisation is clear at both a global and Nordic level. The underlying driver for urbanisation is that a large share of a country's resources and capital are found in metropolitan regions. More than half of the world's population now lives in cities, and this figure is expected to rise to 70 percent by 2050. The trend is strongest in developing countries, where urbanisation is taking place much faster than in countries in the West, but it is also continuing in the Nordics. The metropolitan regions of Sweden, Finland and Norway are expected to have strong population growth in the years ahead despite the pandemic. Population growth in Annhem's metropolitan regions is higher than the average population growth in each country.

As highlighted in the recent UN report "Cities and Pandemics: Towards a More Just, Green and Healthy Future", cities have historically shown an ability to recover after major crises, such as pandemics. Metropolitan areas that demonstrate a high degree of flexibility and sustainability are expected to have better prospects to recover when the pandemic is over. Annhem's markets can all be found in this segment. They are all in regional centres at large educational centres with good transport links (see illustration to the right). As the population grows and migration continues to urban areas in the years ahead, demand is expected to increase for residential homes and housing construction, which is expected to have a positive impact on Annhem's property portfolio.



THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

The Swedish property market

The Swedish property market remained robust in 2021. Transaction volume in 2021 was high, about SEK 350 billion according to preliminary figures from Pangea. This is the highest ever figure for a single year. International interest in the Swedish property market remained high despite the pandemic. Expectations are strong for transaction volumes in 2022. The rent levels for office properties in Stockholm are expected to increase by nearly 3 percent per year during the period of 2021–2024. In many of Sweden's major cities, office properties in nearby more attractive geographic locations have a lower vacancy rate. In Solna, where Annhem Fastigheter has a focused portfolio, the economic vacancy rate amounted to 6.0 percent, which is lower than in Stockholm in total. For community service properties, tax-financed operations such as schools and nursing homes, demand is high as the population grows and the proportion of older people increases. Community service properties often entail long and stable leases. Population growth also means demand for residential properties is high with stable and rising rents. Queue times for people looking for rental properties are long in a highly regulated rental market.

The Finnish and Norwegian property markets

Both the Finnish and Norwegian property markets have withstood the pandemic well in 2021. Transaction volumes in Finland amounted to approximately SEK 20 billion during the first half of year. Roughly the same volumes as in the corresponding period in the preceding year. Norway has experienced very high transaction volumes. Transaction volumes almost doubled during the first half of 2021 compared with the year-earlier period.

In Helsinki and Oslo, rent levels for office properties are expected to increase at a somewhat slower pace in 2021–2024 than in Stockholm, according to Jones Lang Lasalle. In Helsinki, rents are expected to increase by an average of 2.0 percent per year, while in Oslo, they are expected to rise by an average of 1.4 percent during the period.

SEK	2019 SEK/sqm	2020 SEK/sqm	2021 SEK/sqm	2020 y/y, %	2021 y/y, %
Stockholm ¹⁾	8,000	7,200	7,400	-10.0	2.8
Helsinki	4,392	4,330	4,578	-1.4	5.7
Oslo	4,532	4,429	4,532	-2.3	2.3
Gothenburg	3,600	3,500	3,500	-2.8	0.0
Malmö	3,100	2,950	3,100	-4.8	5.1
Helsingborg/ Ängelholm	1,950	1,950	1,950	0.0	0.0

¹⁾ Refers to Central Business Districts.
Source: Catella

As shown in the table above, office rents fell in all of Annhem's markets in 2020 when the pandemic broke out, but recovered in 2021.

Increased focus on sustainability

The Swedish construction and property sector is one of the largest sources of emissions. The sector also causes emissions abroad through import goods. In total, CO₂ emissions from the sector correspond to about 20 percent of Sweden's total CO₂ emissions. Players in the construction and property sector therefore have a major opportunity to influence CO₂ emissions in Sweden. Greater awareness of sustainability and how natural resources are consumed mean environmental issues have become increasingly important. This has meant that both property owners and end-users are imposing increasingly strict demands that buildings are constructed and managed using a long-term perspective and with a focus on reducing the environmental impact.

Property companies that can reduce their environmental footprint are expected to obtain better financing terms compared with others and can thereby improve their competitive situation. Annhem is well positioned with a modern, sustainable property portfolio and has already capitalised on good financing terms due to its "green status."

Annhem's niche and competitors

Annhem Fastigheter's existing property portfolio largely comprises commercial properties in Stockholm, Gothenburg, Malmö and the Ängelholm/Helsingborg area, as well as Helsinki and Oslo. As cities grew, business districts outside of city centres have emerged. Often areas with good transport links – both with public transport and passenger vehicles. Examples of such areas where Annhem owns properties are Solna near Stockholm, Hyllie near Malmö and Partille near Gothenburg. These are often areas with a healthy business climate, but where rent levels are slightly lower than in city centres. Solna, where Annhem has its head office and its largest property portfolio, has rents that are roughly half of those in the inner city of Stockholm (see table to the left for office rents in the inner city of Stockholm). For many years, Solna has been chosen as the Swedish municipality with the best business climate by the Confederation of Swedish Enterprise.

Annhem has various competitors in each property category and region, which may include international property funds and listed and privately-owned property companies. Listed players include competitors such as Castellum, Fabega, FastPartner, Klöver, Kungsleden, Nyfosa, Platzer and Wihlborgs.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Strategy, targets and target achievement

New high-quality properties

The existing portfolio primarily comprises modern, flexible and high-quality environmentally compatible properties, slightly more than 80 percent of which were constructed in the past five years. The office properties were built with a flexible floor plan, which means they can be designed for different purposes and adapted to developments in the tenants' operations. The vacancy rate is therefore low, operating costs are low and the properties are rented on long-term leases to stable customers.

Strong capital base

Annehem has a good financial position with a high equity/assets ratio and low loan-to-value ratio. This financial position enables acquisitions to grow the property portfolio in the prioritised growth regions.

Clearly defined growth plan

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

Clearly defined growth plan

Annehem has signed a new agreement with Peab to acquire a logistics property that is scheduled to be fully developed in the second quarter of 2022. In addition, Annehem has previously signed an agreement with Peab to acquire two residential properties situated in close proximity to the Annehem's existing portfolio in Gothenburg and Malmö. Annehem also intends to diversify its portfolio by acquiring community service and residential properties.

Financial position that enables growth

Annehem's overall target is to create value for the company's shareholders. Annehem's Board of Directors has established the following financial targets and risk limitations.

Growth, profitability and return targets

A growth-driven property company

Annehem is a property company prepared for growth with a well-defined strategy for growing and developing the portfolio. Alongside expanding the portfolio by acquiring properties, we are striving to increase the value of the existing portfolio through active management and

adding value. Investing in different types of properties in the Nordic growth regions where Annehem already owns properties enables the company to become more diversified, at the same as property management becomes more efficient and economies of scale are generated.

Target

Average annual growth in the property portfolio of at least 20 percent, up to a total property portfolio with a fair value of SEK 7 billion by 2024.

Outcome in 2021

Growth for the year was 20 percent (36).

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

Annehem envisages many opportunities to capitalise on the potential of its existing high-quality property portfolio. The property portfolio is divided into two regions: Capital Region and South Region. The company's geographical priorities help to identify positive structural trends and diversification and, in parallel, the company

can provide tenants with focused, efficient and active management. Potential for enhancing efficiency, and thereby generating economies of scale, can be found by conducting focused property management operations. Geographical prioritisation for efficient active management.

Target

Income from property management per share shall, within 12 to 18 months, double and thereafter increase by an average of 20 percent per year over time.

Outcome in 2021

Growth for the year was 52 percent (43).

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Growth, profitability and return targets, cont.

Favourable profitability and returns

Annhem's existing and future properties provide the conditions for long-term cash-flow generation and earnings capacity. The existing portfolio primarily comprises recently constructed office properties in attractive Nordic growth areas, which offer high direct return and revenue

potential. Economies of scale will increase in Annhem's property management operations in line with the company acquiring more properties in the Nordic growth areas where the existing portfolio is concentrated, which will boost profitability.

Target

Return on equity of at least 10 percent per year over time.

Outcome in 2021

Return on equity amounted to 9.2 percent (3.5).

Risk limitations and dividend policy

Equity/assets ratio

Target

The equity/assets ratio shall be at least 30 percent.

Outcome in 2021

Equity/assets ratio of 53.9 percent (54.4).

Net loan-to-value ratio

Target

The net loan-to-value ratio shall not exceed 60 percent over time.

Outcome in 2021

The net loan-to-value ratio amounted to 38.3 percent (33.1).

Interest-coverage ratio

Target

The interest-coverage ratio shall, on a long-term basis, not fall below a multiple of 2.2.

Outcome in 2021

The interest-coverage ratio amounted to a multiple of 3.5 (2.0).

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Risk limitations and dividend policy, cont.

Dividend policy

Target

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

Outcome in 2021

No dividend.

Sustainability target

Continued proactive work to further strengthen our environmental profile

As previously communicated, Annehem has prepared a catalogue of targets in the sustainability section, see page 29. We would like to particularly highlight the following targets.

Target

Obtain environmental certificates for at least 90 percent of the property value by 2024.

The goal for our properties is to be among the 15 percent with the best energy performance in each country for 90 percent of fair value by 2024.

Energy consumption (purchased energy MWh) is to fall by 9 percent by 2024.

Outcome in 2021

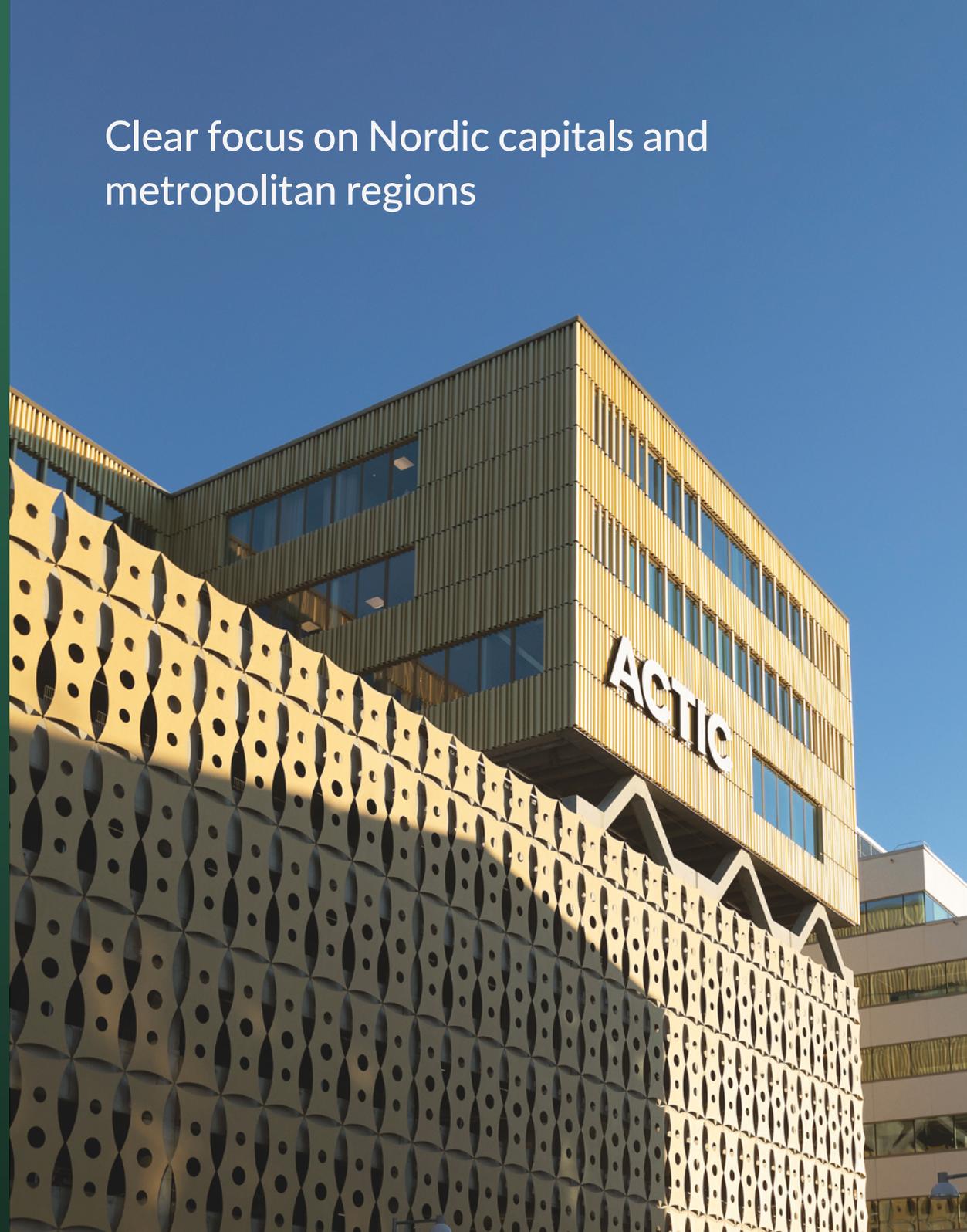
The level of certification achieved was 85 percent (68).

85 percent of the fair value in the property portfolio were among the top 15 percent of fair value by the end of 2021.

19 163 MWh .

Clear focus on Nordic capitals and metropolitan regions

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92



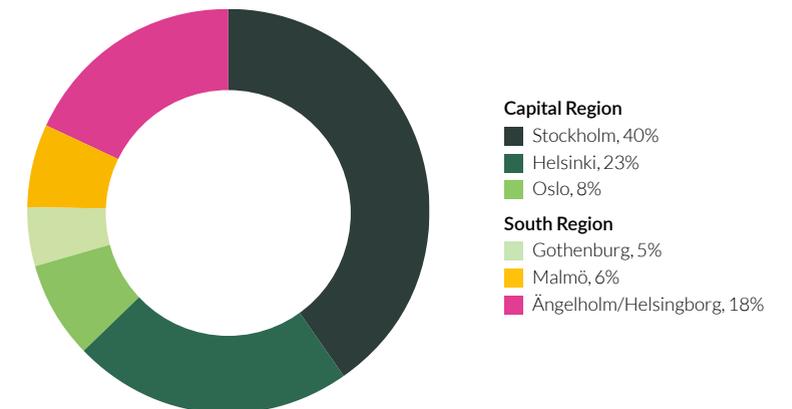
Our properties

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

The property portfolio consisted of 24 investment properties at year-end. In addition, Annhem has signed an agreement to acquire one logistics property and two residential properties, and will be taken into possession between 2022/23 and H1 2024. Letters of intent have been signed with Peab to acquire several future properties related to development rights owned by Peab. The total estimated value of the properties with letters of intent is SEK 4,900 million.

At the end of the year, the value of the investment properties amounted to SEK 3,994.1 million and the total lettable area to 193 thousand sqm. The total rental value on 31 December 2021 amounted to SEK 243.5 million, of which SEK 139.6 million comprised the Capital Region and SEK 103.9 million the South Region. The contracted economic occupancy rate for the same period was 93 percent. The average weighted remaining contract period for the property portfolio on 31 December was 6.0 years. The assessment is that the property portfolio's average weighted remaining contract period is favourable and provides a platform to continue to develop operations.

Property value by region



THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Capital Region

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

Stockholm

Properties in the Stockholm region are concentrated to Ulriksdal, a new district in Solna. Ulriksdal is situated in an attractive setting in close proximity to greenery and the pulse of the city. The area already includes offices, residential homes, gyms, stores, pre-schools and restaurants. Ulriksdal is an area undergoing rapid development with regard to residential homes, hotels and workplaces. Over the next few years, the area is expected to have about 15,000 workplaces and approximately 2,500 residential homes.

Sadelplatsen 3

Office premises with an open and flexible floor plan and a high standard of technical systems and surface finish. Peab Center Solna was completed in 2019 and comprises 12,445 sqm of modern office space across nine floors. The ground floor includes a lunch restaurant open to tenants and the general public. The restaurant also supplies catering services to the offices and conference venue. The roof has a terrace with views across Ulriksdal, Hagaparken and Brunnsviken. Peab Center Solna (Sadelplatsen 3) is certified according to BREEAM good.



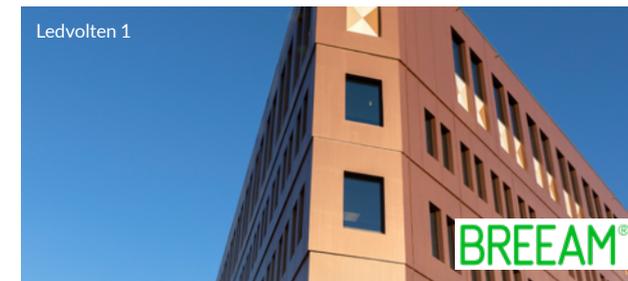
Sadelplatsen 4

The upper sections of the building consist of three floors of flexible premises including a modern gym and flexible office premises totalling 2,994 sqm. The first seven floors of the building include parking spaces for 475 vehicles, and a large number of the spaces also provide charging for electric vehicles. Parking and charging are available to the general public. The property was completed in mid-2020 and is fully rented, there are parking lots available for rent.



Ledvolten 1

The building mainly comprises office premises but also laboratories and clean rooms. The property comprises a total of 4,268 sqm of which approximately 90 percent is let to Carmeda, a medtech company with a ten-year lease.



Helsinki

Annhem's property portfolio in Helsinki includes a business centre comprising three high-quality and modern properties with an associated multi-storey car park. In order to strengthen the geographic position, Annhem has signed letters of intent with Peab to acquire three properties in close proximity to the existing portfolio on market terms, which are scheduled to be fully developed after 2021. Certified according to BREEAM Very Good.



Ultimes I&II

The properties are situated in the Pitäjänmäki district of Helsinki. An area with good transport links. Most of the properties' 17,015 sqm are intended for office operations. There is also a multi-storey car park with 475 spaces. Ultimes I&II are certified according to LEED Platinum.



Oslo

In the fourth quarter of 2020, Annhem acquired and took possession of a three-dimensional property, with residential homes in the same building but belonging to a separate property, of 3,640 sqm in Oslo. The property is fully rented to Coop Øst AS until 2035. The property is situated in Grünerløkka in central Oslo with good transport links via trams, buses and metro.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

South Region

The South Region consists of properties in Skåne and Gothenburg. The portfolio in Gothenburg includes Partille, where Annehem owns a three-dimensional building, which is mainly let to retail business in the form of a supermarket. The property portfolio in Skåne consists of properties in Malmö and Ängelholm as well as a property in Helsingborg that has been acquired but not taken into possession. The property portfolio in this region also includes the two business parks Valhall Park in Ängelholm and Ljungbyhed Park in Ljungbyhed, which comprise a total of 13 properties.

Stenekullen 2

The Stenekullen 2 property has floor space of 4,937 sqm and is located in Hyllie, just south of Malmö close to the E20 motorway. A large portion of the property is occupied by Peab's regional office. Most of the property's ten floors have extensive views towards the Öresund Bridge, Öresund strait and Denmark. Peab Center Malmö is the first of a planned collection of five buildings. The building was completed in 2020 and is currently fully let (79 percent) including a rental guarantee of 36 months, with occupancy from March of this year. Adjacent to the office are some 150 parking spaces. Stenekullen 2 is certified in accordance with Swedish Green Building Council Silver.



Partille Port

Situated in the Partille Arena area. The property mainly comprises retail space but also includes a gym and restaurants. The property is a three-dimensional property with nursing homes, tenant-owner apartments and student accommodation in the same building but separate properties. Annehem's tenants include a supermarket, gym, pharmacy and restaurants. The building was completed in 2019 and has a lettable area of 6,344 sqm.



Jupiter 11

Is located in Helsingborg and consists of offices and a gym, and a total area 4,957 sqm. Approximately 633 sqm is currently vacant but is covered by Peab's rental guarantee for 3 years as of May 2021. The main tenant is Peab. Certified in accordance with Swedish Green Building Council Silver.

Kamaxeln 2

The building comprises 950 sqm of office and warehouse space across two floors. It was completed in 2001 and includes an associated site area of 2,901 sqm. The entire property is currently leased to Peab Anläggning. Situated just east of Malmö near to the E6 motorway.

Valhall Park

Valhall Park is a business park outside Ängelholm and located close to the sea. The business park offers flexible office premises and a wide range of activities in a beautiful setting. The park has good transport links close to the E6 motorway, rail and air services. The area includes a hotel and conference facility, gym and a padel centre. The development potential for this land is great given that it is strategically well located.



Ljungbyhed Park

Ljungbyhed Park is a business park in Klippan Municipality in north-western Skåne. Since 1910, the area has been a centre for air services and training. In addition to air services, the park is now home to everything from offices, conferences and schools to engine training courses, manufacturing and light industry. The area also has a wide range of activities, with a museum, golf course and sports centre with a padel court. The development potential for this land is great given that it is strategically well located.



THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Overview of investment properties¹⁾

Property region	Fair value, SEK million ²⁾	No. of properties	Lettable area, thousand sqm ³⁾	No. of garage spaces	Rental value, SEK million ⁴⁾	Contracted economic occupancy rate, %	Average weighted remaining contract period, years
Capital Region							
- Stockholm	1,610	3	30	475	68	94	6.6
- Helsinki	907	3	17	475	59	100	4.2
- Oslo	309	1	4	-	13	100	13.0
South Region							
- Gothenburg	191	1	6	-	13	97	5.0
- Malmö	258.7	2	6	-	15	100	4.2
- Ängelholm/Helsingborg ⁵⁾	718.1	14	130	-	76	85	3.1
Total investment properties, 31 December 2021	3,994	24	193	950	243	93	6.0

¹⁾ Based on values at 31 December 2021.

²⁾ Relates to fair value at 31 December 2021.

³⁾ "Rental value" is defined as rent revenue in accordance with the relevant agreement with supplement for estimated market rent regarding unleased space for the coming twelve months from the time of report and "Rent revenue" is defined as rents and rent surcharges excluding rent discounts.

⁴⁾ Including rental guarantees issued by Peab for vacant spaces and is valid for 36 months from the time of acquisition. Regarding Helsinki, this refers to the properties Ultimes I&II from 1 July 2020 and regarding Malmö, this refers to the property Peab Center Malmö from 1 March 2020.

⁵⁾ Ängelholm/Helsingborg Region including Ljungbyhed.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Properties with an agreement to acquire

Annhem has a clearly defined growth plan and as part of this plan has signed an agreement to acquire three properties from Peab in 2021. We will take possession of one logistics property of 2,000 sqm during the second quarter of 2022. This property has development rights of approximately 2,000 sqm and also includes two residential properties that will be taken into possession in 2022/23 and H1 2024, respectively. The total underlying property value for these properties amounts to SEK 481 million and the lettable area amounts to 10,000 sqm.

Logistics

Annhem has entered into a share purchase agreement to acquire a logistics property of 2,000 sqm that is fully leased on a ten-year contract with PostNord. The acquisition also includes development rights of approximately 2,000 sqm. The underlying property value is SEK 96 million.

Residential homes

Annhem has also entered into share purchase agreements regarding the acquisition of two residential properties. These properties are situated in Partille in Gothenburg and in Malmö. The properties will be taken into possession in 2022/2023 and H1 2024, respectively, and comprise a total of 8,000 sqm. The high-quality and environmentally compatible (Nordic Swan ecolabelled) rental properties are situated in attractive areas for both tenants and Annhem.

The residential properties are located in areas with high demand and close to existing properties, which means that the existing property management organisation can be used. The agreed underlying property value for the residential properties is SEK 385 million.

Overview of properties with an agreement to acquire

Property region	Taken into possession	Agreed underlying property value, SEK million	Number of properties	Lettable area, thousand sqm	Rental value, SEK million ¹⁾	Contracted economic occupancy rate, %	Average weighted remaining contract period, years
Capital Region							
- Stockholm	Q2 2022	96	1	2	5	100	10
South Region							
- Gothenburg	H1 2024	250	1	5	12	N/A	N/A
- Malmö	Q4 2022/Q1 2023	135	1	3	6	N/A	N/A
Total acquired but not yet closed properties		481	3	10	23	100	10

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



THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Properties with letter of intent

Annehem has identified that Peab holds several outstanding development rights pertaining to future properties that would be highly suited to the existing property portfolio and strategy and that Peab plans to fully develop after 2023. The properties are expected to mainly comprise office spaces for both the private and public sector (direct or indirectly tax-funded operations). Annehem has signed letters of intent with Peab regarding acquisitions of the properties on market terms. These letters of intent are non-binding and Annehem is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties. The development rights are situated in close proximity to the existing portfolio. Acquisition of the future properties would therefore both strengthen the geographic position and enable more efficient property management, thereby contributing to economies of scale. The properties with letter of intent will total 86,000 sqm and Annehem has assigned them a total estimated underlying property value on completion of approximately SEK 4,900 million.

Overview of properties with letter of intent

Property region	Taken into possession	Estimated underlying property value upon completion ¹⁾ , SEK million	Number of properties	Lettable area, thousand sqm	Rental value, SEK million ¹⁾
Capital Region					
- Stockholm	2023-after 2024	2,700	3	40	115
- Helsinki	2023-after 2024	1,300	3	26	79
- Oslo	-	-	-	-	-
South Region					
- Gothenburg	-	-	-	-	-
- Malmö	2023-after 2024	900	4	20	51
- Ängelholm/Helsingborg ²⁾	-	-	-	-	-
Total properties with letter of intent	-	4,900	10	86	245

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

¹⁾ The property value is based on Annehem's assessment on 31 December 2020 of the underlying property value of each property as per the date of completion.

²⁾ "Rental value" is defined as rent revenue in accordance with the relevant agreement with supplement for estimated market rent regarding unleased space for the coming twelve months from the time of report and "Rent revenue" is defined as rents and rent surcharges excluding rent discounts.

The main focus is to create pleasant meeting places with a strong sense of “us”



Gustav Eriksson

Gustav Eriksson is Head of Property Management for Annhem's Ljungbyhed Park and Valhall Park business parks. Gustav has worked in this role for four years and thoroughly enjoys it. Together with his colleagues, he takes care of all of the needs of the parks and their tenants – from mowing the lawns to managing finances.

What does your job as Head of Property Management involve?

“Here in the South Region, I have nine co-workers: two property managers, three technical managers, a project manager, and three people who work as financial coordinators. Together, we do all manner of things to ensure the day-to-day operations run smoothly. We hold customer meetings, help tenants to carry things, make sure the buildings are heated, optimise energy use, organise trade fairs and manage rent reviews, develop zoning plans and carry out new constructions. The team helps out with everything – from a to z.”

Annhem's business parks play an important role in the area, contributing to growth and pleasant neighbourhoods

One important part of Gustav's role, in addition to leading the team, is to manage local contacts with both the business community and the public sector. Ljungbyhed Park is located in the small town of Ljungbyhed and plays an important role in the area, with a close cooperation with Klippan Municipality. Valhall Park is a fully integrate part of Ängelholm's business community:

“I am grateful for the significant trust shown in me by management to manage these special properties in an entrepreneurial way. They are run with a spirit of local community with one important element being the business parks' own brand. We know the local community and our customers and develop everything together.”

Both business parks offer a wide range of activities that are not only appreciated by tenants but also by people in the local area. Ljungbyhed Park includes a museum, golf course and sports centre with a padel court. Valhall Park includes a hotel and conference facility, museum, restaurants and cafés as well as a three-kilometre jogging path, padel courts and a gym.

Gustav thinks it is important that the business parks are full of people and activity:

“The most important part of my work is to create pleasant meeting places. It is extremely important that we maintain spaces that no-one really rents, such as the jogging path in Valhall Park. I love it when people walk here with their dogs, as this means people are choosing to come here even if they may not work in the business

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

park. It's great to see people and activity in the parks outside of office hours, and that people come here in their cars to play padel or for other activities."

Ljungbyhed Park and Valhall Park are unique in different ways

The business parks differ considerably. Both business parks have premises for various types of activities – commercial and education, for example – but the extent to which these activities are carried out differs between the parks. Gustav describes Ljungbyhed Park as an educational cluster and Valhall Park as a broader business park.

Ljungbyhed Park's niche is education and it includes a campus. The site is a centre for air services and training, and now also for drones. In addition to the air services activities, it also has several schools, workshops, manufacturing and light industry. It is an enormous facility with almost 550 hectares of land and 110 buildings. Activities at the park will soon offer employment to 600 people. Ljungbyhed's slogan is:

"We educate for tomorrow and research for the future. In an environment characterised by ambition and innovation, we work together to provide inspiration for this unique centre for sustainability in experiences, training and research – on land and in the air."

"We educate for tomorrow and research for the future. In an environment characterised by ambition and innovation, we work together to provide inspiration for this unique centre for sustainability in experiences, training and research – on land and in the air."

Valhall Park has a mixture of offices and a large range of activities, making the park almost like a small town with 1,200 employees and a full-scale service centre:

"We tend to trees, bushes, flowerbeds and roads, things that the municipality would normally do in other locations. One of the most important things we have is our three-kilometre jogging path – it is one way to encourage all employees to come to their office and thus the park. Most of all, our tenants appreciate the beautiful surroundings, accessibility and excellent parking at Valhall Park.

There are many benefits to being a tenant in a business park

What are the main advantages of being a customer in a business park?

"The main advantage is the tenants' sense of "us". You are a part of something and help each other. If one company offers a service in one of the parks it is only natural that the others turn to this neighbouring company for help first. At Annehem, we are trying to create a platform for a simple business benefits for our tenants. I

am in favour of clusters and networking, which account for a large portion of my role."

Another advantage highlighted by Gustav is Annehem's sustainability work in the business parks, which is quite substantial. Even if these measures are often quite basic, such as using energy-efficient bulbs in street lighting, facilitating source separation, building charging points for electric vehicles, maintaining the right temperature in buildings and turning things off at night, these sustainability measures make a difference because the parks are so big.

Last but not least, Gustav talks about the flexibility offered by Annehem and the parks. Because there are so many premises available, companies and other operations can both expand and contract without any major problems. Annehem can follow customers as they evolve and quite a few of the tenants in the parks have at some stage changed premises when the number of their employees has grown or shrunk.



THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Our customers

Annhem has a diversified customer base with several categories of tenants in various sectors. The company had 280 commercial leases on 31 December 2021. The lease maturity structure for these leases shows that approximately 56 percent of Annhem's contracted annual rent falls due after five years.

Peab is Annhem's largest tenant. Peab-related leases represented 36 percent of the rental value on 31 December 2021. The average weighted remaining contract period on these contracts amounted to 8.4 years. Except for Peab, there is no single tenant who represented more than 5 percent of the rental

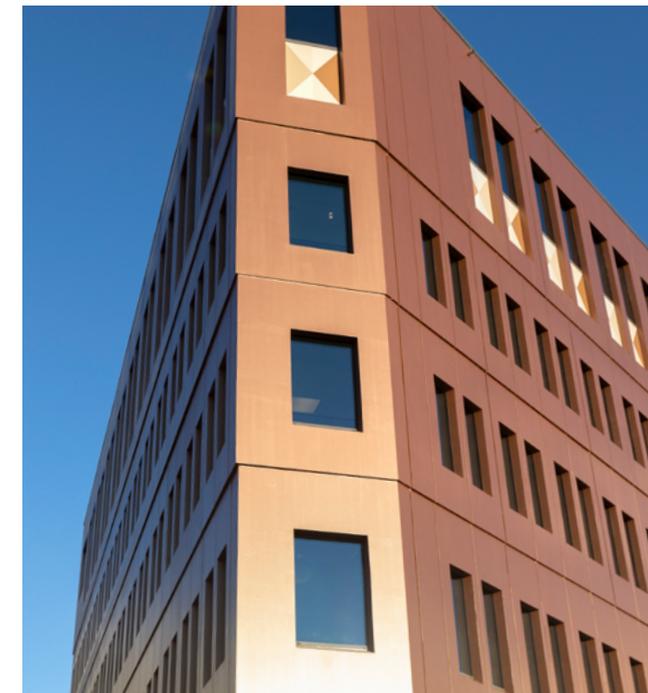
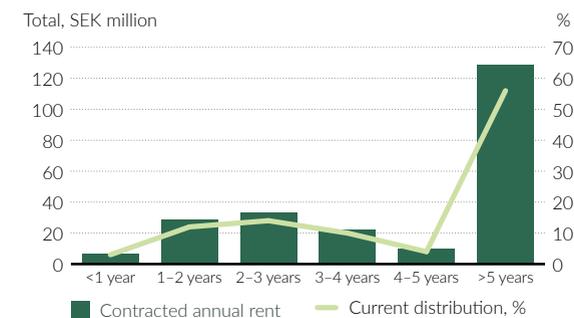
value. The ten largest customers (excluding Peab-related leases) represented 32 percent. The average weighted remaining contract period on 31 December 2021 amounted to 8.7 years for the ten largest tenants in terms of rental value and 6.0 years in total.

Overview of the ten largest customers on 31 December 2021

Tenant	Rental value, SEK million ¹⁾	Percentage of total rental value, %	Number of leases
Peab-related leases	88	36%	28
Coop Norway	13	5%	1
ISS Finland	13	5%	6
Carmeda AB	12	5%	1
Actic Sverige AB	8	3%	2
Ängelholm's Municipality	8	3%	8
Coop Väst AB	7	3%	1
Klippan's Municipality	5	2%	10
The Swedish Migration Agency	5	2%	4
Rudus OY	5	2%	1
Total	165	68%	62
Total	243		288

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

Annhem's lease maturity structure at 31 December 2021



Annhem's Ledvolten property in Solna was acquired and possession taken in the fourth quarter of 2021.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92



Sonja Takala

The Finnish tenant ISS recommends Annhem as a landlord

In Helsinki, Annhem owns the buildings Ultimes I&II forming the business park Ultimes Business Garden with mostly business premises. The buildings are in the Pitäjänmäki-district, an area with good connections. Sonja Takala, Key Account Director at ISS Finland, is responsible for all facility services in the business garden where ISS is one of the biggest tenants together with Peab.

In the business garden, ISS has its headquarters with 200 office employees and about 20 service employees. The services that ISS provides are, among others; catering and restaurant services, cleaning, reception, security, office services for common area and tenants, repair, and accounting. Sonja describes that the close interaction between Annhem and ISS provides tenants with convenient and beautiful premises. After all, ISS' purpose is to connect people and places to make the world work better.

"I am extremely proud of my coworkers that provide top class service with big smiles every day," Sonja says.

ISS has an open and cooperative relationship with Annhem

ISS has a unique role as a service provider for both tenants and the common area at the same time as they themselves are tenants. This allows Annhem and ISS to have a close relationship which Sonja describes as open and cooperative. The two organizations have monthly meetings, and both keep in touch regularly in between.

Back in the days when ISS moved into Ultimes Business Garden, Peab was the owner of the buildings. ISS was looking for premises with a central location in the metropolitan area located nearby a railway station, good parking facilities

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

and of course good services. Ultimes Business Garden had it all; also, the services in collaboration with Peab and ISS, Sonja says.

How has the change of landlord from Peab to Annhem been?

"It has been a smooth transition in which we have been very involved since ISS is taking care of lease payment and because we are the first point of contact for tenants in Finland if they have any issues, complaints or need for change."

"The lobby area is very beautiful"

Sonja says that she often hears from customers and visitors that, above all, the lobby area is very beautiful. It is bright and well designed.

"Annhem's flexible office areas are offered with modern and flexible lease agreements where tenants can change areas within a short time."

What do you like best about the premises?

"In addition to the appreciated lobby area, it is the exceptional service. Our employees who work in the Ultimes Business Garden are very proud to work there."

Would you recommend Annhem as a landlord?

"Yes, and the main reason is this business garden concept. It suits perfectly for people who are getting back to the office after the pandemic; convenient premises with services that help ease tenants' everyday life."

"Moreover, Annhem's flexible office areas are offered with modern and flexible lease agreements where tenants can change areas within a short time."

Customer case



Sustainability

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

In 2021, Annhem commissioned CICERO Shades of Green to implement an independent evaluation of Annhem from a sustainability perspective. 61 percent of our income and 79 percent of our investments for 2020 are graded as dark green or green.



Globally, the construction and property sector accounts for 36 percent of total energy consumption and nearly 40 percent of the world's carbon emissions. In Sweden, the construction and property sector accounts for 34 percent of the country's total energy consumption, 35 percent of waste and 19 percent of greenhouse gas emissions. The industry also contributes to emissions in other countries through imports of building products. It is estimated that the climate impact of the new production of buildings is as large as operating the building for 50 years. Combined with rapidly growing societies, increasing populations and unpredictable

climatic conditions, it is clear that we have to work sustainably in both the short and the long term. As a consequence of the considerable impact that the property sector has on the climate, we at Annhem have decided that our property management will be emissions neutral by 2030.

Based on the aim of achieving climate-neutral property management, Annhem has high ambitions to meet current and future requirements for sustainability. Our sustainability work is based on the UN Sustainable Development Goals and focuses on long-term responsibility for financial, environmental and social development. Working with these points is a prerequisite to enable us to build property value in the long term. Consequently, all aspects of sustainability are a natural part of our property investments at Annhem. Annhem has built a portfolio of properties that are modern, flexible and energy-efficient, all in order to facilitate a sustainable future.

Our role in society

Our sustainability work determines the mark we make on our surroundings. All around Annhem, there are many different stakeholders who are impacted by how we choose to conduct our operations. The role we play in society thus has a major impact not only on our own sustainability work, but also on everyone who is impacted by

UN Sustainable Development Goals

Our four focus areas form the foundation for sustainable growth at Annhem. Our role in society, Sustainable growth, Climate impact and Good relations. These areas represent the work we do and the responsibility we take. In each area, there are descriptions of how we

conduct our sustainability work in the short and the long term. We have also identified the areas in which we have the greatest impact and thus which of the global climate goals are most material for our operations. These are clearly related to our focus areas.

FOCUS AREAS	HOW ANNEHEM IS MANAGING THE ISSUE	UN SUSTAINABLE DEVELOPMENT GOALS
Our role in society	Annhem's sustainability work generates social value for our surroundings.	
Sustainable growth	Long-term economic growth Environmentally certified properties Green financing Green leases	
Climate impact	Energy consumption Water consumption Emissions and transportation Recycling	 
Good relations	Employees Diversity and equal opportunity Suppliers Satisfied customers	  

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

us in any way. Through well-developed guidelines and policies, we create social value for our surroundings, every day.

Sustainable societies

Annhem's sustainability policy states that our procurement operations shall satisfy the UN Guiding Principles on Business and Human Rights, the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. This is the foundation for our sustainability work and plays a central role in our daily work.

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

Sustainable growth

Sustainable growth is the foundation for sustainability work at Annhem. Through our strategy in the area, we work to ensure a long-term and strong position in the market. Green financing and environmental certification of properties are important tools for building sustainable property value, and sustainability in its various dimensions becomes a natural part of our property investments. Most, or 85 percent of Annhem's property value, is already environmentally certified. With a modern portfolio of flexible and energy-efficient properties, we have favourable potential to make additional progress in our sustainability activities.

Environmentally certified properties

Annhem works according to a sustainability strategy that entails, for example, that when we acquire new properties we have as a basic requirement that the buildings are certified in accordance with Swedish Green Building Council Silver or the equivalent. The acquired buildings are also intended to make a material contribution to mitigating climate change in accordance with the EU taxonomy regulation. We will achieve this by acquiring properties

that already have or have the potential to achieve an energy class A or B classification, and in exceptional cases C. In 2021, we certified two buildings according to BREEAM in Use, achieving a Very Good rating. Based on this work, we have certified all buildings in our property portfolio that were built after 2016. Through this strategy, our long-term objective is to surpass the environmental certification targets for 90 percent of the total value.

During 2020, the proportion of environmentally certified properties corresponded to 79 percent of Annhem's total holdings. All of Annhem's properties that were newly acquired in 2021 are environmentally certified at Swedish Green Building Council Silver or another equivalent standard, which means that environmental certification of new acquisitions was 100 percent in 2021. The proportion of the total value in 2021 was 85 percent.

Green financing & energy performance

In connection with acquisitions and re-negotiations, we will strive for green financing moving forward. In 2021, Annhem signed its first green loan when it took possession of the Jupiter 11 property in Helsingborg, which was followed by additional green financing for Ledvolten 1. At year-end 2021, the proportion of green financing was 13.6 percent. By further strengthening the focus on this area in the future and thus significantly increasing the proportion of green financing, we intend over the short term to increase the proportion of green financing to 16 percent of the properties' fair value. By 2024, the aim is for the company to achieve a rate of 90 percent green financing, which will be achieved via refinancing of loans from the bank consortium.

Green financing is to be used for green initiatives that contribute to the EU's environmental objectives. The purpose of green loans is to stimulate green initiatives that are environmentally sustainable and contribute to the objectives of the EU taxonomy. For the investment to be classed as sustainable, it must make a significant contribution to one of the objectives defined in the taxonomy.

It is specified in the delegated act to the EU taxonomy regulation that a building built before 31 December 2022 significantly contributes to the mitigation of climate change if the building

- has energy classification A according to the energy declaration system

- alternatively, is ranked among the top 15 percent in the national or regional building portfolio, expressed as primary energy in operation.

For a newly produced building constructed after 1 January 2021, the building's performance must be at least 10 percent better than the BBR (Boverket's building regulations) requirements for the particular building.

Annhem has a goal that by 2024, 90 percent of its property value will be sustainable under the EU taxonomy regulation. At the end of 2021, 85 percent of the property value was sustainable under the EU taxonomy regulation.

Green leases

A green lease represents an undertaking from both the landlord and the tenant to implement a variety of tangible measures. This undertaking includes an exchange of information concerning environmental ambitions and environmental work. This could involve, for example, reducing energy consumption, reviewing the energy declaration, creating opportunities to sort waste at source, taking the environment into account when selecting materials and ensuring a higher rate of recycling in connection with conversions. In addition, the tenants undertake to only use green electricity in their premises. In new letting and in lease re-negotiations, Annhem always strives to offer green leases. At the end of 2021, green leases accounted for 24 percent of the rental value. By 2024, the aim is that green leases will account for at least 80 percent of the rental value.

Our climate impact

The daily business at Annhem mainly involves the consumption of energy and water, and the generation of emissions and waste. These components are necessary for moving us onward, but every area includes major opportunities for us to influence our climate impact. Through work to increase energy efficiency, to use green electricity and heating, water-savings measures, green vehicles and recycling, we reduce our climate impact. With the aim of achieving emissions-neutral property management (Scope 2) by 2030, we

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

regularly review these components in our operations, and continuously work to identify opportunities and enhance our efficiency.

Energy consumption

Annhem has many new buildings and has a clear-cut plan for their energy management. Firstly, we ensure that the systems for energy recycling and purchased energy work in the intended manner. Thereafter, we work to optimise our systems. As a third step, we study whether there are opportunities to invest in even better systems. For example, we have solar cells on a number of our properties.

In our business parks, we have potential to optimise the energy systems in a number of our buildings by adjusting or replacing older installations. This work is conducted continuously. We are also working actively to study whether it is possible to build a solar park in one of the business parks.

An important goal for Annhem is to reduce total energy consumption in the entire property portfolio. We shall work to reduce the amount of purchased energy by 3 percent annually by the end of 2024.

The use of solar cells is a highly sustainable and attractive way of generating energy. The property sector has major potential to increase such energy production by installing solar cells on roofs. Work to increase the installations and the use of solar cells, also in the form of solar cell facilities, is assigned high priority in Annhem's sustainability strategy for 2022. In 2021, 0.5 kWh/sqm was generated from solar cells. Annhem's target is to produce 3 kWh/sqm by 2024.

Water consumption

Annhem works to measure and monitor the water consumption of all properties. In areas where consumption is particularly high, measures are continuously introduced to save water. In maintenance and refurbishment, water-saving taps are always used in addition to other low-consumption alternatives, such as toilets and showers. Annhem's water consumption was 185 litres per sqm in 2021.

Our short-term objective is to ensure efficient routines for the measurement and follow-up of consumption. The long-term goal is to reduce water consumption by 1 percent per year per sqm. We

engage in open dialogue with our tenants, where we disseminate knowledge of water consumption and provide tips on how the tenants themselves can help to save.

Emissions and transportation

Measuring, monitoring and enhancing the efficiency of energy consumption in our properties, acquiring properties with a high energy class and installing smarter ways of generating energy are also important tools in work to address the business's carbon and greenhouse gas emissions. Annhem always purchases environmentally certified district heating when the opportunity exists, and we work hard with carbon offsetting in other cases.

Work to regulate our emissions is conducted continuously and permeates all parts of the business. A central feature of this work involves distinguishing direct emissions in the business from indirect emissions from travel, waste, purchases of goods and services, etc. The difference is important because opportunities to measure, follow up and influence emission levels appear in different ways. For direct emissions, we have the objective of reducing them by 3 percent per year. For indirect emissions, our aim is to reduce levels for comparable holdings. We are working throughout the operations to achieve climate-neutral property management by 2030.

In 2021, only environmentally certified company cars were leased in Annhem and, in line with our goals in this matter, we will



THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

continue to work in the same way moving forward. In the start-up year 2020, the proportion of environmentally certified company cars in the operations was 60 percent. The corresponding figure for leased service vehicles was 0 percent. In 2021, 100 percent of company cars and 0 percent of service vehicles were environmentally certified. The objective is to exclusively use electric or plug-in hybrids for both company cars and service vehicles in the business, and thereby continuously maintain a 100-percent level for the proportion of environmentally certified cars. An important feature of this work is a delivery of environmentally certified service vehicles, which is planned for the first quarter of 2022. All Annhem properties are located in central business districts of major or midsize cities, where the infrastructure and access to public transport is favourable.

Recycling

For us at Annhem, it is important to provide our tenants with good opportunities to live sustainably. Offering recycling stations is one such measure we can take. Annhem intends to introduce recycling rooms that will facilitate sorting into four fractions in all properties, in line with our objective that all of our tenants shall have access to a waste station offering sorting at source by 2024.

Good relations

Our relationships are the key to enabling us to grow and continue to develop our sustainability work. For this reason, it is essential that we carefully nurture our relationships. By being an attractive workplace with a focus on gender equality and health, we build good relationships with our employees. With the help of sustainability audits, our Code of Conduct and by offering green leases, we build favourable relationships with suppliers and customers.

Employees

To achieve favourable and continuous employee satisfaction, we engage in close dialogue with our employees. We want our employees to have a high sense of well-being, and an important aspect of this is that we offer secure health insurance on beneficial terms. We also monitor long-term periods of illness and offer help and individual plans for a return to the workplace. Total absence

due to illness within the business in 2020 and 2021 was 1.49 percent and 0.27 percent, respectively. Our objective is to continue to maintain the level under 3 percent.

A further tool for favourable employee relations is Annhem's annual employee survey. Our score in the employee index was 72 for 2020 and 73 for 2021. The aim is to continue to maintain a score in excess of 70. With the help of our personnel handbook, we work with clear policies and guidelines that create a structure between the company and our employees.

Diversity and equal opportunity

In Annhem's opinion, gender equality contributes to a positive value trend and it is therefore a self-evident feature of our operations. Annhem strives to achieve a balance between gender, age and ethnic background, and always considers the diversity perspective in new recruitment. When candidates have equivalent skills, we make a choice in accordance with our equality objectives. Women accounted for 50 percent (33) of Annhem's management team in 2021 and 56 percent (53) of all employees.

Important tools in our equality efforts include our personnel handbook, sustainability policy, Code of Conduct and whistleblower function. We also have zero tolerance for all forms of corruption and financial irregularities, such as bribery, illegal commissions, fraud, embezzlement and money laundering.

In November, Annhem received the satisfying news from Allbright that we came in sixth of 339 companies evaluated in its equality ranking of Swedish listed companies. We are very proud of this.

Satisfied customers

Our customer relationships are important to the business, and we work for long-term and rewarding relationships every day. Important tools for favourable customer satisfaction are offering all commercial tenants at least one tenant meeting per year, and that we annually implement a CSI (customer satisfaction index) survey. Our objective is to be above the industry average, which currently corresponds to 76. In 2020, we had a CSI score of 82. The corresponding score for 2021 was 77.

Suppliers

At Annhem, we nurture favourable relationships with our suppliers and it is important to us that, like us, they work for a sustainable society. Accordingly, it is a requirement that our suppliers act in accordance with our Code of Conduct, which is always appended when negotiating with new suppliers. We also require the use of ID06 cards for personnel at construction sites, to ensure a safe and secure work environment. To build sustainable partner relations, we work according to the objective that all strategic partners must be sustainability audited and approved by 2024. In both 2020 and 2021, 100 percent of our suppliers fulfilled this requirement.

Sustainability targets

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Properties	Outcome in 2021	Outcome in 2020	Target for 2022	Long-term goal 2024	Comments
Environmental certification in relation to value, %	85%	68%	N/A	90%	
Environmental certification when acquiring new properties, %	100%	68%	100 percent at least Swedish Green Building Council Silver or equivalent	100 percent at least Swedish Green Building Council Silver or equivalent	Only acquiring properties that already have or have the potential to achieve an energy classification that matches the targets.
Energy performance, share of fair property value that is taxonomy-eligible.	85%	40%	N/A	90%	The goal for our properties is to be among the 15 percent with the best energy performance in each country.
Energy consumption (purchased energy MWh)	19,163	N/A	18,588	17,438	Reduce energy intensity by 9 percent by 2024.
Energy intensity of purchased energy (kWh/sqm)	91	N/A	88	83	Reduce energy consumption by 3 percent compared with 2021, which corresponds to a saving of 9 percent up to 2024.
Energy from solar cells (kWh/sqm)	0.5	0.5	N/A	3.0	
Emissions					
Scope 1 (kgCO ₂)	57,768	N/A	56,035	52,569	Direct emissions in the operations: Includes travel with company cars, owned vehicles in fleet, such as tractors, ploughs and lawnmowers, as well as filling up/destruction of coolants. Reduce emissions by 9 percent by 2024.
Scope 2 (kgCO ₂)	106,206	N/A	95,585	74,344	Purchased energy – sold energy. Reduce emissions by 30 percent by 2024 for comparable holdings.
Scope 2 intensity (kgCO ₂ /sqm)	0.50	N/A	0.45	0.35	Purchased energy – sold energy. Reduce emissions by 30 percent by 2024.
Scope 3 (kgCO ₂)	607,092	N/A	N/A		Indirect emissions: The tenants' purchased energy from the landlord, as well as business travel with their own vehicles and for air travel.
Total emissions (kgCO ₂)	771,066	N/A	N/A		We shall be carbon neutral in Scope 2 by 2030.

Properties	Outcome in 2021	Outcome in 2020	Target for 2022	Long-term goal 2024	Comments
Recycling of waste, %	100%	N/A	The aim is that 100 percent of the tenants will have access to a waste station based on sorting at source	The aim is that 100 percent of the tenants will have access to a waste station based on sorting at source	Introduce recycling stations for at least four fractions in all properties.
Water use litres/sqm	185	N/A	Reduce water consumption by 1 percent annually per sqm compared with 2021	Reduce water consumption by 3 percent per sqm compared with 2021	Includes the tenants' usage.
Proportion of environmentally certified company cars, %	100%	60%	100%	100 percent electricity or plug-in hybrids	Only lease vehicles according to objectives.
Proportion of environmentally certified service vehicles, %	0%	0%	100%	100%	
Employees					
Satisfied employees, employee index	73	72	>70	>70	
Low sickness absence, %	0.9%	1.5%	<3%	<3%	
Equality in management team, % of women	50%	33%	An even distribution is the aim	An even distribution is the aim	
Gender-equal employees, % of women	56%	53%	An even distribution is the aim	An even distribution is the aim	
Supply chain					
Audit of strategic suppliers, %	100%	N/A	100%	100%	
Financing					
Green financing, %	14%	N/A	16%	90%	
Customers					
Customer satisfaction index	77	82	Above industry average N/A	Above industry average >76	
Green leases, proportion of rent revenue, %	24%	N/A	N/A	80%	

Sustainability overview by property

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

City	Property designation	Fair value, SEK million	Type of premises	Certification	Green district heating	Green electricity	Energy class
Stockholm	Sadelplatsen 3	945	Offices	BREEAM Good	YES	YES	B
Stockholm	Sadelplatsen 4	356	Offices/garage	Breeam in use Very Good	YES	YES	B
Stockholm	Ledvolten 1	309	Offices/garage	BREEAM Very Good	YES	YES	B
Helsinki	Ultimes I & II	907	Offices	LEED Platinum	YES	YES	B
Malmö	Stenekullen 2	240	Offices	Swedish Green Building Council Silver	YES	YES	A
Malmö	Kamaxeln 4	19	Light industry	Not certified	NO	YES	N/A
Gothenburg	Partille Port 11:60	191	Supermarket/retail	Breeam in use very good	YES	YES	C
Oslo	Carl Berner Torg	309	Supermarket/retail	BREEAM Very Good	YES	YES	B
Helsingborg	Jupiter 11	134	Offices	Swedish Green Building Council Silver	YES	YES	B
Ängelholm	Barkåkra 50:3	390	Park	Not certified	YES	YES	B-G
Ljungbyhed	Sjöleden 1:5-1:17	194	Park	Not certified	YES	YES	B-G
Total		3,994					



THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92



The interior creates culture and builds context

The role of the office and the value of having an office at all has been increasingly illuminated in the wake of the pandemic. We met accountant and controller, Martina Holm, who could draw upon her considerable spare-time interest in interior design in Annhem's imminent move to new premises of its own.

It all began when Martina worked at Peab and with the project of starting up an accounting function for the new spin-off, Annhem. She has now been at Annhem for nearly two years and really enjoys working here.

What's it like working as an accountant and controller at Annhem?

"Periodically, a lot of work but simultaneously great fun. It's up and down, just like it is working with accounting, year-end reports and the like. But what has been particularly fun is having been part of this right from the start. This has enabled us to influence more and has also created better unity in the group."

Martina goes on to explain what it's like working for Annhem: "Everyone gets to have their say and there is an openness to new ideas. Questions are welcomed and you can joke with everyone, which is really nice. We have short decision-making paths. I guess that's one of the advantages of being small and new."

Employee case

The relocation is important from a trademark perspective

Since Annhem was founded, the company has shared premises with Peab. In spring 2022, the removal trucks will go to own premises that are also significantly larger than those we have today. Meanwhile, many companies are doing the opposite – moving to co-working facilities and essentially crowding together with more companies with even less space.

"It feels really important for the entire company and especially for those of us sitting in Solna to have our own offices, our own platform."

"My proper job and title is accountant and controller, but now that we're relocating to the first office of our own, I have also become an interior designer," says Martina, laughing.

What role do the new offices play for Annhem?

"It feels really important for the entire company and especially for those of us sitting in Solna to get out and have our own offices, our own platform. Not least from a trademark perspective."

The new offices will feel spectacular

How would you describe Annhem's new premises?

"They should feel spectacular and stand out a little, while they must also feel warm and welcoming. We want to depart from the classical office feeling and preferably want it to feel like home. It will all be tone on tone and we will mix materials. The colours will be earthy and we will use living materials, such as different types of wood mixed with solid raw material such as concrete."

The new premises are the result of a long, well-thought-out process for Annhem.

"Large windows that admit a lot of light and high ceilings that generate energy, which in turn will keep us employees happy and make us more creative, and so forth. Well-planned interiors lead to a positive spiral, create culture and build context."

Annehem's sustainability journey has just begun



Viveka Frankendal

Sustainability work is a natural feature of Annehem's core business. Viveka Frankendal, COO and Head of Sustainability at Annehem, has a positive view of the future.

Annehem's business model is based on sustainability

Why is sustainability a prerequisite for business at Annehem?

"At Annehem, we only acquire properties that already are or have the potential to be environmentally certified to at least the level of Swedish Green Building Council Silver or the equivalent, with a low energy classification that is taxonomy-eligible. In other words, all dimensions of sustainability are weighed in directly in order to attract and retain customers, colleagues and capital. This combination leads to sustainable growth and profitability."

For well-reputed customers, sustainability-certified properties are a hygiene factor. In addition to self-evident factors such as energy-efficient properties, good daylighting, good air quality, social spaces and green plants are important aspects of a sound work environment. The location as such is also important, in terms of close proximity to public transport and a good offering of restaurants. There should preferably be amenities in the vicinity so that our customers save time when travelling to the office and save

time on travel; there can also be, for example, access to exercise premises.

The pandemic has illuminated the importance of having a place that generates added value. Viveka's personal belief is that creativity is generated in the meeting between people.

"The value of the social benefit of meeting one's colleagues and bouncing ideas should not be underestimated, and these are aspects that a lot of employees need. And which you do not always get through digital meetings. I am convinced that the meeting with people is important."

Sustainability thinking has always been a feature of Viveka's work.

She has never during her 30 years in the industry, when she has worked in property-owning companies and as a consultant, introduced herself as head of sustainability even if sustainability has

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

always been a feature of her work. Now she has the title of COO, which entails responsible for property management, sustainability and transactions at Annehem.

Why did you choose to work for Annehem?

“Being able to participate in and form a company from the foundation up attracted me greatly. Annehem is a future-oriented company with a long-term ownership horizon. For me, a long-term approach is sustainability.”

How do you believe the property sector will develop in terms of sustainability?

“The focus has switched from energy savings in an individual building in order to cut costs to now adopting a comprehensive approach to the property’s total impact on the environment and people in its long-term use.”

An important part of Annehem’s sustainability work is that the employees should have a sustainable working life and be treated equally regardless of gender and ethnic origin.” In Albright’s annual survey, Annehem was ranked as the sixth best company in respect of equality out of the 339 listed companies that were surveyed. Viveka is very proud of this.

“I’m really looking forward to continuing the journey of growth that we have already embarked upon.”

The future appears bright

Viveka joined Annehem in March 2021. When she joined Annehem, there was already a distinct trend towards sustainability. Annehem is a young company with considerable sustainability ambitions and clearly established goals (which you can read more about in the Sustainability section on pages 25–30).

“To achieve these goals, the majority of the procedures and processes needed to be able to follow up and actually measure our impact were established in 2021. This requires lots of work



and commitment from everyone in the company in order to attain our goals and communicate what we have done and the results we have achieved.”

How do you view the sustainability work that lies ahead?

“Our two business parks in Skåne – Valhall Park and Ljungbyhed Park – will be the greatest challenge but also our greatest opportunity to actually make a difference.”

Viveka relates that compared with Annehem’s newly acquired properties, the buildings in the business park are generally older and were thus not subject to the same sustainability requirements

when they were built. The opportunity is that there is continuous improvement potential not least in terms of energy savings. With respect to the work environment, the parks are at the cutting edge, with proximity to green areas, access to physical activity and other aspects that are in line with a sustainable work environment.

What are you looking forward to the most?

“I’m really looking forward to continuing the journey of growth that we have already embarked upon. We shall complete more sustainable transactions. Achieving and surpassing ambitious objectives together with the collective competencies of the team has always been my driving force.”

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

The Annehem share

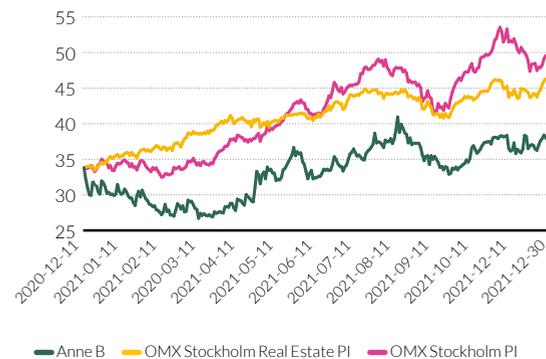
Annehem Fastigheter's B share has been listed on Nasdaq Stockholm since 11 December 2020 under the ticker ANNE B. Annehem Fastigheter AB was formed on 1 January 2020 as a separate property Group within Peab. On 12 November 2020, Peab's extraordinary general meeting resolved on a distribution of Annehem to Peab's shareholders and to list Annehem's B shares on Nasdaq Stockholm.

Share price trend and turnover in 2021

On the first day of trading in 2021, 4 January 2021, the Annehem share closed at a price of SEK 31.1 per share. The last price paid on 30 December was SEK 37.3 per share, which compared with the closing price on 4 January corresponded to an increase of 19.9 percent. The Stockholm Stock Exchange as a whole, OMX Stockholm PI, grew by 33.8 percent in the corresponding period and the OMX Stockholm Real Estate PI rose 44.1 percent during the same period.

Between 4 January and 30 December, a total of 27.2 million shares were traded on Nasdaq Stockholm at a value of SEK 882 million. On average, 75.9 thousand B shares were traded per day. The average turnover rate amounted to 46.0 percent on Nasdaq Stockholm.

Share performance 2021 ¹⁾



¹⁾ Refers to the closing price on 11 December 2020 – 30 December 2020.
Source: Bloomberg

Shareholders and ownership structure

At 31 December 2021, Annehem Fastigheter had 31,811 shareholders, distributed across Swedish and foreign foundations, institutions and private investors. At year end, the ten largest owners held 47.8 percent of the capital and 72.1 percent of the votes. At 31 December 2021, Ekhaga Utveckling AB was the largest shareholders with 21.0 percent of the capital and 48.4 percent of the votes.

Ten largest shareholders, A and B shares, at 31 December 2021

Shareholder	Number of shares	Share of capital, %	Share of votes, %
Ekhaga Utveckling AB	12,394,067	21.0	48.4
Paulsson family	2,394,105	4.1	7.7
Volito AB	4,800,000	8.14	6.21
Peab Profit-sharing fund	2,403,800	4.1	2.0
Strandblocket Holding AB	208,432	0.4	1.6
Carnegie Spin-off	1,750,000	3.0	1.5
UBS Switzerland AG	259,769	0.4	1.4
Kamprad Family Foundation	1,720,000	2.9	1.4
Handelsbanken Microcap Norden	1,171,969	2.0	1.0
SEB Fastighetsfond Norden	1,108,246	1.9	0.9
Other shareholders	30,782,160	52.2	27.9
Total	58,992,548	100.0	100.0

Source: Euroclear

Number of shares and share capital

The number of shares in Annehem at 31 December 2021 was 58,992,548, of which 6,863,991 were A shares and 52,128,557 B shares. Each B share in Annehem entitles the holder to one vote at shareholders' meetings and each A share entitles the holder to ten votes. Each shareholder is entitled to vote for all shares owned or represented by the shareholder. All shares in Annehem carry

Data per share	2021	2020
Share price at year end, SEK	37.3	31.65
Lowest closing price, SEK	26.70 ¹⁾	29.9
Highest closing price, SEK	40.95 ²⁾	33.8
Performance Annehem B since listing, %	10.4	-6.4
Market capitalisation at year end, SEK million	1,944	1,650
Turnover rate Nasdaq Stockholm, %	46.0	16.3
Earnings per share, SEK	3.56	1.22
Income from property management per share, SEK	1.46	0.76
Long-term net asset value per share, SEK	40.9	36.3
Number of outstanding B shares at year end	52,128,557	52,128,557
Total number of shareholders	31,811	39,787

¹⁾ (19 Mar 2021)

²⁾ (31 Aug 2021)

Source: Bloomberg, Euroclear and Nasdaq

equal rights to dividends, and assets and any surpluses in the event of liquidation. The rights associated with the shares, including rights under the Articles of Association, may only be amended in accordance with the procedures set out in the Swedish Companies Act (2005:551).

Dividend and dividend policy

The profits shall essentially be reinvested in order to utilise business opportunities and achieve Annehem's growth targets. Read more about the growth targets on pages 11–12 of the Annual Report.

Investor contact

Jörgen Lundgren CEO jorgen.lundgren@annehem.se +46 (0)76-843 05 08 Or contact ir@annehem.se	Jan Egenäs CFO jan.egenas@annehem.se +46 (0)70-593 71 38
---	---

Coverage by analysts

Analysts who monitored Annehem in 2021:
Katja Melnikova, Nordea Markets
Information regarding analysts who monitor Annehem can be found on our website via the following link: www.annehem.se/investors/

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

CFO's comments

I have had the opportunity to be involved at a very early stage in the formation of Annehem Fastigheter AB, which has been an interesting and intense experience. We have now been listed for slightly more than one year.

We are frequently asked how closely connected we are to Peab AB, which is natural because we have acquired Peab's fully developed properties in Sweden, Norway and Finland. These form the base of Annehem's property portfolio – a very solid base of modern, flexible and green properties. Peab implemented the market listing via a distribution of shares to Peab's existing shareholders, a so-called Lex Asea spin-off. Since the market listing, Annehem is quoted on Nasdaq, Mid Cap, as a fully independent company with a professional relationship with Peab, just like it has with many other players. The transactions we complete with Peab and other players always occur on commercially competitive grounds with the aim of creating shareholder value for Annehem's owners.

We generate our growth through three streams.

- Acquired but not yet closed properties: Properties under development, whereby we have agreed that we will take possession of the property once it is finished.
- Properties with letter of intent: An opportunity, but not an obligation, to acquire a property when it is completed.
- Transactions market: Continuous analysis of what is on the market, and potential transactions that have not yet come onto the market, known as "off market."

The first two streams are well-defined pipelines where we clearly describe our journey of growth.

During the year, market interest in how well Annehem satisfies the requirements of the taxonomy increased steadily. We can see that Annehem, with its young portfolio of modern and energy-efficient buildings, comfortably meets the requirements placed on green-classed investments.

Jan Egenäs
CFO



THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Financing

Access to capital is a prerequisite for growth and the successful management of properties. Owning properties is a capital-intensive business that means the company is dependent on external loans to develop the property portfolio to continue its expansion. Annehem has a solid platform with a strong balance sheet, low loan-to-value ratio and a guaranteed loan framework of SEK 1.9 billion extending until November 2023. During the year, additional external loans were also raised totalling SEK 234 million with a tenor of two years.

Financial policy

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

Debt management

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

Capital structure at 31 December 2021

Annehem and its subsidiary Annehem Holding 3 AB has entered into a credit agreement with SEB, Nordea and Swedbank. The credit agreement comprises an amount of approximately SEK 1.9 billion divided into three tranches in SEK, EUR and NOK, of which the SEK tranche may be drawn upon on three different occasions. The credit agreement comprises a sum amounting to SEK 1,213 million, EUR 51 million and NOK 176 million. At the end of the year, the NOK and EUR tranches were fully exercised and SEK 420 million remained in SEK. The company has also included Handelsbanken as a new creditor. The new credits from Handelsbanken are green financing in an amount equivalent to SEK 234 million.

The credit agreement contains customary undertakings, commitments and financial covenants (including covenants relating to interest-coverage ratio, LTV and equity/assets ratio).

$\geq 30\%$

Equity/assets ratio

$\leq 60\%$

Net loan-to-value ratio

≥ 2.2

Interest-coverage ratio, multiple

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Risks and risk management

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

The risk factors relate to the Group's business, industry and markets, and also include operational risks, legal risks, regulatory risks, risks related to governance, tax risks and financial risks.

The description below is based on information available when preparing this Annual Report. The risk factors that are currently considered to be the most material are presented first in each category and the subsequent risk factors are presented in no particular order.

The risks and uncertainties described below could have a material adverse effect on the Group's operations, financial position and/or earnings.

Industry and market-related risks

Annehem's operations are affected by macroeconomic factors such as the overall economic trends, national and regional economic trends, employment, production of properties, infrastructure developments, population growth, inflation and interest rates.

Risk	Description of risk	Management
Annehem is exposed to risks related to macroeconomic factors	Annehem's operations are affected by macroeconomic factors such as the overall economic trends, national and regional economic trends, employment, production of properties, infrastructure developments, population growth, inflation and interest rates.	Annehem operates in Stockholm, Helsinki, Oslo, Malmö Helsingborg/Ängelholm and Gothenburg, which are geographic markets that Annehem considers particularly attractive, based on historical data and forecasts.
Crises relate to all risks that arise in the external environment that Annehem cannot influence and are difficult to predict	Crises may consist of terrorism, cyberattacks, extreme weather events, environmental disasters and information leaks.	Emergency plans, order of succession for central functions, insurance, continuity plans for IT, clear guidelines for information security and regular training of personnel. Build on knowledge about the impact of climate change on our operations.
Changing needs and demand for premises	The market for commercial, community service and residential properties is continuously changing as needs and demand change. In addition, the coronavirus pandemic has had an impact on social structures and behavioural patterns.	Annehem has flexible, modern and environmentally compatible premises in areas with good transportation links that allow us to meet changing demands from our tenants and the market as a whole.
The coronavirus pandemic leads to changing needs in regard to space	The pandemic leads to new behavioural patterns in terms of travel, consumption and physical meetings at workplaces and in society at large.	Annehem largely owns modern flexible and adaptable premises that enable us to support our tenants and their change initiatives.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Rent revenue and management

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

Risk	Description of risk	Management
Reduced or lost rent revenue	Lower rent revenue as a result of lower rent levels or a drop in the occupancy rate.	Annhem has long contracts with highly reputed and stable tenants. Continuous renegotiations of contracts produces a good spread of maturities. Annhem's holdings are situated in growing markets and attractive locations.
Bad debt losses	Annhem's risk is that the tenant fails to make payments in accordance with the lease.	Annhem's property managers have a close relationship with the tenants and this allows them to identify any problems at an early stage. When agreeing on a lease, a credit assessment is always made that may be supplemented with collateral in the form of guarantees/ deposits or such like.
Significant increase in operating and maintenance costs	Increased costs, for example media costs due to extreme weather or other unforeseen occurrences, that may impact the cost of building management and insurance costs.	Annhem is actively working to keep operating expenses low, although without neglecting maintenance. Some of these costs are the responsibility of the tenant according to the lease, which reduces exposure for the company.
External managers in Norway and Finland	That external managers fail to fulfil their obligations.	Continuous follow-up and close contacts with the external managers.

Acquisitions and investments

Annhem is a growth company and has completed or plans to complete additional acquisitions, which is associated with some risk. The same applies to tenant-specific modifications in the form of rebuilding and extensions. Incorrect acquisition and investment decisions represent a risk of increased costs and therefore lower return on capital. There is limited exposure as Annhem only acquires projects where the building is taken over after the final inspection is completed or projects with a limited scope of remaining investments. Furthermore, the properties taken into possession are fully leased.

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

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Property value

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

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

Financing

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

Risk	Description of risk	Management
Financing and refinancing risk	Risk that financing cannot be obtained or only at substantially increased costs.	In a long-term perspective, Annhem is dependent on obtaining new loans from creditors. To reduce this risk, the company works with several banks. Furthermore, Annhem has a loan maturity structure of two years.
Interest rate risk	Interest expense is a significant cost item for the company and a change in interest rates has a significant impact on earnings.	In order to limit exposure over time, Annhem will interest-rate hedge at least 60 percent of outstanding credits.
Currency risk	Exposure is currently to NOK and EUR and consists of equity and internal promissory notes.	Part of the risk is managed through borrowing and rental flows in NOK and EUR. The company will currency hedge at least 80 percent of the remaining exposure.
Covenant risk	The terms of the existing borrowing comprise covenants pertaining to loan-to-value ratio, equity/assets ratio and interest-coverage ratio. If these are not met, the borrowing costs may increase or loan agreements may be terminated.	Ensure that the covenant requirements can be met by maintaining good margins and closely monitoring operations.
Counterparty risk, banks	Counterparty risk in cash in bank, borrowing and derivatives mainly concerns the company's borrowing with commercial banks and relates to the risk that these may be unable to fulfil their commitments relating to existing and new financing of the company.	Annhem's counterparty risk is managed by not concentrating borrowing to a single bank but spreading it across several banks with a good rating.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Tax

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

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

Sustainability-related risks

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

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

Risk	Description of risk	Management
Environmental risk linked to pollutants	Known pollution or new pollution is more extensive than expected or new pollution is discovered.	A previous property owner is responsible for the known pollution present in Annhem's holding. A thorough environmental due diligence is conducted in connection with acquisitions.
Climate change and extreme weather	Annhem's operations and earnings could be affected by climate change, such as higher or lower temperatures and increased precipitation. Weather conditions, such as abnormally high or low temperatures, drought, storms and excessive rain or snow, could lead to substantial wear on the properties in Annhem's holding, which may entail significant repair costs.	In conjunction with the acquisition of properties, and on a continuous basis in the existing portfolio, a review is conducted of the dimensions/capacity of surface water management and ventilation/air conditioning systems.
Risk for worsened relations	Stakeholders who do not work in accordance with Annhem's Code of Conduct may have a negative impact on Annhem's reputation and other relationships.	Continuously monitor both new and existing stakeholders to ensure best practices.
Insecure working conditions	Inadequate health and safety procedures could influence security for Annhem's employees.	Continue to follow up sick leave and employee satisfaction as well as the whistleblower function.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Sustainability-related risks, cont.

Risk	Description of risk	Management
Employees	Annhem's operations comprise a relatively small organisation, which involves an increased vulnerability.	We work on the basis of established policies, processes and procedures, making us less vulnerable in the event of any personnel changes.
Bribery and corruption	Risk that an employee acts in manner that is contrary to the company's values or incorrectly abuses their position in the company.	Annhem accepts no forms of threat, bribery or unethical behaviour. Guidelines for this can be found in the company's sustainability policy, which includes a whistleblower function.
Equal opportunities	Discrimination.	Annhem actively opposes discrimination, harassment, sexual harassment and unequal treatment. Guidelines for this can be found in the company's sustainability policy.

Reporting and internal control

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

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

IT support

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

Risk	Description of risk	Management
IT and information security	The risk that the company is subjected to a cyberattack, meaning an electronic attack on information systems, technical infrastructure, computer networks or personal computers. A rise in the use of mobile devices connected to the company's network has created additional entry points for a potential attack. There is a significant risk that a user accidentally or deliberately enables an attack by leaving an access point open or by clicking a malicious link.	The IT function is outsourced to an IT company that is certified in terms of IT and information security. Annhem was careful in tender documents to assess the quality of the services provided and the provider's IT security work. At the present time, the company has installed modern IT security solutions with multi-factor authentication. To limit human error, the company makes stringent demands on processes and internal control, as well as controls regarding information security and has also installed an online training programme to maintain awareness of the issue.

Corporate Governance Report

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Corporate governance in Annehem

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

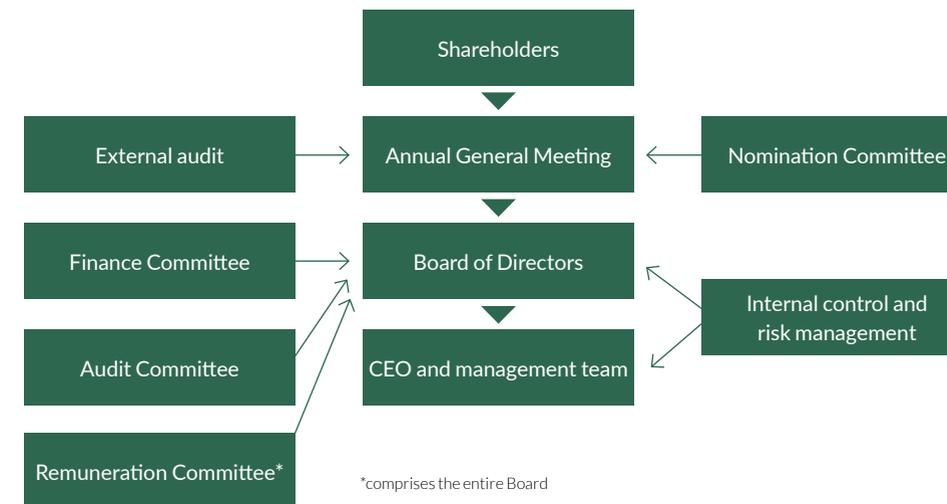
External rules;

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

Key internal rules

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

Corporate governance in Annehem



THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

ARTICLES OF ASSOCIATION

The registered name of the company is Annehem Fastigheter AB (publ). The company's registered office is in Ängelholm. The object of the company's business is to, directly or indirectly, own, manage and develop properties and property-related assets as well as conduct activities related therewith. Changes to the Articles of Association take place in accordance with the provisions of the Swedish Companies Act. The Articles of Association, which also contain information about share capital, number of board members and auditors and provisions regarding the notice and agenda for the Annual General Meeting (AGM), are available in full on annehem.se.

THE SWEDISH CORPORATE GOVERNANCE CODE

The Code is applied to all companies whose shares are traded on Nasdaq Stockholm. The Company is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (according to the so-called "comply or explain principle"). Members of the Nomination Committee were disclosed later than six months before the 2022 AGM, which will be held on 19 May. The Board is of the opinion that the company complies with the Code in all other respects.

THE SHARE AND OWNERS

At year-end, Annehem had 31,811 shareholders. The company has two share classes, Class A shares that entitle the holder to ten votes at shareholders' meetings and Class B shares that entitle the holder to one vote at shareholders' meetings. The company's largest shareholder, Ekhaga Utveckling AB, held 21.0 percent of capital and 48.4 percent of the votes. For further information, see page 34. The Annehem share.

SHAREHOLDERS' MEETINGS

General

According to the Swedish Companies Act (2005:551) (Sw. aktiebolagslagen), the shareholders' meeting is the company's ultimate decision-making body. At the shareholders' meeting, the shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation

of the company's results, discharge from liability of members of the Board of Directors and the CEO, election of members of the Board of Directors and auditors and remuneration to the Board of Directors and the auditors.

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

Right to participate in shareholders' meetings

Shareholders who wish to participate in voting at a shareholders' meeting must be included in the share register maintained by Euroclear Sweden on the day falling six banking days prior to the meeting, and notify the company of their participation no later than on the date stipulated in the notice convening the meeting. Shareholders may attend the shareholders' meetings in person or by proxy and may be accompanied by a maximum of two assistants. Typically, it is possible for a shareholder to register for the shareholders' meeting in several different ways as indicated in the notice of the meeting. A shareholder may vote for all company shares owned or represented by the shareholder.

Shareholder initiatives

Shareholders who wish to have a matter brought before the shareholders' meeting must submit a written request to the Board of Directors. Such request must normally be received by the Board of Directors no later than seven weeks prior to the shareholders' meeting. Shareholders who wish to contact the Board may do so via ir@annehem.se.

2021 ANNUAL GENERAL MEETING

2021 AGM was held on 19 May 2021. The AGM was held pursuant to Sections 20 and 22 of the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198), which meant participation in the AGM was exclusively via postal voting.

The AGM resolved to re-elect Göran Grosskopf, Pia Andersson, Karin Ebbinghaus, Jesper Göransson, Anders Hylén and Lars Ljungålv as members of the Board and to appoint Axel Granlund as a new member of the Board and to re-elect Göran Grosskopf as Chairman of the Board.

The AGM also resolved to pay Board fees, including remuneration for committee work, of not more than SEK 1,300,000.

The AGM resolved to amend the Articles of Association to enable the collection of powers of attorney and postal votes at the shareholders' meeting.

The AGM also resolved to authorise the Board to approve a new issue of B shares to an extent that corresponds to dilution of no more than 10 percent of the number of shares outstanding on the date of the AGM's resolution concerning authorisation, calculated after full exercise of the issue authorisation.

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

NOMINATION COMMITTEE

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

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

Principles for appointing the Nomination Committee

The company shall have a Nomination Committee consisting of a member appointed by each of the three shareholders representing the shareholder with the largest number of votes or ownership group, together with the Chairman of the Board. The Nomination Committee shall be constituted based on shareholder statistics from Euroclear Sweden AB on 30 September each year and other reliable ownership information provided to the company at the time and the Board's Chairman who will also convene the first meeting of the Nomination Committee.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

The Board member representing the largest shareholder shall be appointed Chairman of the Nomination Committee, unless the Nomination Committee unanimously appoints someone else. If earlier than three months prior to the AGM, one or more of the shareholders having appointed representatives to the Nomination Committee no longer are among the three largest shareholders, representatives appointed by these shareholders shall resign and the shareholders who then are among the three largest shareholders may appoint their representatives. Should a member resign from the Nomination Committee before its work is completed and the Nomination Committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder, or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in turn. Shareholders who have appointed a representative to be a member of the Nomination Committee shall have the right to dismiss such member and appoint a new representative of the Nomination Committee. Changes to the composition of the Nomination Committee must be announced immediately.

The company is to pay any necessary expenses that the Nomination Committee may incur in its work, for example, costs for external consultants deemed necessary by the Nomination Committee in order for the Nomination Committee to fulfil its duties. The term of office for the Nomination Committee ends when the composition of the following Nomination Committee has been announced.

The Nomination Committee's duties and nomination process

The Nomination Committee shall fulfil the duties that are incumbent upon the Nomination Committee according to its instructions (adopted by the shareholders' meeting) and rules contained in the Swedish Code of Corporate Governance. The Nomination Committee's main duty is, on behalf of shareholders, to prepare and present proposals to the AGM as regards the election of the Board, election of Chairman of the Board and Board fees as well as a proposal for the election of the auditor and remuneration of the auditor. In addition to this, the Nomination Committee presents, to the extent deemed necessary, proposals for changes in the current instructions for the Nomination Committee.

The nomination of members of the Board and auditor ahead of the AGM is consistent with the applicable instructions for

Annhem's Nomination Committee. As regards the composition of the Board, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy and objective. The Nomination Committee will continue its long-term work to highlight gender and diversity perspectives on the Board and therefore strives for a balanced gender distribution on the Board over time.

The composition of the Nomination Committee

According to the applicable instructions for Annhem's Nomination Committee, the Nomination Committee shall consist of a member appointed by each of the three shareholders representing the shareholder with the largest number of votes or ownership group, together with the Chairman of the Board. The Nomination Committee shall be constituted based on shareholder statistics from Euroclear Sweden AB on 30 September each year and other reliable ownership information provided to the company at the time and the Board's Chairman who will also convene the first meeting of the Nomination Committee. The Board member representing the largest shareholder shall be appointed Chairman of the Nomination Committee, unless the Nomination Committee unanimously appoints someone else.

In accordance with the instructions, the following have been appointed as members of the Nomination Committee for the period until the 2022 AGM:

- Ulf Liljedahl, representing Volito and Chairman of the Committee
- Fredrik Paulsson, representing Ekhaga Utveckling
- Anders Sundström, representing Mats Paulsson
- Göran Grosskopf, Chairman of the Board of Directors

The term of office for the Nomination Committee ends when the composition of the following Nomination Committee has been announced.

BOARD OF DIRECTORS

The Board of Directors is the second-highest decision-making body of the company after the shareholders' meeting. The Board of Directors is responsible for the organisation of the company and the management of the company's affairs, which means that the

Board of Directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial condition and profits as well as evaluating the operating management.

Moreover, the Board of Directors appoints the company's CEO. According to Annhem's Articles of Association, the members of the Board of Directors shall be not less than three and not more than nine members with no deputy members. Members of the Board of Directors are appointed each year by the shareholders' meeting for the period until the end of the next AGM.

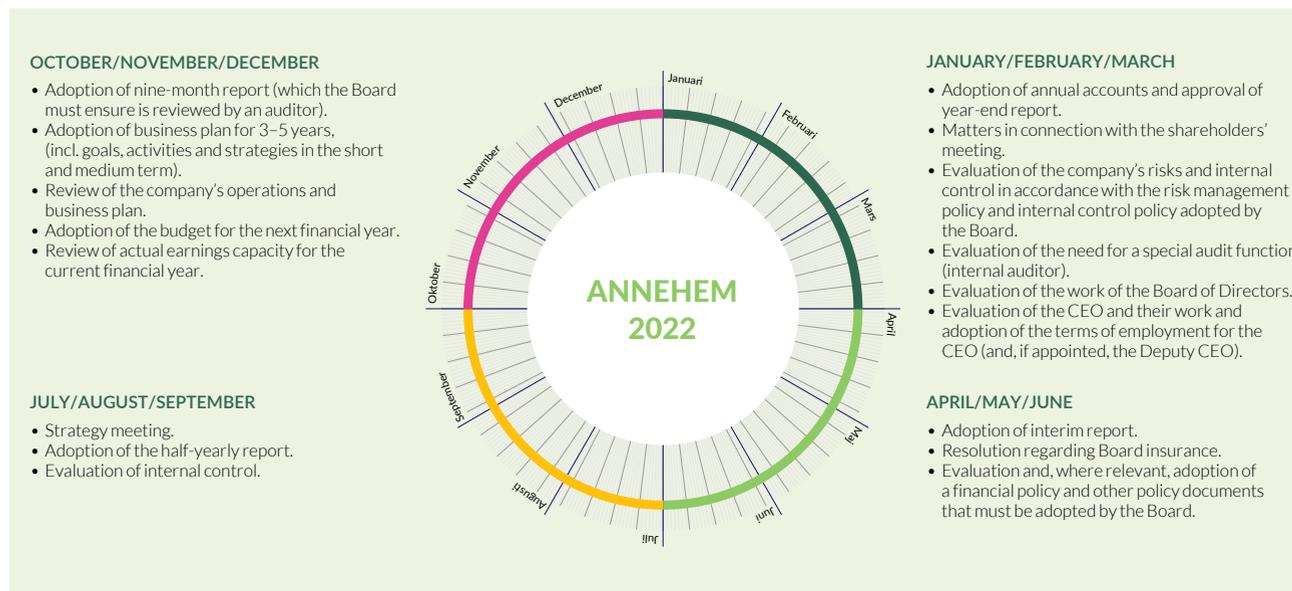
At the end of 2021, Annhem's Board consisted of seven ordinary members, including the Chairman of the Board, without deputies of whom Göran Grosskopf, Pia Andersson, Karin Ebbinghaus, Jesper Göransson, Anders Hylén, and Lars Ljungälv were re-elected at the AGM on 19 May 2021. Axel Granlund was elected as a new member of the Board. Göran Grosskopf was re-elected Chairman of the Board of Directors. For information about the members of the Board of Directors and their assignments outside the company and shareholdings in Annhem, see page 48.

Information about remuneration of members of the Board of Directors as adopted by the 2021 AGM can be found in Note 5, on pages 69–71.

The work of the Board of Directors

Annhem's Board of Directors held 12 meetings in 2021 – of which one was a statutory meeting. According to the applicable rules of procedure, the Board shall hold at least six ordinary meetings each calendar year, of which one statutory meeting. The Board meetings are held in conjunction with the company's reporting, when the annual accounts, the proposed distribution of profit and questions in connection with the AGM are addressed in January, interim reports in April, July and October, strategy in August and the budget for the next year at the meeting in December. At each of the ordinary Board meetings, issues of material importance for the company are addressed, such as investments and any divestments of properties as well as financing. The Board is also informed of the current business situation in the rental and property market and the credit market. Issues concerning work environment, incident reporting and customer-related questions are dealt with on an ongoing basis

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92



by the Board. The Board also has meetings with auditors without the presence of management. Routine matters discussed by the Board in 2021 also included company-wide policies, overall strategy plan, the rules of procedure for the Board, capital structure and financing needs, sustainability work, operating model and organisational issues, as well as the company's insurance situation.

In 2021, the work of the Board focused on efforts connected to the impact of the ongoing coronavirus pandemic on the position and solvency of tenants, in addition to the aforementioned routine matters. The Board also spent a great deal of time evaluating acquisition opportunities and on sustainability issues, risk management and matters related to the listing on 11 December 2020.

Audit Committee

Annehem has an Audit Committee consisting of three members: Karin Ebbinghaus, Göran Grosskopf and Lars Ljungälv with Göran Grosskopf as Chairman. The company's CFO presents reports to the Audit Committee. The Audit Committee shall, without it

affecting the responsibilities and tasks of the Board of Directors, monitor the company's financial reporting, monitor the efficiency of the company's internal controls and risk management, keep informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the company, and assist in the preparation of proposals for the shareholders' meeting's decision on election of auditors.

In 2021, the Audit Committee held six minuted meetings which addressed the aforementioned items.

Finance Committee

Annehem has a Finance Committee consisting of two members: Pia Andersson and Jesper Göransson, with Jesper Göransson as Chairman. The company's CEO presents reports to the Finance Committee. The Finance Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among

other things, oversee work with capital structure and other financing matters and prepare investments/divestments of immovable property ahead of a decision by the Board. Ensure the financial policy is updated and complied with. The Finance Committee held four minuted meetings in 2021.

Remuneration Committee

The Board of Annehem carries out the duties of the Remuneration Committee in their entirety.

The Board's duties in this respect consist of making decisions about remuneration principles, remuneration and other terms of employment for the senior executive team, including submitting recommendations to the AGM on guidelines for salary and other remuneration of Board members, the CEO, Deputy CEO and other senior executives. In addition, the Board is to monitor and evaluate the variable remuneration programmes for the senior executive team that are current or have been completed during the year, to monitor and evaluate the application of guidelines for salary and other remuneration of the CEO, Deputy CEO and Board members that the AGM will resolve on, as well as the company's current remuneration structures and levels. Refer also to "Remuneration to the members of the Board of Directors, CEO and senior executives."

Attendance at meetings

Attendance by the members of the Board at Board meetings and Committee meetings in 2021 is shown in the table below.

Name	Function	Joined Board, 2020	Board meetings	Audit Committee	Finance Committee
Göran Grosskopf	Chairman	March 2020	12/12	6/6	-
Jesper Göransson	Member	March 2020	12/12	-	3/4
Pia Andersson	Member	March 2020	12/12	-	4/4
Anders Hylén	Member	March 2020	11/12	-	-
Karin Ebbinghaus	Member	August 2020	12/12	6/6	-
Axel Granlund	Member	May 2021	6/6	-	-
Lars Ljungälv	Member	August 2020	12/12	6/6	-

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

THE CEO AND OTHER SENIOR EXECUTIVES

The CEO is subordinated to the Board of Directors and is responsible for the everyday management and operations of the company. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling information for the Board meetings and for presenting such materials at the Board meetings.

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

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

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

Remuneration to the members of the Board

Fees and other remuneration to the members of the Board of Directors, including the Chairman, are resolved by the shareholders' meeting. At the AGM held on 19 May 2021, it was resolved that the fee to the Chairman of the Board of Directors should be SEK 300,000 and that the fee to the other members should be SEK 150,000 and for committee work SEK 20,000 per year for each committee assignment.

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

Current employment agreements for the CEO and other senior executives

Decisions as to the current remuneration levels and other conditions for employment for the CEO and the other senior executives have been resolved by the Board of Directors.

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

The CEO has a period of notice of six months and the employer a period of notice of twelve months. For the other senior executives, the period of notice is either six months if the senior executive terminates the employment and nine months if the company terminates the employment. All senior executives shall receive unchanged salary and other employment benefits during the notice period.

Information about remuneration of the CEO is given in the remuneration report on page 50.

INTERNAL CONTROL

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

The company's internal control includes control of the company's and the Group's organisation, procedures and support measures. The company's main area of focus in internal processes and controls is based on the company's risk assessment, which is revised annually. Processes and measures of control have been developed in close collaboration with the company's advisors but is based on Annehem's needs and current industry practice within the line of business of which the company operates. The company's objective is to ensure reliable and accurate financial reporting, that the company's and the Group's financial statements are prepared in accordance with applicable law and generally accepted accounting principles, that the company's assets are protected, and to ensure compliance with other applicable requirements, regulations and recommendations. The company's internal controls are also designed to monitor compliance with the company's and the Group's policies, principles and instructions. The company's internal controls also include risk assessment and follow-up of incorporated information and business systems.

The company identifies, assesses and manages risks based on the Group's vision and targets. Strategic, compliance, operational and financial risks are assessed annually by the CFO. Annehem conducts a self-assessment (internal control) of the company's

processes and routines on an annual basis. Following implementation of the control, the internal control report is reviewed by the company's external auditor, after which the risk assessment is presented to the Audit Committee and the Board. Self-assessment processes and defined controls for each process are performed annually and reported to the Board. The CFO is responsible for the self-assessment process and reporting on previous deviations or assignments from the Board. The year's assessment showed that the internal control of the company is very good.

AUDITING

The auditor shall review the company's annual reports and accounting, as well as the management of the Board of Directors and the CEO. Following each financial year, KPMG shall submit an audit report and a consolidated audit report to the AGM. Pursuant to the company's Articles of Association, the company shall have not less than one and not more than two auditors and not more than two deputy auditors. The company's auditor is KPMG AB, with Peter Dahllöf as Auditor in Charge.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

These guidelines apply to senior executives who together constitute the company's senior executive team. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after the guidelines were adopted by the 2021 AGM. These guidelines do not apply to any remuneration decided or approved by the shareholders' meeting.

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

The company's strategy is essentially to own and manage high-quality commercial, community service and residential properties with a clear environmental profile located near good transport links in the Nordic growth areas. The company builds lasting relationships and value through management close to customers. For further information on the company's business strategy, see www.annehem.se/investors/.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests,

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the senior executives a competitive total remuneration. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the shareholders' meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 50 percent of the total fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension for the CEO shall amount to not more than 35 percent of the fixed annual cash salary. For other senior executives, the retirement age is 65. Pension benefits should correspond to the ITP plan or be premium based and be capped at 35 percent of the pensionable salary. Variable cash remuneration shall qualify for pension benefits.

Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company cars. Such

benefits may amount in total to not more than 10 percent of the total fixed annual cash salary.

Termination of employment

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

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial, such as net operating income, or non-financial, such as employee satisfaction surveys or customer satisfaction index. They may also be individualised quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including the implementation of its sustainability agenda, by for example being clearly linked to the business strategy or promote the executive's long-term development.

After the end of the measurement period for fulfilment of the criteria for payment of variable cash remuneration, the level of criteria fulfilment is to be assessed and confirmed. The Board of Directors is responsible for the evaluation of variable remuneration to the senior executive unless the Board resolves that the CEO shall be responsible for the evaluation of senior executives with the exception of him/herself. For financial objectives, the starting point for the evaluation shall be the latest financial information made public by the company.

Salary and employment conditions for employees

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

neration to other employees in Annhem Fastigheter AB (publ) will be disclosed in the remuneration report.

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

The Board of Directors has not established a Remuneration Committee. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the AGM. The guidelines shall be in force until new guidelines are adopted by the shareholders' meeting. The Board shall also monitor and evaluate programmes for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and remuneration levels in the company. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

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

Board of Directors

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92



GÖRAN GROSSKOPF

Born 1945.
Chairman of the Board since 2020.

Education: Professor, LLD and Dr Econ.

Other current positions:

Chairman of the Board of Brain-Heart Energy AB, Stiftelsen Stefan Paulssons Cancerfond, Stefan Paulsson Invest AB and Mats Paulssons stiftelse för forskning, innovation och samhällsbyggande. Board member of Maven Wireless AB, ColoPlus AB, Permak AB, Ekhaga Utveckling AB, Medicon Village Fastighets AB and Mats Paulssons Stiftelse.

Shareholding in the company: Göran Grosskopf holds 164,700 A shares and 92,000 B shares in the company.

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: No



PIA ANDERSSON

Born 1961.
Board member since 2020.

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

Other current positions: CEO Varvsstaden AB. Board member of Medicon Village Fastighets AB.

Shareholding in the company: Pia Andersson holds 6,135 B shares in the company and Pia Andersson's related parties hold 957,702 A shares and 1,854,902 B shares in the company.

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: No



KARIN EBBINGHAUS

Born 1972.
Board member since 2020.

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

Other current positions: CEO Elonroad. Chairman of the Board of Kind. Chairman of the Board of Victor Family Office.

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

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: Yes



JESPER GÖRANSSON

Born 1971.
Board member since 2020.

Education: MSc Economics from Lund University

Other current positions: President and CEO of Peab AB. Board member of Fastighets AB Centur.

Shareholding in the company: Jesper Göransson holds 300,000 B shares in the company.

Independent in relation to the company and executive management: No

Independent in relation to major shareholders: No



ANDERS HYLÉN

Born 1963.
Board member since 2020.

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

Other current positions: Board member of Hälsostaden Ängelholm AB, Tornet Bostadsproduktion AB, Dockan Exploatering AB.

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

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: Yes



LARS LJUNGÄLV

Born 1969.
Board member since 2020.

Education: BSc Economics, Lund University.

Other current positions: President and CEO of Bergendahl & Son AB. Board member of Byggmax AB, IKANO Bank AB.

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

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: Yes



AXEL GRANLUND

Born 1983.
Board member since 2021.

Education: M.Sc. Eng. Industrial Economics LTH

Other current positions: Chairman of the Board of EkoBalans Fenix AB. Board member of Volito Aktiebolag, Viarp. Invest AB, Galencia AB, and YouCruit AB.

Shareholding in the company: Holds no shares in Annehem but a related legal person to Axel Granlund holds 300,000 A shares and 4,500,000 B shares in Annehem.

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: Yes

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Senior executives



JAN EGENÄS

Born 1962.
CFO since 2020.

Education: MSc Business and Economics, Umeå University

Previous positions: Interim solution (Einar Matsson, SENS, JR Kvartersfastigheter, Oscar Properties), CEO Swedavia Real Estate, CFO, Deputy Head of Arlanda Airport, Telia Overseas AB.

Board assignments: Chairman Cavandium AB, Board member and owner Egenäs Consulting AB and Board member Iport AB.

Shareholding in the company: Jan Egenäs holds 4,000 B shares in the company.

ADELA COLAKOVIC

Born 1988.
Head of Group accounting since 2020.

Education: BSc Business Administration, Södertörn University

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

Board assignments: –

Shareholding in the company: Adela Colakovic holds 1,000 B shares in the company.

VIVEKA FRANKENDAL

Born 1967.
COO as of 1 March 2021.

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

Previous positions: Head of Property Vincero, Business manager Newsec.

Board assignments: –

Shareholding in the company: Viveka Frankendal holds 2,000 B shares in the company.

JÖRGEN LUNDGREN

Born 1967.
CEO since 2020.

Education: MSc Business and Economics, Mid Sweden University.

Previous positions: CEO of Fastighets AB Norrporten, CEO of Solnaberg Property AB, senior positions within Danske Bank and Nordea.

Current assignments: Chairman of Hedern Fastigheter AB and Board member of Aros Bostadsutveckling AB.

Shareholding in the company: Jörgen Lundgren holds 131,342 B shares in the company.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Remuneration report

Introduction

This report describes how the guidelines for remuneration to senior executives, as adopted by the 2021 AGM, were applied in 2021. The report also contains information about remuneration of the CEO. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes (the "Remuneration Rules") issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in Note 5 (employees, personnel costs and remuneration to senior executives and members of the Board of Directors) on pages 69–71 of the 2021 Annual Report. The Board carries out the Remuneration Committee's work duties in their entirety and information on the work in 2021 is set out in the Corporate Governance Report available on pages 42–49 of the 2021 Annual Report.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the AGM and disclosed in Note 5 on pages 69–71 of the 2021 Annual Report.

Key developments 2021

The CEO summarises the company's overall performance in his statement on pages 5–6 of the Annual Report.

The company's remuneration structure

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

The guidelines are available on pages 46–47 in the 2021 Annual Report. In 2021, the company has complied with the applicable remuneration guidelines as adopted by the shareholders' meeting. There was no derogation from the guidelines and no departure from the decision-making process that shall be used to determine remuneration, as stipulated in the guidelines. The auditor's opinion of the company's compliance with the guidelines is available at www.annhem.se/investors/. No remuneration has been claimed back.

Total CEO remuneration in 2021

Executive's name/position, TSEK	Fixed remuneration ¹⁾	Other benefits ²⁾	Variable remuneration		Extraordinary items	Pension costs ³⁾	Total remuneration	Share fixed/variable remuneration, respectively
			One-year	Multi-year				
Jörgen Lundgren / CEO	2,807	118	1,391	N/A	N/A	914	5,230	73/27

¹⁾ Relates to fixed remuneration paid in 2021.

²⁾ Other benefits consist of company car and medical insurance. Other benefits are defined as fixed remuneration.

³⁾ Pension costs are defined as fixed remuneration.

Share-related and share price-related incentive programmes

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

The performance criteria for the CEO's variable remuneration have been selected to deliver on the company's strategy and to encourage behaviour that is in the long-term interests of the company. In the selection of performance criteria, the strategic objectives and short-term and long-term business priorities for 2021 have been taken into account. Furthermore, the non-financial performance criteria contribute to adapting to sustainability issues and the company's values.

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

Executive's name / position	Description of criteria relating to remuneration component	Relative weighting of performance criteria	a) Measured performance and b) remuneration outcome	
Jörgen Lundgren / CEO	Income from property management	75%	a) 76%	b) TSEK 800
	Sustainability – certification of buildings	25%	a) 100%	b) TSEK 351

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

Profit-impacting items, TSEK	2021	2020 ²⁾	% performance
Remuneration to the CEO	5,230	4,207	4.0%
Consolidated profit after tax	209,700	71,800	192%
Average remuneration based on number of full-time equivalent ¹⁾ employees in the Parent Company	591	570	3.7%

¹⁾ 14.2 full-time equivalents for 2021, excluding members of the senior executive team.

²⁾ Based on nine-month period of employment.

Financial developments and events during the year

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

The Board of Directors and the CEO of Annehem Fastigheter AB, Corp. ID. No. 559220-9083, with its registered office in Ängelholm, hereby submit their Annual Report for the Group and Parent Company for the 2021 financial year. Annehem Fastigheter AB is also referred to as the company or Parent Company. Annehem Fastigheter AB together with its wholly owned subsidiaries are also referred to as Annehem or the Group. Numeric data in parentheses pertains to the previous financial year.

Operations

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

Parent Company

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

Organisation

The number of employees on 31 December 2021 was 18. The organisation includes functions in property management and accounting, as well as the CEO. Functions such as HR, IT, legal and IR are provided by external suppliers. The Group also has external property management organisations for the portfolios in Finland and Norway.

Annehem's organisation comprises management consisting of the CEO, CFO, Head of Group Accounting, and also COO. For more information on senior executives, refer to Note 5.

Property portfolio

On 31 December 2021, Annehem Fastigheter's portfolio of fully developed properties comprised 24 properties located in Helsinki, Stockholm, Oslo, Malmö, Helsingborg/Ängelholm and Gothenburg. The properties largely comprise modern, flexible and environmentally compatible office, community service and residential properties. All properties are 100-percent owned by the company.

The property portfolio had a fair value of SEK 3,994.1 million (3,317.5) and a total floor area of 192,795 sqm (183,720). The total rental value on an annual basis amounted to SEK 243.5 million (214) and occupancy rate to 93.0 percent (95.5).

Earnings trend during the year

Rent revenue amounted to SEK 187.8 million (151.5), an increase of SEK 36.3 million. The change is largely due to the expanded property portfolio, but also higher occupancy rate.

Net operating income rose to SEK 155.8 million (115). Property management reported a surplus ratio of 83 percent (75.9), which was predominantly due to the increase in rent revenue for the period. Property expenses pertain mainly to operating costs such as heating, water, electricity and property upkeep and totalled SEK 61.5 million (57.7).

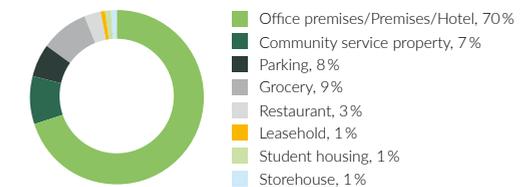
Income from property management amounted to SEK 86.2 million (16). The improvement in earnings was due to an increase in the number of properties and thereby income. Last year's accumulated IPO costs amounted to SEK 19.0 million in 2020, added to which were costs related to the refinancing process of SEK 5.1 million. Interest expenses were essentially unchanged between 2020 and 2021 at SEK 44.1 million. Other financial items amounted to SEK 0.0 million (-6.9)

The changes in value for properties totalled SEK 172.9 million (85.9). The positive trend was mainly due to lower return requirements and the effects of increased leasing in the business parks.

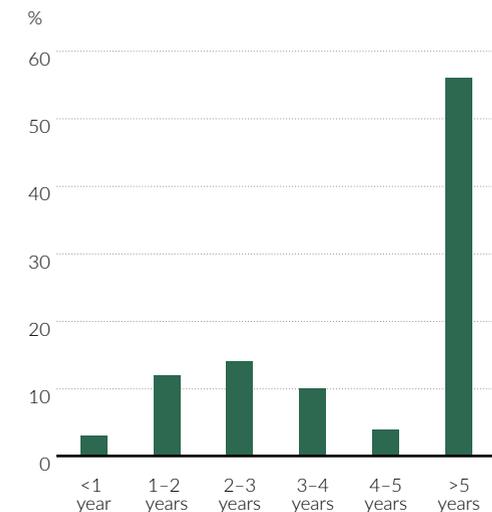
Tax expense for the period amounted to SEK 52.4 million (30.2). The increase in tax expense is due primarily to the growth in value of the property portfolio, which gave rise to deferred tax expenses.

Income for the period amounted to SEK 209.7 million (71.8).

Specification of income



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



THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Balance sheet

The value of the company's investment properties amounted to SEK 3,994.1 million (3,317.5) on 31 December 2021. During the year, Annehem acquired leasehold rights associated with the Ultimes properties, and took into possession the Jupiter 11 property in Helsingborg and the Ledvolten 1 property in Solna in December. Of the total value, SEK 1.8 million comprised the effect of lease value of leasehold rights Kamaxeln 2 Malmö in accordance with IFRS 16 Leases. The fair value of properties is primarily based on internal measurements conducted on 31 December 2021. External valuations by independent appraisers were conducted in the third quarter with 31 August as the date of valuation. During the year, Annehem also invested in existing properties with a value amounting to SEK 52.5 million (137.3) at 31 December 2021. The value of the properties in Finland at 31 December 2021 was positively impacted by the EUR/SEK and the NOK/SEK rates compared with 31 December 2020, yielding a total effect of SEK 40.3 million (34.9).

The company's equity amounted to SEK 2,275.9 million (2,057.9).

Interest-bearing liabilities totalled SEK 1,721.3 million (1,546.9), of which SEK 1.8 million (89.0) comprised lease liability attributable to leasehold rights. In the second quarter, Annehem acquired the leasehold rights associated with the Ultimes properties in Finland for EUR 9.2 million. During the year, Annehem borrowed SEK 234 million from Handelsbanken, on significantly better terms than the existing facility of SEK 1,907 million. The facility can be drawn down in NOK, EUR and SEK, of which SEK 420 million remains to utilise in SEK.

Cash flow

Cash flow from operating activities amounted to SEK 56.1 million (96.9) for the year.

Properties were acquired for SEK 410.9 million (692.0), which included leasehold rights in Ultimes for EUR 9.2 million, and Jupiter 11 in Helsingborg for SEK 131.0 million during the second quarter and Ledvolten 1 in Solna for SEK 290.0 million in the fourth quarter. Cash flow from investing activities amounted to SEK -458.9 million (-830.1).

Cash flow from financing activities for full-year 2021 amounted to SEK 146.1 million (2,105.9), net.

Future developments

The company's overall target is to continue to grow through the acquisition of properties in all of the selected regions and in commercial properties, community service properties and residential homes.

Contracts have been signed for three acquisitions where possession has not yet been taken. Of the three properties, one is a logistics/commercial premises that will be taken into possession in 2022. The two housing projects will be taken into possession in 2022/23 and 2024.

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

Coronavirus pandemic

The coronavirus pandemic has lasted for almost two years. The Annehem management is continuously monitoring developments and has taken appropriate action to protect both personnel and customers.

The initial waves resulted in strong measures that had a significant impact on the conference, retail and restaurant sectors in particular. Annehem's portfolio has done well and only granted rent concessions for just under SEK 0.2 million, as Annehem's exposure is limited to approximately 3 percent of rent revenue.

At present, the restrictions have been lifted and Annehem hopes no further lockdowns, with the resulting consequences, are necessary.

Significant events during the year

- On May 5th, Annehem took possession of Jupiter 11 in Helsingborg for SEK 131 million.
- On May 17th, Annehem signed an agreement to acquire Almnäs 5:28, a fully leased logistics property in Södertälje for SEK 96 million, with possession in the second quarter of 2022.
- On June 17th, Annehem acquired leasehold rights associated with the Ultimes properties in Helsinki for EUR 9.2 million.
- During the fourth quarter, Annehem took possession of Ledvolten 1 in Solna for SEK 290 million.

Proposed distribution of profit

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

Retained earnings	SEK 1,994,003,000
Profit for the year	SEK 30,382,701
Total:	SEK 2,024,385,701

The Board of Directors proposes that earnings be appropriated as follows:

To be carried forward SEK 2,024,385,701.

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

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Financial statements

Consolidated income statement

SEK million	Note	2021	2020
Rent revenue	3	187.8	151.5
Other property income	3	39.1	26.9
Total income		226.9	178.4
Property expenses	4		
Operating costs ¹⁾		-37.5	-44.9
Maintenance costs		-9.2	-10.4
Property tax		-9.6	-5.7
Property administration ¹⁾		-14.8	-2.4
Net operating income		155.8	115.0
Central administration ¹⁾	4	-30.4	-51.5
Other operating income	4	9.9	5.9
Other operating costs	4	-4.9	-2.8
Interest income	13	-	0.2
Interest expenses	13	-44.1	-43.9
Other financial items ²⁾	13	0.0	-6.9
Income from property management		86.2	16.0
Changes in value of properties, unrealised		172.9	85.9
Changes in value of derivative instruments, unrealised		3.0	0.0
Profit before tax		262.1	101.9
Current tax	8	0.2	-4.1
Deferred tax	8	-52.6	-26.1
Net income for the year attributable to the Parent Company's shareholders		209.7	71.8
Average number of shares, before and after dilution		58,992,548	58,992,548
Earnings per share, before and after dilution, SEK		3.56	1.22

¹⁾ Costs for operating and property management personnel was reclassified from the central administration line to the operating costs and property administration lines, respectively. For full-year 2020 the reclassification amounted to SEK -6.8 million, which was transferred from the central administration line to the property administration line.

²⁾ Other financial items comprise primarily exchange-rate effects and realised and unrealised effects of currency futures.

Consolidated statement of profit or loss and other comprehensive income

	2021	2020
Profit for the year	209.7	71.8
Other comprehensive income		
<i>Items that have been or may be reclassified to profit for the period</i>		
Change in the fair value of cash flow hedges	1.5	-
Deferred tax on derivative instruments	-0.3	-
Translation differences on translation of foreign operations	7.1	-7.0
Total other comprehensive income	8.3	-7.0
Comprehensive income for the year attributable to Parent Company's shareholders	218.2	64.8

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Consolidated balance sheet

SEK million	Note	31 Dec 2021	31 Dec 2020
Assets			
<i>Fixed assets</i>			
Intangible assets		0.1	0.1
Investment properties	9	3,994.1	3,317.5
Machinery and equipment	10	4.2	4.3
Derivative instruments	13	0.7	-
Other fixed assets		0.8	0.3
Total fixed assets		3,999.8	3,322.3
<i>Current assets</i>			
Accounts receivable		3.1	5.6
Current receivables	11	24.4	4.5
Derivative instruments	13	5.6	-
Cash and cash equivalents	13	190.2	448.0
Total current assets		223.4	458.1
Total assets		4,223.1	3,780.4
Equity and liabilities			
<i>Equity</i>			
Share capital		0.5	0.5
Other contributed capital		1,786.9	1,786.9
Translation reserve		5.0	-3.3
Retained earnings including net income for the year		483.5	273.8
Total equity	12	2,275.9	2,057.9

SEK million	Note	31 Dec 2021	31 Dec 2020
Liabilities			
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	13	1,721.3	1,546.9
Derivative instruments	13	1.4	-
Other non-current liabilities		3.1	1.6
Deferred tax liabilities	8	139.1	86.5
Pension provisions		1.0	0.4
Total non-current liabilities		1,865.9	1,635.5
<i>Current liabilities</i>			
Derivative instruments	13	1.7	-
Accounts payable and other liabilities		11.9	16.3
Current tax liabilities		4.0	14.6
Other current liabilities	14	63.6	56.3
Total current liabilities		81.3	87.1
Total liabilities		1,947.2	1,722.6
Total equity and liabilities		4,223.1	3,780.4

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Consolidated statement of changes in equity

2020 SEK million	Equity attributable to the Parent Company's shareholders				
	Share capital	Other contributed capital	Reserves	Retained earnings including profit for the year	Total equity
Opening equity, 1 January 2020	0.1	749.6	3.7	202.0	955.5
Profit for the year	-	-	-	71.8	71.8
Other comprehensive income for the year	-	-	-7.0	-	-7.0
Comprehensive income for the year	-	749.6	-7.0	71.8	64.8
New share issue	0.4	-	-	-	0.4
Shareholders' contributions	-	2,000.0	-	-	2,000.0
Other transactions with owners	-	-962.8	-	-	-962.8
Closing equity, 31 December 2020	0.5	1,786.9	-3.3	273.8	2,057.9

2021 SEK million	Equity attributable to the Parent Company's shareholders				
	Share capital	Other contributed capital	Reserves	Retained earnings including profit for the year	Total equity
Opening equity, 1 January 2021	0.5	1,786.9	-3.3	273.8	2,057.9
Profit for the year	-	-	-	209.7	209.7
Other comprehensive income for the year	-	-	8.3	-	8.3
Comprehensive income for the year	-	-	8.3	209.7	218.0
Closing equity, 31 December 2021	0.5	1,786.9	5.0	483.5	2,275.9

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Consolidated cash flow statement

SEK million	2021	2020
Income from property management ¹⁾	86.2	16.0
<i>Adjustments for non-cash items</i>		
Depreciation ²⁾	1.2	0.7
Unrealised currency effects	-8.3	3.9
Income tax paid	-	-1.3
	79.1	19.3
<i>Changes in working capital</i>		
Operating receivables	-18.4	83.8
Operating liabilities	-4.6	-6.4
Cash flow from operating activities	56.1	96.9
<i>Investing activities</i>		
Investments in existing properties	-52.5	-137.3
Acquisition of investment properties	-410.9	-692.0
Sale of fixed assets	4.9	-
Investments in machinery and equipment	-0.5	-0.7
Investments in intangible assets	-	-0.1
Cash flow from investing activities	-458.9	-830.1
<i>Financing activities</i>		
New share issue	-	0.4
Owner contributions	-	2,000.0
Borrowings	234.0	1,814.2
Repayment of loans	-87.9	-1,708.7
Cash flow from financing activities	146.1	2,105.9
Cash flow for the period	-256.7	1,372.6
Cash and cash equivalents at the beginning of the period	448.0	40.4
Exchange rate difference in cash and cash equivalents	-1.1	-2.1
Transactions with owners	-	-962.8
Cash and cash equivalents at the end of the period	190.2	448.0

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

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

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Parent Company income statement

SEK million	2021	2020
Income	34.5	30.0
Administrative expenses	-32.0	-50.6
Operating profit/loss	2.5	-20.6
Profit from financial items		
Profit from participations in Group companies	-	1.0
Net financial items	30.8	16.5
Profit from financial items	30.8	17.5
Appropriations	-3.1	-
Profit before tax	30.3	-3.1
Current tax	-	-3.3
Deferred tax	0.1	-0.1
Profit/loss for the year¹⁾	30.4	-6.5

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

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Parent Company balance sheet

SEK million	31 Dec 2021	31 Dec 2020
ASSETS		
Fixed assets		
Intangible assets	0.1	0.1
Machinery and equipment	0.8	0.5
Financial fixed assets		
Participations in Group companies	16.6	12.5
Non-current receivables for Group companies	1,998.8	2,026.1
Other non-current receivables	0.8	0.3
Total financial fixed assets	2,016.2	2,039.0
Total fixed assets	2,017.1	2,039.5
Current assets		
Current receivables for Group companies	17.0	-
Other receivables	5.9	0.5
Derivative instruments	0.7	-
Cash and bank balances	8.7	0.4
Total current assets	32.2	0.9
TOTAL ASSETS	2,049.3	2,040.4

SEK million	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	0.5	0.5
Non-restricted equity		
Retained earnings	1,993.5	2,000.0
Profit for the year	30.4	-6.5
Total equity	2,024.4	1,994.0
Provisions		
Provisions for pensions and similar obligations	1.0	0.4
Provisions for deferred tax	0.0	0.1
Total provisions	0.9	0.5
Current liabilities		
Derivative instruments	3.2	-
Liabilities to Group companies, accounts payable	5.4	18.0
Accounts payable	1.8	7.2
Current tax liabilities	3.3	-
Other current liabilities	10.4	20.7
Total current liabilities	24.0	45.9
TOTAL EQUITY AND LIABILITIES	2,049.3	2,040.4

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Parent Company statement of changes in equity

2020 SEK million	Restricted equity	Non-restricted equity		Total equity
	Share capital	Retained earnings	Profit for the year	
Opening equity, 1 January 2020	0.1	-	-	0.1
Profit for the year	-	-	-6.5	-6.5
New share issue	0.4	-	-	0.4
Shareholders' contributions	-	2,000.0	-	2,000.0
Closing equity, 31 December 2020	0.5	2,000.0	-6.5	1,994.0

2021 SEK million	Restricted equity	Non-restricted equity		Total equity
	Share capital	Retained earnings	Profit for the year	
Opening equity, 1 January 2021	0.5	2,000.0	-6.5	1,994.0
Profit for the year	-	-	30.4	30.4
Closing equity, 31 December 2021	0.5	2,000.0	30.4	2,024.4

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

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Parent Company cash flow statement

SEK million	2021	2020
Profit before tax	30.3	-3.1
<i>Adjustments for non-cash items</i>		
Depreciation	0.4	0.2
Unrealised exchange-rate effects	1.7	-
Income tax paid	-	-3.4
<i>Changes in working capital</i>		
Operating receivables	-21.8	0.1
Operating liabilities	-25.0	46.5
Cash flow from operating activities	-14.3	40.3
<i>Investing activities</i>		
Granted shareholders' contributions	-4.1	-
Investments in machinery and equipment	-0.5	-0.7
Investments in intangible rights	-	-0.1
Cash flow from investing activities	-4.6	-0.8
<i>Financing activities</i>		
New share issue	-	0.4
Shareholders' contributions	-	2,000.0
Borrowings	-	362.3
Repayment of loans	-	-362.3
Changes interest-bearing receivables, Group companies	27.3	-2,401.3
Cash flow from financing activities	27.3	-400.9
Cash flow for the period	8.4	-361.4
Cash and cash equivalents at the beginning of the period	0.4	-
Transactions with owners	-	361.8
Cash and cash equivalents at the end of the period	8.7	0.4

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

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

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Notes

Note 1	General information and accounting policies	62
Note 2	Estimations and assessments	67
Note 3	Operating segments	68
Note 4	Operating costs	69
Note 5	Employees, personnel costs and remuneration to senior executives	69
Note 7	Transactions with related parties	71
Note 6	Audit fees	71
Note 8	Taxes	72
Note 9	Investment properties	73
Note 10	Machinery and equipment	74
Note 11	Current receivables	74
Note 12	Share capital	74
Note 13	Financial instruments	75
Note 14	Current liabilities	81
Note 15	Participations in Group companies	82
Note 16	Leases	83
Note 17	Pledged assets and contingent liabilities	83
Note 18	Events after the end of the period	83

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Notes

NOTE 1 GENERAL INFORMATION AND ACCOUNTING POLICIES

General information

Annhem Fastigheter AB, Corp. ID. No. 559220-9083, is a Swedish public limited liability company with its registered office in Ängelholm. The company's share has been listed on Nasdaq Stockholm since 11 December 2020. The annual accounts and the consolidated financial statements were approved for publication by the Board of Directors and the CEO on 5 April 2022. The consolidated statement of profit or loss and statement of other comprehensive income and the Parent Company income statement and balance sheet will be presented for adoption at the Annual General Meeting to be held on 19 May 2022.

SIGNIFICANT ACCOUNTING POLICIES

Basis for preparing the statements

Compliance with laws and standards

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

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

Measurement basis

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

Functional currency and presentation currency

The Parent Company's functional currency is the Swedish krona (SEK), which is also the presentation currency for the Group. All

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

Changes to accounting principles resulting from new or amended IFRS

No new or amended IFRS had any material impact on the financial statements.

New IFRS that have not yet been applied

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

GROUP

Classification

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

Assessments and estimations in the financial statements

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

Consolidated financial statements

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

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

Asset acquisitions

Transactions in which the fair value of the acquired assets essentially comprises an asset or a group of similar assets are recognised as a single asset acquisition, using a simplified assessment. When acquisitions of subsidiaries entail an acquisition of net assets without significant processes, the cost is allocated to the individual identifiable assets and liabilities based on their fair value on the acquisition date. Fair value initially includes contingent considerations. Transaction expenses are added to the cost of the acquired net assets in asset acquisitions. Changes in the estimated value on contingent benefits after the acquisition are added to the cost of acquired assets. Deferred tax on temporary differences is not initially recognised. For further information, refer to the section Taxes. Annhem recognises deductions received for deferred tax as unrealised changes in value on the property directly on the date of the acquisition. Changes in value on contingent considerations are added to the cost of acquired assets.

Transactions eliminated on consolidation

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

Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate that prevails on the transaction date. Functional currency is the currency of the primary economic environment in which the entity operates. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate prevailing at the end of the reporting period. Exchange rate differences that arise on translation are recognised in profit or loss for the year. Non-monetary assets and liabilities recognised at historical costs are translated at the

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

exchange rate on the transaction date. Non-monetary assets and liabilities reported at fair values are translated to the functional currency at the rate that prevails on the date of fair value measurement.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including consolidated surplus and deficit values, are translated from the foreign operation's functional currency to the Group's reporting currency, Swedish kronor, using the exchange rate at the balance sheet date. Income and expenses in a foreign operation are translated into Swedish kronor at an average rate that comprises an approximation of the exchange rates applying on each transaction date. Translation differences that arise in currency translations of foreign operations are recognised in other comprehensive income and accrued in a separate component in equity, called the currency translation reserve. When controlling interest over a foreign operation ceases, they are realised to accumulated translation differences attributable to the operation, whereby they are reclassified from translation reserve in equity to profit or loss for the year.

Segment reporting

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

Rent revenue and property income

Rent revenue is notified in advance and accrued in earnings on a straight-line basis during the lease period. All leases are classified as operating leases. In addition to rental charges, rent revenue

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

Income from the sale of property

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

Government assistance

Government assistance is recognised in the balance sheet as accrued income when there is reasonable assurance that the subsidy will be received and the Group will fulfil the conditions associated with the subsidy. Assistance is recognised on a systematic basis in profit for the year in the same way and over the same periods in which the expenses which the grants are intended to offset are recognised, unless the conditions for receiving the assistance are not fulfilled after recognition of the related costs. In these cases, the company recognises a receivable on the government assistance for the period during which the company received the assistance.

Property expenses

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

Central administration

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

Employee benefits

Short-term remuneration

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

Pensions

Defined contribution pension plans

Pension plans are only classified as defined contribution pension plans when the Group's obligations are limited to the contributions the Group has undertaken to pay to an insurance group or to another independent legal entity. In such cases, the size of an employee's pension depends on the size of the contributions the Group pays to this legal entity and the yield it generates on the capital. The Group's obligations concerning contributions to defined contribution plans are expensed in profit/loss for the year as they are earned by the employee performing work for the Group during the period. Unpaid contributions are recognised as liabilities.

Defined benefit pension plans

A few employees have defined benefit ITP plans with regular payments to Alecta. These are recognised as defined contribution plans since Alecta does not provide the required information, and consequently information is not available to recognise the plan as a defined benefit plan. However, there are no indications of any material obligations that exceed the payments to Alecta.

For salaried employees in Sweden, defined benefit pension obligations for retirement and family pensions (or alternately

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

family pensions) under the ITP 2 plan are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, Recognition of ITP 2 pension plan financed through insurance with Alecta, this is a multi-employer defined-benefit plan. For the 2021 financial year, the company did not have access to information to enable it to recognise its proportional share of the plan's commitments, plan assets and costs. Accordingly, the ITP 2 Pension Plan secured via insurance with Alecta was recognised as a defined contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually on the basis of such factors as salary, previously earned pension entitlement and estimated remaining period of employment. Expected fees in the next reporting period for ITP 2 insurance policies with Alecta are SEK 1.1 million (1.1). The Group's share of the total contributions for the plan, and the Group's share of the total number of active members in the plan, amount to 0.00520 percent and 0.00353 percent, respectively (0.00204 and 0.00289, respectively).

The collective consolidation level is the market value of Alecta's assets as a percentage of its insurance commitments, calculated according to Alecta's actuarial methods and assumptions, which do not correspond to IAS 19. Normally, the collective consolidation is permitted to vary between 125 and 175 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 175 percent, action is to be taken to create the conditions for returning the consolidation level to within the normal range. In the case of low consolidation, one step can be to increase the price of new, and extending existing, benefits. In the case of high consolidation, one alternative can be to reduce premiums. At year-end 2021, Alecta's surpluses in the form of the collective consolidation level was 172 percent (148).

Pension agreements with endowment insurance

Pension agreements have been entered into whereby the Group has acquired endowment insurance secured for the benefit of employees through pledges. The beneficiary of the endowment insurance is only entitled to remuneration corresponding to the value of the endowment insurance at redemption. The endowment insurance is continuously measured at fair value while the pension liability is revalued to the corresponding value of the endowment

insurance. Provisions for special employer's contributions are reserved based on the endowment insurance's fair value.

Leases – lessee

The Group has a small number of leases as lessee in the form of leasehold rights. Annhem has chosen to recognise all leases with full retrospective application. When signing an agreement, Annhem determines whether the agreement is, or contains, a leasing agreement based on the substance of the agreement. An agreement is, or contains, a leasing agreement if the agreement transfers during a certain period the right to decide over the use of an identified asset in exchange for compensation. Annhem applies the practical exceptions pertaining to current leasing and leases for which the underlying asset is of low value. Current leasing is defined as a lease with an initial lease term of up to 12 months after taking into account any option to extend the lease. The Group has defined contracts where the underlying asset could be purchased for up to SEK 50,000 and within the Group comprises, for example, office inventory, as leases where the underlying asset is of low value. Lease payments for current leasing and leases for which the underlying asset is of low value are expensed on a straight-line basis over the lease term in central administration.

Leasehold rights

The Group has four leasehold rights that meet the definition of a lease. The lease liability is initially measured based on the established size of the ground rents on the commencement date discounted by the rate implicit in the contract, i.e. the ground rent rate. The right-of-use asset's value is considered to be equal to the lease liability adjusted for any prepaid ground rents. Since the leasehold rights are deemed to entail a perpetual commitment to the lessor at the same time as the site has a perpetual useful life, the right-of-use asset is not depreciated and the lease liability is not amortised. Ground rents paid are presented in full as an interest expense. The lease liability is remeasured when the ground rents are renegotiated, to reflect the change in size of the ground rents. In the event of such revaluation of the lease liability, the right-of-use asset is adjusted by the corresponding amount. Following the initial valuation according to IFRS 16, the Group measures right-of-use assets relating to leasehold rights at fair value as part of investment properties in accordance with IAS 40.

The Group as lessor

As landlord, the Group has operating leases with customers, see Note 9. Accounting policies for recognition of rent revenue and property income are stated in the paragraph concerning income above.

Investment properties

Investment properties are properties classified as fixed assets held to earn rent revenue or for capital appreciation, or a combination of both. Investment properties include buildings, land, land improvements and fixtures and fittings in buildings. Even properties under development and redevelopments which are intended to be used as investment properties when fully developed are classified as investment properties.

Investment properties are measured at fair value in accordance with the accounting standard IAS 40. Initially, investment properties are recognised at cost, which includes expenses directly attributable to the acquisition. Fair value is the amount estimated to be received in a transaction on the valuation date between well-informed and independent parties acting in an orderly market. The valuation is based on discounted future cash flows where uncertainty exists as regards the assessment of future rent revenue, vacancy rates, operating costs, interest rate trends and direct-return requirements.

At least once every year, all properties are valued by external, independent appraisal institutes. The Group conducts internal regular valuations of the entire property portfolio. The external valuations are used as reconciliation data for the internal valuations. The external valuations take priority when there are differences between the internal and external valuations. All property valuations are carried out by appraisers with adequate expertise for each type of property and geographic market. The properties are valued according to valuation principles pursuant to IPD's guidelines. These state that all properties must be inspected on each valuation date, with an in-depth inspection every three years. Internal valuations are prepared using the valuation policy prevailing at any given time. Fair value has been determined through a combination of applying the location/price method and the yield method. The yield method is based on the preparation of a cash flow statement for each property. The cash flow statement comprises an assessment of the present value of

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

the property's future net operating income during the calculation period and the present value of the property's residual value at the end of the calculation period. The calculation period is either five or ten years, and the residual value has been assessed using a perpetual capitalisation of an estimated market-based net operating income the year following the end of the calculation period. The perpetual capitalisation is effected using a direct-return requirement derived from the prevailing transaction market for comparable properties, and both direct and indirect (properties sold as a company) transactions were taken into account. Cash flow for operating, maintenance and administrative expenses is based on commercial and standardised payments for operation, maintenance and property administration after which corrections are made for discrepancies. Investments are calculated using the investment needs that are deemed to exist. Classification is conducted at level 3 in accordance with IFRS 13 Fair Value Measurement. Development rights may be included in fair value for investment properties. Both unrealised and realised changes in value are recognised in net profit for the year. Realised changes in value pertain to value changes from the most recent interim report until the divestment date for properties sold during the period, after taking into account capitalised investment expenditure for the period. Unrealised changes in value pertain to other value changes that do not arise from acquisitions, sales or capitalised investment expenditure.

Additional expenses are added to recognised value of investment properties only if it is likely that the future economic benefits associated with the expenditure will accrue to the company and the acquisition cost can be reliably calculated. All other subsequent costs are expensed in the period in which they arise. Expenditure on the replacement of identified components plus entirely new components is also added to the carrying amount, when these satisfy the above criteria. Repairs and maintenance are expensed when the expenditure arises.

Tangible assets

Tangible assets consist of machinery and equipment. Tangible assets are recognised at cost less accumulated amortisation and any impairment. Additional expenses that meet the criterion for classification as an asset are included in the asset's carrying amount. Expenses for ongoing maintenance and repairs are rec-

ognised as costs when they arise. Depreciation of tangible assets is expensed so the cost of the item, less any estimated residual values at the end of the useful life, is depreciated straight-line over its estimated useful life. If an item has been divided into different components, each component is depreciated separately over its useful life. Depreciation begins when the tangible asset can be used. The useful life of tangible assets is estimated at:

- Vehicles and construction machinery 5–10 years
- Other machinery and equipment 3–10 years

Financial instruments

Recognition and initial measurement

Accounts receivable and issued debt instruments are recognised when they are issued. Other financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

A financial asset or financial liability is measured on initial recognition at fair value plus, in case of financial instruments that are not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

Classification and subsequent measurement

Financial assets in Annhem, with the exception of derivative assets, are classified at amortised cost as:

- the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial liabilities in Annhem, with the exception of derivatives, are measured at amortised cost as they are not held for trading or have been identified as valued at fair value on initial recognition. Derivatives are measured at fair value in profit and loss, unless they are identified as hedging instruments. Annhem does not apply hedge accounting at 31 December 2021 but hedge accounting was applied to certain hedging relationships existing before 30 June 2021 and the fixed-interest derivatives identified as cash flow hedge instruments were initially recognised at fair value on the transaction date for the derivatives and were

subsequently revalued at fair value at the end of every reporting period. The effective portion of changes in the fair value of derivatives, classed as cash flow hedges, were recognised in other comprehensive income and accumulated in the fair value reserve in equity. For all hedged forecast transactions, the accumulated amount in the hedging reserve was reclassified to profit or loss in the same period or periods when the hedged expected cash flow impacts earnings. The ineffective portion of changes in the fair value of derivatives is recognised immediately in profit or loss in other financial items. Fair value is based on quotations from brokers. Similar contracts are trading in an active market and the rates reflect actual transactions in comparable instruments. All of the Group's derivative instruments are classified at level 2 in accordance with IFRS 13. The accumulated amount in the hedging reserve at 31 December 2021 was SEK 1.2 million. In 2021, SEK 0.3 million was reclassified to profit or loss. More information about the Group's financial instruments can be found in Note 13 Financial instruments.

All financial assets classified as measured at amortised cost are valued using the effective interest method. Amortised cost is the amount at which a financial asset or financial liability is valued after initial recognition less repayments, plus or minus accumulated allocations when using the effective interest method on any difference between the original amount and the amount on the due date and, for financial assets, adjusted taking into account any loss reserve. The effective interest rate for a financial asset or financial liability is determined on initial recognition. The effective interest rate is the exact discount rate for estimated future payments and disbursements during the expected life of the financial instrument at the recognised gross value of the financial asset or the accrued acquisition value of the financial liability.

For financial assets recognised at amortised cost, interest income, exchange gains and losses as well as impairment are recognised in profit or loss. Gains or losses arising from derecognition are reported in profit or loss.

For other liabilities, net gains and losses, including interest expenses, are recognised in profit or loss. Interest expenses and exchange gains and losses are recognised in profit or loss. Gains or losses upon removal from the statements is also recognised in profit or loss.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Impairment – anticipated credit losses

The Group recognises loss reserves for anticipated credit losses on all financial assets measured at amortised cost. The Group values the loss reserve at an amount corresponding to anticipated credit losses for the remaining time to maturity, with the exception of the following which are valued at 12 months anticipated credit losses: investments in debt instruments with low credit risk on the balance sheet day; and other debt instruments and bank balances for which the credit risk (meaning risk of default during the expected life of the financial asset) has not increased significantly since initial recognition.

The loss reserve for accounts receivable, contract assets and lease receivables is always at an amount corresponding to anticipated credit losses during the receivables' remaining time to maturity. The Group uses a matrix to calculate the loss reserve with anticipated loss percentages divided into the number of days a receivable is overdue and the receivable's customer category. The loss percentages are based on historical experience and specific conditions and expectations at the end of the reporting period.

The decision on whether the credit risk of a financial asset has increased significantly since initial recognition and when calculating anticipated credit losses, the Group uses reasonable and supportable information that is relevant and available without unnecessary costs or effort. This includes quantitative and qualitative information and analysis based on the Group's historical experience and credit assessments and includes forward-looking information.

The Group considers that the credit risk for a financial asset has increased significantly if it is past due by more than 30 days. The Group considers that a financial asset has defaulted when: it is unlikely that the borrower will pay the entire credit commitment to the Group, when the Group has no right of recourse to realise collateral (if such is held); or the financial asset is past due by more than 90 days. The Group considers a debt instrument to be of low credit risk when its credit rating corresponds to the global definition of "investment grade," which is considered Baa3 or higher for Moody's or BBB- or higher for Fitch Ratings and Standard & Poor's.

Anticipated credit losses for the entire term is an anticipated credit loss arising from all potential defaults during the expected life of a financial instrument. 12-months anticipated credit losses comprise credit losses that arise from a default that may occur

within 12 months of the balance sheet date (or a shorter period if the anticipated life of the instrument is shorter than 12 months). The maximum period considered when calculating anticipated credit losses is the maximum contract period during which the Group is exposed to credit risk. Anticipated credit losses comprise a probability-weighted estimate of credit losses. Credit losses are measured as the current value of all deficits in cash flows (i.e. the difference between the company's cash flow according to a contract and the cash flow the Group anticipates receiving). Anticipated credit losses are discounted with the effective interest rate on the financial asset.

On every balance sheet date, the Group assesses whether financial assets recognised at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events occur that have a negative impact on the estimated future cash flows for the financial asset.

Loss reserves for financial assets at amortised cost are deducted from the asset's gross value.

Write-off

The gross value of a financial asset is written off when the Group no longer has any feasible expectations of recovering part of or the entirety of a financial asset.

Derecognition from the statement of financial position

The Group derecognises a financial asset from its statement of financial position when the contractual rights to the cash flows from the asset expire or if it transfers the rights to receive the contractual cash flows through a transaction in which essentially all risks and rewards of ownership have been transferred or in which the Group does not transfer or retain essentially all the risks and rewards of ownership and does not retain control of the financial asset. The Group derecognises a financial liability from its statement of financial position when the obligations specified in the agreement are discharged, cancelled or expire.

The Group also derecognises a financial liability when the contractual terms are modified and cash flows from the modified liability are materially different. In such a case, a new financial liability is recognised at fair value based on the modified terms. As of the date of these financial statements, no modification has taken place of financial liabilities. When a financial liability is

derecognised, the difference between the carrying amount allocated to the derecognised component and the consideration paid is recognised in profit or loss.

Financial income

Financial income comprises interest income and is recognised in the period in which it arises. Group contributions received and received and anticipated dividends are also recognised in financial income. The effective interest method is used when calculating financial income.

Financial expenses

Financial expenses comprise interest expenses, which consist of interest and other expenses linked to financing of the company, as well as lease expenses and ground rents. Costs for taking out mortgage deeds are not regarded as a financial expense but rather capitalised as value-raising property investments. Financial expenses are recognised in the period in which they occur.

Borrowing costs

In the Group, borrowing costs are charged to profit or loss for the period to which they are attributable. No borrowing costs are capitalised as assets.

Provisions

A provision is recognised in the balance sheet when the Group has a formal or informal commitment as a result of an occurred event, and it is likely that an outflow of financial resources is required to settle the commitment and a reliable estimate of the amount can be made. A present-value calculation is carried out to take into account material time values pertaining to future payments.

Contingent liabilities

Contingent liabilities are provided when there is a possible obligation attributable to events that have occurred, the occurrence of which can only be confirmed by one or more uncertain future events out of the control of the Group, or when there is an undertaking not recognised as a liability or provision because it is not likely that the use of resources will be required or the amount cannot be calculated with sufficient reliability.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Income tax

Income tax is allocated in the income statement as current and deferred tax. Income tax is charged to the income statement except in those cases where it is attributable to transactions that are recognised directly against equity when the tax effect is also recognised directly against equity. Current and deferred tax are calculated using the applicable tax rate of 20.6 percent. For Norway and Finland, current and deferred tax is calculated using 22.0 percent and 20.0 percent, respectively.

Deferred tax

Deferred tax on temporary differences, arising between the carrying amount of an asset or liability and its tax value, is recognised in Annhem in accordance with the balance sheet method. Accordingly, there is a tax liability or tax asset that is realised on the date the asset or liability is divested. Exceptions are made for temporary differences that arise on initial recognition of assets and liabilities in asset acquisitions. Annhem has two items above all where temporary differences exist – properties and untaxed reserves. Deferred tax liabilities are calculated on the difference between the properties' carrying amount and their tax value, and likewise on untaxed reserves. Changes to the abovementioned items thus change the deferred tax liability/asset, which is recognised in the income statement as deferred tax. This year's acquisitions were recognised as asset acquisitions, which means the deferred tax at the date of acquisition is not included in the balance sheet.

Current tax

Current tax recognised in the income statement corresponds to the tax the company is obliged to pay based on the year's taxable earnings, adjusted for any current tax pertaining to previous periods.

Parent Company accounting policies

The Parent Company prepares its annual accounts in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for legal entities. RFR 2 means that the Parent Company in the annual accounts for a legal entity must apply all EU endorsed IFRS and statements as far as this is possible within the framework of the Annual Accounts Act, the Income Security

Act and taking into account the correlation between accounting and taxation. The recommendation states what exemptions and additions should be made to IFRS.

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

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

Classification and presentation

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

Subsidiaries

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

Contingent considerations are measured on the basis of the probability that the consideration will be paid. Possible changes to the provision/receivable are added/deducted from the cost.

The carrying amount is checked regularly against the Group companies' consolidated equity. If the carrying amount falls below the Group companies' consolidated value, impairment is carried out via the income statement. If there is an indication that an earlier impairment is no longer justified, it is reversed.

Financial instruments

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

Anticipated dividends

Anticipated dividends from a subsidiary are recognised in cases where the Parent Company alone is entitled to decide on the size of the dividend and the Parent Company has made a decision about the size of the dividend before the Parent Company published its financial statements.

Tangible assets

In the Parent Company, tangible assets are recognised at cost less accumulated depreciation.

Leased assets

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

NOTE 2 ESTIMATIONS AND ASSESSMENTS

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

Valuation of investment properties

Annhem Fastigheter's portfolio of investment properties is measured on the balance sheet at fair value and changes in value are recognised in the income statement. The fair value is based on internal measurements that are performed regularly and the properties are also valued each year by external independent

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

appraisers, in accordance with the Group's valuation policy. The value of properties is not only affected by the supply and demand in the market but by several other factors, partly property-specific factors such as occupancy rate, rent level and operating costs, partly market-specific factors such as direct-return requirement and cost of capital derived from comparable transactions in the property market. A deterioration in property or market-specific conditions can lead to drop in the value of properties, which could have an adverse impact on Annhem Fastigheter's operations, financial position and earnings. The valuation requires an assessment of and assumptions on future cash flows and determination of the discount factor (return requirement). As a means of reflecting this uncertainty in assumptions made and assessments, the property value is normally stated in an uncertainty range of +/- 5–10 percent.

Classification of acquisitions as asset acquisitions and deferred tax

Acquisitions of companies is classified either as business combinations or as asset acquisitions according to IFRS 3. An individual assessment is required for each transaction. Should the corporate acquisition essentially only comprise properties and not significant processes, the acquisition is classified as an asset acquisition. Other corporate acquisitions are classified as business combinations. Annhem Fastigheter's company acquisitions in 2021 and also prior to this date solely encompass properties and no material processes, which is why the transactions are considered to be asset acquisitions.

When an asset is acquired, deferred tax is not recognised separately at the time of acquisition. Instead the asset is recognised at a purchase value corresponding to the asset's fair value after deductions for a discount received for deferred tax. Deferred tax is only recognised for changes in the carrying amount and changes in the fiscal value arising after the acquisition date.

NOTE 3 OPERATING SEGMENTS

	Capital Region		South Region		Group staff		Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Rent revenue	107.7	89.9	80.0	61.6	-	-	187.8	151.5
Other property income	21.3	8.7	17.9	18.1	-	-	39.1	26.9
Property expenses	-18.7	-15.0	-51.3	-41.2	-1.1	-7.2	-71.1	-63.4
Net operating income	110.3	83.6	46.6	38.6	-1.1	-7.2	155.8	115.0
Central administration	-	-2.7	-	-5.3	-30.5	-43.4	-30.5	-51.5
Other operating income	-51.4	-19.2	-24.1	-13.2	85.4	38.2	9.9	5.9
Other operating costs	-1.4	-	-2.6	-2.8	-0.9	0.0	-4.9	-2.8
Interest income	-	-	-	0.1	0.0	0.1	0.0	0.2
Interest expenses	-12.9	-22.9	10.1	-11.6	-41.1	-9.4	-44.0	-43.9
Other financial items	-	-2.1	-	0.0	0.0	-4.8	0.0	-6.9
Income from property management	44.5	36.8	30.0	5.8	11.8	-26.5	86.2	16.0
Changes in value of properties, unrealised	102.8	38.4	70.1	47.5	-	-	172.9	85.9
Changes in value of derivative instruments, realised	-	-	-	-	3.0	-	3.0	-
Profit before tax	147.3	75.2	100.0	53.3	14.7	-26.5	262.1	101.9

An operating segment is a part of the Group that conducts operations from which it can generate income and incur costs and for which independent financial information is available. Capital Region (Stockholm, Oslo, Helsinki) and South Region (Malmö, Gothenburg, Helsingborg, Ängelholm, Ljungbyhed). Group staff includes the Parent Company and holding company within the Group, which are not operational companies. Transactions within

Group staff include management fees and other administrative expenses.

Rent revenue related to leases for the rental of Annhem Group's investment properties.

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

Information per country, SEK million	Sweden		Finland		Norway	
	2021	2020	2021	2020	2021	2020
External income	159.8	129.3	55.6	49.1	11.5	-
Investment properties	2,777.9	2,175.4	907.2	872.1	309.0	270.0
of which, investments for the year	333.8	555.0	93.9	4.3	8.8	270.0
Machinery and equipment	4.2	4.3	-	-	-	-
of which, investments for the year	0.0	0.7	-	-	-	-

In 2021, the Group recognised income from a customer (Group) totalling SEK 88.0 million (83.8), of which SEK 22.7 million (23.4) was recognised in Finland and SEK 65.3 million (60.4) in Sweden.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

NOTE 4 OPERATING COSTS

Property expenses

Group, SEK million	2021				2020			
	Capital Region	South Region	Group staff	Total	Capital Region	South Region	Group staff	Total
Operating costs	8.3	29.0	0.2	37.5	12.9	31.6	0.4	44.9
Maintenance	0.6	8.6	-	9.2	0.0	10.4	-	10.4
Property tax	7.0	2.6	-	9.6	3.4	2.3	-	5.7
Direct property expenses	15.9	40.2	0.2	56.3	16.3	44.3	0.4	61.0
Property administration	2.8	11.1	0.9	14.8	-	2.3	-	2.4
Total property expenses	18.7	51.3	1.1	71.1	16.3	46.6	0.4	63.4

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

Central administration – per type of cost

Group, SEK million	2021	2020
Personnel costs	24.2	15.4
Audit fees	0.7	0.6
Temporary employees	1.4	3.0
Other external expenses	3.4	31.9
Depreciation	0.7	0.7
Total	30.5	51.6

Other external expenses includes costs for consultant fees and other external services. Depreciation is related to machinery and equipment. For 2020, most of other external expenses referred to costs for the listing process.

NOTE 5 EMPLOYEES, PERSONNEL COSTS AND REMUNERATION TO SENIOR EXECUTIVES

Number of employees	2021	2020
Average number of employees	18	9
of whom women	56%	56%

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

Gender distribution in management

Number of employees	2021	2020
Parent Company		
Board of Directors	7	6
of whom women	2	2
Other senior executives	4	3
of whom women	2	1
Group, total		
Board of Directors	10	9
of whom women	3	3
Other senior executives	4	3
of whom women	2	1

Salaries, fees and benefits

In 2021, the Group had 18 employees, all of whom were employed in the Parent Company.

In 2021, the Parent Company had seven (six) members of the Board, of whom two (two) women. The Group's total number of members of the Board amounted to ten, of whom three women.

Fees are only paid to the Parent Company's Board. On 31 December 2021, the Group had four (three) senior executives, of whom two (one) women.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Note 5, cont.

TSEK	Salaries and remuneration		Social security costs		Pension costs		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Group	14,935.0	10,187.0	5,887.0	1,564.0	3,400.0	3,595.0	24,222.0	15,346.0

Remuneration of the Board of Directors and senior executives Principles

The Chairman of the Board and members are paid fees in accordance with the decision of the shareholders' meeting. The CEO receives no Board fees. Remuneration of the CEO and other senior executives consists of basic salary, variable remuneration, other benefits and pension. Senior executives refers to individuals who during the year were members of the senior executive team. At the end of the year, the senior executive team comprised

three individuals, including the CEO. All members of the senior executive team are employed in Sweden. The balance between basic salary and variable remuneration shall be proportionate to the executive's responsibility and authority. For the CEO, variable remuneration is subject to a ceiling of 50 percent of basic salary. For other senior executives, variable remuneration is subject to a ceiling of 42 percent of basic salary. Pension benefits and other benefits to the CEO and other senior executives are taken into account when determining fixed and variable remuneration.

Remuneration and other benefits during the year

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

TSEK	Board fee/basic salary		Variable remuneration		Other benefits		Pension costs	
	2021	2020	2021	2020	2021	2020	2021	2020
Board of Directors								
Göran Grosskopf ¹⁾	312.4	16.4	-	-	-	-	-	-
Jesper Göransson ¹⁾	162.4	8.2	-	-	-	-	-	-
Pia Andersson ¹⁾	162.4	8.2	-	-	-	-	-	-
Anders Hylén ¹⁾	150.0	8.2	-	-	-	-	-	-
Karin Ebbinghaus ²⁾	162.4	51.8	-	-	-	-	-	-
Lars Ljungälv ²⁾	162.4	51.8	-	-	-	-	-	-
Axel Granlund ³⁾	92.8	-	-	-	-	-	-	-
Senior executive team								
Jörgen Lundgren, CEO ⁴⁾	2,807.0	2,025.0	1,091.0	1,387.0	118.5	81.1	914.1	750.9
Other members of the senior executive team ⁵⁾	2,959.0	1,180.0	775.3	513.0	165.7	6.7	1,076.7	343.7

¹⁾ Remuneration paid for 2020 from the listing date, 11 December 2020.

²⁾ Remuneration paid for 2020 from 27 August 2020.

³⁾ Remuneration paid for 2021 from 20 May 2021.

⁴⁾ The CEO has been employed by the company since 1 April 2020.

⁵⁾ The COO has been employed by the company since 1 March 2021. The CFO has been employed by the company since 1 April 2020. Head of Group Accounting has been employed since 1 September 2020.

Variable remuneration

For the CEO, variable remuneration for 2021 was based on the Group's income from property management and the percentage of properties that were environmentally certified to a specified level by the end of 2021. Variable remuneration of other members of the senior executive team is based on the same criteria as for the CEO.

Variable remuneration of the CEO in 2020 was based on the Group's net operating income, the Customer Satisfaction Index (CSI) and the employee index. Variable remuneration of the CFO is based on the same criteria as for the CEO. Other benefits refer to company cars and health insurance.

Pensions

The CEO has a contribution-based pension plan based on ITP with an allocation of 30 percent of 12.2 times the monthly salary, added to which are premiums for ITPK own pension and ITP basic health insurance ("ground plate"). The retirement age for the CEO is 65.

The CFO and COO have an ITP2 solution while the Head of Group Accounting has an ITP1 solution.

Severance pay

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

Preparation and decision-making process

Information is provided in the Corporate Governance Report. Remuneration of the Board of Directors and senior executives Fees and other remuneration to the members of the Board of Directors, including the Chairman, are resolved by the shareholders' meeting. At the Annual General Meeting held on 19 May 2021, it was resolved that the fee to the Chairman of the Board of Directors should be SEK 300,000 and that the fee to the other members should be SEK 150,000. The members of the Board of Directors are not entitled to any benefits following termination of their assignments as members of the Board. Members of the

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Board's committees receive SEK 20,000 per year for each committee assignment.

Pensions for other employees

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

Sick leave

Sick leave for the year was 0.9 percent (1.5). No long-term sick leave was reported during the year. Sick leave for women and men amounted to 1.1 percent (1.6) and 0.5 percent (1.4), respectively. Sick leave of the 30–49 age group was 2.0 percent (0.9) and for the 50 and older age group sick leave was 0.2 percent (1.8). The figures refer to both the Parent Company and the Group as a whole.

NOTE 6 AUDIT FEES

Group, SEK million	2021	2020
KPMG		
Audit assignment	0.7	0.6
Audit-related activities in addition to audit assignment	0.1	0.1
Other services	0.4	2.4
Total	1.2	3.0

Parent Company, SEK million	2021	2020
KPMG		
Audit assignment	0.6	0.4
Audit-related activities in addition to audit assignment	0.1	0.1
Other services	0.4	2.4
Total	1.1	2.9

NOTE 7 TRANSACTIONS WITH RELATED PARTIES

Group, SEK million	2021	2020
Transactions with Peab		
Income statement		
Costs for property and central administration	-	-6.3
Financial expenses	-	-26.4
Total	-	-32.7
Balance sheet		
Accounts payable	-	2.6
Total	-	2.6
Dividend etc.		
Property acquisitions/ Acquired equity	-	692.0
New share issue/shareholders' contributions	-	2,000.4
Total	-	2,692.4

Parent Company, SEK million	2021	2020
Transactions with subsidiaries		
Income statement		
Management fee	34.4	29.6
Interest income	42.0	17.8
Interest expenses	-0.1	-1.3
Total	76.3	46.1
Balance sheet		
Non-current receivables	1,998.8	2,026.1
Current receivables	17.0	-
Total	2,015.8	2,026.1
Current interest-bearing liabilities	5.7	-
Accounts payable	-	18.0
Total	5.7	18.0

Transactions with related parties are priced on market terms. For information about remuneration of senior executives, refer to the Group's *Note 5 Employees, personnel costs and remuneration to senior executives*. Non-current receivables for Group companies pertain to loans to subsidiaries. The loans carry interest at a fixed rate of 2.2 percent.

Annhem's property portfolio was part of Peab, until the distribution of Annhem Fastigheter on 11 December 2020, and the individual properties legally belonged to various parts of the Group. During these years, transaction intensity with Peab was substantial for Annhem's companies, mainly regarding financing operations through loans but also concerning property management operations. Annhem's profit was therefore impacted by interest expenses and management fees for services performed related to property management and central administration, since the Group had no employees. The pricing for the services performed by Peab for Annhem Group followed the principles applied in Peab, which match market terms.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

NOTE 8 TAXES

Tax recognised in income statement

SEK million	Group		Parent Company	
	2021	2020	2021	2020
<i>Current tax expenses (-)/tax income (+)</i>				
Current tax	0.2	-4.1	-	-3.4
<i>Deferred tax expenses (-)/tax income (+)</i>				
Deferred tax pertaining to temporary differences	-52.6	-26.1	0.1	-0.1
Total recognised tax expense	-52.3	-30.1	0.1	-3.5

Current tax for 2020 mainly comprises non-deductible expenses.

Deferred tax liabilities in the balance sheet

SEK million	Group		Parent Company	
	2021	2020	2021	2020
Deferred tax liabilities, net	139.1	86.5	0.0	0.1
Change, net	52.6	24.9	-0.1	0.1
Specification of change in deferred tax liabilities, net				
Change through income statement	-52.6	-26.1	0.1	-0.1
Translation differences through other comprehensive income	-0.3	-1.5	-	-
Total net change in deferred tax liabilities	52.6	24.9	-0.1	0.1

The tax deductible temporary differences do not fall due according to current tax rules. Deferred tax liabilities relate to the fair value of investment properties. Deferred tax assets were not recognised for these items, since it was not probable that the Group will be able to utilise them to offset future taxable profits.

Opening loss carryforwards in 2021 amounted to SEK 11 million. On 31 December 2021, the Group had loss carryforwards of approximately SEK 2 million.

Changed tax rates

In 2021, the tax rate in Sweden was 20.6 percent. The tax rate was 21.4 percent for the 2020 financial year.

Reconciliation of effective tax

SEK million	Group		Parent Company	
	2021	2020	2021	2020
Profit before tax	262.1	101.9	-3.1	-3.1
Tax in accordance with tax rate for the Parent Company	-54.0	-21.8	0.6	0.7
Effect of other tax rates for foreign subsidiaries	0.0	0.2	-	-
Non-deductible expenses	-6.6	-3.3	-1.6	-3.3
Utilisation of loss carryforwards not previously capitalised	9.0	-	-	-
Other tax adjustments	-0.2	-5.3	-2.4	-0.8
Recognised effective tax	-52.3	-30.1	-3.4	-3.4

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

NOTE 9 INVESTMENT PROPERTIES

Specification of change for the year, SEK million	2021	2020
Fair value at the beginning of the year	3,317.5	2,437.2
Cost of investment properties, asset acquisition	410.9	692
Investments in existing properties	52.5	137.3
Unrealised changes in value	172.9	85.9
Currency translations portfolio abroad	40.3	-34.9
Fair value at the end of the year	3,994.1	3,317.5

Specification of change for the year, SEK million	Capital		South	
	2021	2020	2021	2020
Fair value at the beginning of the year	2,386.6	2,584.8	931.0	732.8
Cost of investment properties, asset acquisition	279.9	224.6	131.0	186.3
Investments in existing properties	18.4	-6.9	34.1	59.4
Unrealised changes in value	103.0	220.3	69.9	-47.5
Currency translations portfolio abroad	40.3	40.3	-	-
Fair value at the end of the year	2,828.3	3,063.1	1,165.9	931.0
Of which, business parks	-	-	585.0	510.8

Sensitivity analysis – impact on fair value and profit, SEK million	Change	2021	2020
Change in net operating income	+/- 5%	+ 125 / - 125	+ 102 / - 102
Change in direct-return requirement	+/- 0.5%	-354 / + 492	-309 / + 388
Change in discount interest rate	+/- 0.5%	-354 / + 492	-309 / + 388
Change in discount interest rate, residual value	+/- 0.5%	-354 / + 492	-309 / + 388

Calculation assumptions per segment, SEK million	Capital		South		Of which, business parks in South	
	2021	2020	2021	2020	2021	2020
Normalized net operating income	112.5	99.6	53.8	49.3	32.3	28.1
Vacancy rate	1.0–5.0%	1.0–5.0%	1.3–22.3%	1.3–22.3%	5.1–22.3%	5.1–22.3%
Direct return, weighted	4.2%	4.3%	5.7%	6.1%	6.2%	6.7%
Interval, direct return	3.8–5.0%	3.8–5.0%	4.6–7.4%	4.8–7.6%	5.0–7.4%	5.8–7.6%
Discount rate	5.8–7.1%	5.8–7.1%	6.6–9.5%	6.8–9.7%	7.8–9.5%	7.8–9.7%
Discount rate residual value	5.8–7.1%	5.8–7.1%	6.6–9.5%	6.8–9.7%	7.8–9.5%	7.8–9.7%
Discount rate, weighted	6.3%	6.4%	7.5%	8.2%	8.4%	8.4%
Discount rate residual value	6.3%	6.4%	7.7%	8.2%	8.4%	8.4%

Taxable residual values, SEK million	31 Dec 2021	31 Dec 2020
Investment properties	1,857.9	1,920.0

Significant obligations, SEK million	Total investments	
	Remaining	
Ledvolten, offices	290.0	4.0
Almnäs, logistics property	96.5	96.5
Carl Florman, residential homes	135.0	135.0
Partille port, residential homes	250.0	250.0
Total	771.5	485.5

Realised and unrealised changes in value are recognised after income from property management in profit or loss. The measurement of fair values for all investment properties are classified on level 3 in the fair value hierarchy in IFRS 13.

Valuation techniques

The value of the properties has been assessed based on a market-adapted cash-flow estimate. The direct-return requirement used in the estimate derives from sales of comparable properties. The valuation used a combined location/price method, based on recognised comparable purchases and the yield method, meaning a transaction-based method. Significant factors when selecting required returns include an assessment of the object's future rent trend, changes in value and any development potential, as well as the maintenance condition of the property. Key value parameters

are location and rent level, as well as vacancy rates. For each property, a cash flow forecast is prepared that extends at five or ten years into the future. The expected receipts match the terms of prevailing leases. For vacant spaces, an estimate is performed by individually assessing each property. The expected disbursements are estimated on the basis of historical property expenses. The inflation assumption in the valuation model on 31 December 2021 was 2.0 percent for 2022 and thereafter. The valuation is based on a present-value calculation of the estimated cash flow and the present value of the market value at the end of the calculation period.

Leases

Rent revenue is based on leases that are to be regarded as operating leases, where the Group is the lessor.

Contracted annual rent, SEK million	2021	2020
< 1 year	141.8	172.4
1–2 years	131.0	166.0
2–3 years	121.1	152.2
3–4 years	108.1	129.6
1–5 years	106.9	111.6
> 5 years	384.7	429.4
Total	993.5	1,161.3

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

NOTE 10 MACHINERY AND EQUIPMENT

Group, SEK million	2021	2020
Purchases		
<i>Opening balance</i>	21.2	19.1
Investments for the year	0.8	0.5
Reclassification	-	1.5
<i>Closing balance</i>	22.0	21.2
Depreciation		
<i>Opening balance</i>	-16.9	-16.2
Depreciation for the year	-0.7	-0.7
<i>Closing balance</i>	-17.6	-16.9
Carrying amount	4.4	4.3

Parent Company, SEK million	2021	2020
Purchases		
<i>Opening balance</i>	0.7	-
Investments for the year	0.8	0.7
<i>Closing balance</i>	1.5	0.7
Depreciation		
<i>Opening balance</i>	-0.2	-
Depreciation for the year	-0.5	-0.2
<i>Closing balance</i>	-0.7	-0.2
Carrying amount	0.8	0.5

NOTE 11 CURRENT RECEIVABLES

Group, SEK million	2021	2020
Other current receivables	20.0	2.8
Prepaid insurance	1.2	0.4
Prepaid rent expenses	0.3	0.6
Prepaid expenses and accrued income, other	2.9	0.7
Total	24.4	4.5

Other current receivables mainly comprise the tax account and VAT receivables.

Prepaid expenses mainly comprise property tax.

Parent Company, SEK million	2021	2020
Other current receivables	4.3	0.1
Prepaid insurance	1.2	0.4
Prepaid rent expenses	0.3	-
Total	5.9	0.5

NOTE 12 SHARE CAPITAL

Changes in share capital

	Number of shares	Share capital, SEK million
<i>Number of shares, 1 January 2021</i>	58,992,548	-
Closing number of shares, 31 December 2021	58,992,548	-

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

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

NOTE 13 FINANCIAL INSTRUMENTS

Fair value hierarchy

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

2021 Group, SEK million	Valuation hierarchy	Amortised cost	Fair value through profit or loss	Total fair value	Total carrying amount
ASSETS					
Financial fixed assets					
Derivative instruments	2	-	1.9	1.9	1.9
Current assets					
<i>Current receivables</i>					
Accounts receivable		3.1	-	-	3.1
Derivative instruments	2	-	5.6	5.6	5.6
Current receivables		17.2	-	-	17.2
Cash and cash equivalents		190.2	-	-	190.2
Total financial assets		210.6	7.5	7.5	218.0
LIABILITIES					
Non-current liabilities					
Loans from credit institutions	-	1,721.3	-	-	1,721.3
Derivative instruments	2	-	1.4	1.4	1.4
Current liabilities					
Derivative instruments	2	-	1.7	1.7	1.7
Accounts payable		11.9	-	-	11.9
Total financial liabilities		11.9	1,724.5	3.2	1,736.4

2020 Group, SEK million	Valuation hierarchy	Amortised cost	Fair value through profit or loss	Total fair value	Total carrying amount
ASSETS					
Current assets					
<i>Current receivables</i>					
Accounts receivable		5.6	-	-	5.6
Current receivables		4.5	-	-	4.5
Cash and cash equivalents		448.0	-	-	448.0
Total financial assets		458.1	-	-	458.1
LIABILITIES					
Non-current liabilities					
Loans from credit institutions		1,546.9	-	-	1,546.9
Current liabilities					
Accounts payable		16.3	-	-	16.3
Total financial liabilities		1,563.2	-	-	1,563.2

The carrying amount of accounts receivable, other receivables, cash and cash equivalents, accounts payable, borrowing and other liabilities is a reasonable approximation of fair value. Derivative instruments are continuously measured at fair value in accordance with Level 2, IFRS 13.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

2021 Parent Company, SEK million	Valuation hierarchy	Amortised cost	Fair value through profit or loss	Total fair value	Total carrying amount
ASSETS					
Financial fixed assets					
Participations in Group companies	3	16.6	-	-	16.6
Current assets					
<i>Current receivables</i>					
Current receivables for Group companies		17.0	-	-	17.0
Current receivables		5.9	-	-	5.9
Derivative instruments	2	-	0.7	0.7	0.7
Cash and cash equivalents		8.7	-	-	8.7
Total financial assets		48.1	0.7	0.7	48.8
LIABILITIES					
Current liabilities					
Derivative instruments	2	-	3.2	3.2	3.2
Accounts payable to Group companies		5.4	-	-	5.4
Accounts payable		1.8	-	-	1.8
Total financial liabilities		7.2	3.2	3.2	10.3

2020 Parent Company, SEK million	Valuation hierarchy	Amortised cost	Fair value through profit or loss	Total fair value	Total carrying amount
ASSETS					
Current assets					
<i>Current receivables</i>					
Accounts receivable		-	-	-	-
Current receivables		0.5	-	-	0.5
Cash and cash equivalents		0.4	-	-	0.4
Total financial assets		0.9	-	-	0.9
LIABILITIES					
Current liabilities					
Accounts payable to Group companies		18.0	18.0	18.0	18.0
Accounts payable		7.2	-	-	7.2
Total financial liabilities		25.2	-	-	25.2

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Framework for financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

The Group's Financial Policy for managing financial risks was established by the Board of Directors and creates a framework of guidelines and regulations in the form of a risk mandate and limitations in finance and treasury. Responsibility for the Group's financial transactions and risks is managed centrally by the CFO and the Group's Finance Department in the Parent Company. The overall objective of the finance function is to provide cost-effective funding and to minimise the negative effects on Group profit/loss from market risks. The CFO regularly reports to the CEO and to the Group's Finance Committee.

Liquidity risk

Liquidity risk is the risk that the Group may experience difficulties in meeting its obligations associated with financial liabilities. A liquidity forecast in the short and long-term is regularly prepared. A liquidity forecast for the next 12 months is prepared on a monthly basis. The forecast is to include all inflows and outflows as well as major investment needs and temporary working capital requirements as soon as these are identified. The consolidated liquidity forecast forms the basis of Annhem Fastigheter's borrowing or investment needs and control of Annhem Fastigheter's total liquidity situation. Liquidity needs in a longer perspective are calculated on an annual basis when the financial long-term forecast is updated.

A liquidity reserve for operations is to be available at any given time to guarantee Annhem Fastigheter's short-term solvency. The liquidity reserve includes short-term cash in bank, the market value of investments that can be freed up within three banking days along with the unutilised portion of confirmed credit facilities with a remaining lease term of at least three months. Surplus liquidity is defined as all liquidity in addition to the liquidity reserve.

In cases when it is deemed financially advantageous, the surplus liquidity may be invested to address a known future financing need, as an alternative to amortisation of interest-bearing external liabilities. Funds from borrowing paid in advance for later financing needs may also be invested.

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

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

Some of Annhem Fastigheter's agreements, primarily Annhem Fastigheter's credit agreements with credit institutions, provisions exist that become relevant in connection with a change in control over the company or another company in Annhem Fastigheter. Such a provision could, for example, give a credit institution the option of cancelling agreements if one or more, other than Annhem's largest shareholders and some closely related

parties to this shareholder, who act jointly, become owners, directly or indirectly, of shares or votes in the company in excess of a certain percentage threshold value. In the event of such changes in control, certain rights for the counterparty or obligations for Annhem Fastigheter could come into effect, the results of which could include an impact on Annhem Fastigheter's continued financing. If Annhem Fastigheter's financing is impacted, it could lead to Annhem Fastigheter being compelled to divest properties at unfavourable prices and – over time – could have a negative impact on Annhem Fastigheter's income, which could lead to a material negative impact on the company's financial position.

Available liquidity	31 Dec 2021	31 Dec 2020
Unutilised loan framework	420.0	420.0
Available cash and cash equivalents	190.2	448.0
Liquidity reserve	610.2	868.0

At year-end, the company's financial liabilities amounted to SEK 1,721.3 million, including lease liability, and the maturity structure of the debt, plus interest maturity, is presented in the table below. The balance sheet includes borrowing fees in interest-bearing liabilities.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Maturity structure, financial liabilities – undiscounted cash flow

2021 Group, SEK million	Currency	Nominal amount original currency	Total	Outflow <1 year	1-2 years	2-3 years	3-5 years	>5 years
Bank loans	SEK	1,026.0	1,085.3	20.2	1,065.1	-	-	-
Bank loans	EUR	50.8	532.4	11.2	521.2	-	-	-
Bank loans	NOK	176.0	175.3	3.7	171.6	-	-	-
Accounts payable	EUR	0.0	0.3	0.3	-	-	-	-
Accounts payable	SEK	9.2	9.2	9.2	-	-	-	-
Accounts payable	NOK	2.3	2.3	2.3	-	-	-	-
Other current liabilities	SEK	-	56.3	56.3	-	-	-	-
Total		-	1,861.2	103.3	1,758.0	-	-	-

2020 Group, SEK million	Currency	Nominal amount original currency	Total	Outflow <1 year	1-2 years	2-3 years	3-5 years	>5 years
Bank loans	SEK	792.0	843.3	17.4	17.4	808.5	-	-
Bank loans	EUR	50.8	543.5	11.2	11.2	521.0	-	-
Bank loans	NOK	176.0	178.9	3.7	3.7	171.5	-	-
Accounts payable	EUR	1.0	0.1	0.1	-	-	-	-
Accounts payable	SEK	5.3	5.3	5.3	-	-	-	-
Accounts payable	NOK	-	0.1	0.1	-	-	-	-
Other current liabilities	SEK	-	56.3	56.3	-	-	-	-
Total		-	1,627.5	94.1	32.3	1,501.0	-	-

In addition to the financial liabilities with undiscounted cash flow presented in the table above, the Group holds one leasehold right with undiscounted annual ground rent of SEK 0.0 million. This lease is regarded as perpetual from the Group's perspective since the Group has no right to terminate the agreement. On 31 December 2020, the Group held four leasehold rights of a similar nature, of which three were redeemed in 2021.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

2021 Parent Company, SEK million	Currency	Nominal amount original currency	Total	Outflow <1 year	1-2 years	2-3 years	3-5 years	>5 years
Liabilities to Group companies, accounts payable	SEK	-	5.4	5.4	-	-	-	-
Total		-	5.4	5.4	-	-	-	-

2020 Parent Company, SEK million	Currency	Nominal amount original currency	Total	Outflow <1 year	1-2 years	2-3 years	3-5 years	>5 years
Liabilities to Group companies, accounts payable	SEK	-	15.6	15.6	-	-	-	-
Accounts payable	SEK	-	9.6	9.6	-	-	-	-
Total		-	25.2	25.2	-	-	-	-

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. IFRS divides market risks into three types: currency risk, interest-rate risk and other price risks. The market risks that mainly impact the Group comprise interest rate risk and currency risk.

The Group aims to manage and control market risk within established parameters while optimising the result of risk-taking within a given framework. The parameters are established with the aim that market risks in the short term (6-12 months) will only have a marginal impact on the Group's profits and position. In the longer term, however, permanent changes to exchange rates and interest will impact consolidated earnings.

Interest rate risk

The interest rate risk is the risk that the value of financial instruments may vary due to changes in market interest rates. The interest rate risk can result in changes in fair values and cash flows. Interest rate risk impacts Annhem Fastigheter through running interest expenses for loans and derivatives and also through changes in the market values of the derivatives. The aim of interest-rate risk management is to achieve the desired stability in Annhem Fastigheter's combined cash flows. Stable cash flows are important to promote property investments and to fulfil the requirements and expectations that lenders and other external parties have of Annhem Fastigheter. Annhem Fastigheter

is primarily exposed to interest rate risk through the Group's borrowing. The interest-rate risk strategy comprises a balanced combination of floating rates and fixed rates. During the year, Annhem purchased interest rate swaps to convert floating rates to fixed to reduce the volatility of interest expenses. See Note 16 for more information on interest-bearing liabilities.

Sensitivity analysis - interest rate risk

The impact of interest income and interest expenses during the coming twelve-month period in the event of a increase/decrease in interest rates of 1 percentage point on the balance sheet day amounts to +/- SEK 17.2 million (+/- SEK 14.5 million) - given the interest-bearing assets and liabilities on the balance sheet date.

Currency risk

Currency risk is the risk that fair values and cash flows of financial instruments may fluctuate with changes in the value of foreign currencies. The Group is exposed to currency risk on transaction as there is a mix of currencies used for sales, purchases, receivables and liabilities listed and the respective functional currency in the Group companies. The functional currency for Group companies is primarily SEK, NOK and EUR. To counteract these currency risks, the Group has actively chosen to purchase currency futures in EUR and NOK. However, there are certain items in EUR and NOK in a Swedish subsidiary that are translated to SEK and the currency effects are recognised in profit or loss. The net amounts total

EUR 2.6 million and NOK 114.3 million. Transactions are mainly conducted in SEK, NOK and EUR.

Annhem Fastigheter invests in properties outside of Sweden through foreign subsidiaries. Investments in foreign currencies are exposed to currency risk when they are not financed in local currency. The investments are, as far as possible, to be financed locally in the subsidiaries.

Sensitivity analysis - currency risk

A 10-percent strengthening of the Swedish krona against other currencies on 31 December 2021 would entail a change in equity by SEK 23.7 million (SEK 21.3 million), where EUR accounts for SEK 24.4 million and NOK for SEK -0.7 million. For earnings, the change was SEK 1.8 million (SEK 1.4 million, where EUR accounts for SEK 2.4 million and NOK for SEK -0.7 million). The sensitivity analysis assumes that all other factors (such as interest rates) remain constant. The same conditions were applied to the year-earlier period.

Credit risk in accounts receivable and lease receivables

The Group has drawn up a credit policy under which every new customer is individually analysed in terms of creditworthiness before offering the Group's general payment and delivery terms. The Group's examination encompasses external credit assessments, if available, financial reports, information from credit rating agencies, industry information and in some cases bank references.

Annhem Fastigheter has a diversified customer base with several categories of tenants in various sectors. Peab is Annhem Fastigheter's largest tenant and represented 36.1 percent of the rental value on 31 December 2021. Furthermore, no single tenant represented more than 6 percent of the rental value. The ten largest customers (excl. Peab) represented 32 percent. Annhem Fastigheter uses advanced invoicing with respect to its rent receivables.

Annhem Fastigheter applies the simplified approach in IFRS 9 for calculating anticipated credit losses. The Group's credit losses have been very low. The Group's reserve for anticipated credit losses was SEK 0.3 million.

Credit exposure for accounts receivable and lease receivables per geographic region for each year is presented below.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Group, SEK million	Carrying amount	
	2021	2020
Sweden	1.9	5.6
Finland	1.1	-
Norway	0.1	-
Total	3.1	5.6

Credit risk in cash and cash equivalents

As regards cash and cash equivalents, the counterparties are Scandinavian banks and financial institutions with a rating of either at least A- (S&P) or at least A3 (Moody's) or other counterparty with a rating of either at least A (S&P) or at least A2 (Moody's).

The Group believes cash and cash equivalents have a low credit risk based on the counterparties' external credit assessment. The expected credit loss for cash and cash equivalents is considered negligible and was therefore not reported.

Credit risks in financial operations

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

Group, SEK million	2021		2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Recognised gross amount	6.2	3.2	-	-
Amount covered by netting agreement	-3.2	-3.2	-	-
Net amount after netting agreement	3.0	0.0	-	-

Capital management

According to the Board's policy, the Group's financial aim is to have a good financial position, which helps to maintain the confidence of investors, creditors and the market and forms a platform for the continued development of business activities, at the same time as generating satisfactory long-term returns for shareholders. A balance between high equity returns, which benefits from a low level of equity interests, and the need for financial stability, which is achieved through a high level of equity interests. This is considered an optimum level, taking into account the risks in the Group's business operations. Adapting to this target constitutes part of the strategic planning and the level of the net debt/equity ratio is continuously monitored in internal reporting to the management team, the Board of Directors and its Risk Committee.

Capital is defined as total equity.

Group, SEK million	2021	2020
Total equity	2,275.9	2,057.9
Net debt/equity ratio		
Interest-bearing liabilities	1,721.3	1,546.9
Less cash and cash equivalents and current investments	-190.2	-448.0
Net debt	1,531.0	1,098.9
Net debt/equity ratio (Net debt / Total equity), %	67.2	53.4

The increase in net debt/equity ratio is due to an increase in net debt by 11 percent and an increase in equity by 11 percent. The increase in net debt is a result of growth in the property portfolio during the year and the additional interest-bearing liabilities. The increase in equity is also a result of the growth in the property portfolio, which contributed with positive earnings for the period.

Cash flow from current operations is primarily to be reinvested in the business to capitalise on business opportunities and achieve the growth target for the property portfolio of SEK 7 billion. Thereafter, a significant share of earnings is intended to be distributed to the owners in the form of dividends, redemption and/or repurchase of shares.

Financial income and expenses

Group, SEK million	2021	2020
Interest income	0.0	-
Interest expenses	-40.0	-43.9
Exchange-rate effects	10.1	-4.9
Changes in value of currency futures	-10.0	-
Borrowing fees	-4.2	-2.0
Total	-44.1	-50.8

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

Parent Company, SEK million	2021	2020
Interest income, from Group companies	42.0	17.8
Interest expenses, to Group companies	-0.1	-1.2
Interest expenses, to related parties	-	-0.1
Interest expenses	-0.2	-
Exchange-rate effects	0.0	-
Changes in value of currency futures	-10.0	-
Changes in value of derivative instruments	-0.8	-
Borrowing fees	0.0	-
Total	31.6	16.5

Interest expenses to related parties pertain to interest-bearing liabilities the Parent Company had to Peab prior to the separate listing.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Interest-bearing liabilities

The following presents information on the company's contractual terms regarding interest-bearing liabilities. For more information on the company's exposure to interest-rate risk and the risk of exchange rate fluctuations, refer to the Risk and risk management section in this Annual Report.

Group, SEK million	2021	2020
Lease liabilities, non-current	1.8	88.8
Borrowing fees	-8.2	-11.6
Loans from credit institutions	1,727.7	1,469.6
<i>of which, current interest-bearing liabilities</i>	-	-
Total	1,721.3	1,546.9

On 31 December 2021, the Group's interest-bearing liabilities comprised an external credit facility in three currencies; SEK, EUR and NOK. The credit facility runs three years from 11 December 2020, with an interest rate of 2.2 percent + 3m IBOR. The Group also holds loans in the form of green financing of SEK 234.0 million, divided into SEK 69.0 million with an interest rate of 1.25 percent + 3m IBOR and SEK 165 million with an interest rate of 1.15 percent + 3m IBOR, with a tenor of two years.

On 31 December 2020, the Group's interest-bearing liabilities comprised an external credit facility in three currencies; SEK, EUR and NOK. The credit facility runs three years from 11 December 2020, with an interest rate of 2.2 percent + 3m IBOR. Annehem Fastigheter's assessment is that the Group will not be affected by the interest rate benchmark reform.

The company met all loan conditions during the current periods.

Change in loan structure during the period

Group, SEK million	2021	2020
Interest-bearing liabilities at start of period	1,546.9	1,453.1
Repayment of loans from related parties	-	-1,122.5
Loans raised with related parties	-	344.5
Repayment of external bank loans	-	-586.2
External bank loans raised	234.0	1,469.7
Change in lease liability	-87.9	-
Change in borrowing fees	3.4	-11.7
Currency effects	24.9	-
Interest-bearing liabilities at end of period	1,721.3	1,546.9

NOTE 14 CURRENT LIABILITIES

Group, SEK million	2021	2020
Prepaid rent revenue	22.5	29.0
External services	0.5	9.7
Accrued personnel costs	1.9	5.5
Other current liabilities	38.8	12.1
Total	63.6	56.3

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

Parent Company, SEK million	2021	2020
Prepaid rent revenue	0.0	0.0
External services	5.9	9.6
Accrued personnel costs	1.9	5.5
Other current liabilities	2.6	2.3
Total	10.4	17.4

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

NOTE 15 PARTICIPATIONS IN GROUP COMPANIES

Companies that are part of the Group

Company name	Corp. ID. No.	Registered office	Share, %
Annhem Fastigheter AB	559220-9083	Ängelholm, Sweden	100%
Directly owned			
Annhem Holding 3 AB	559262-8506	Ängelholm, Sweden	100%
Annhem Holding 4 AB	559262-8548	Ängelholm, Sweden	100%
Annhem 1 AB	559311-5107	Ängelholm, Sweden	100%
Annhem 2 AB	559311-5115	Ängelholm, Sweden	100%
Annhem 3 AB	559311-5123	Ängelholm, Sweden	100%
Indirectly owned			
Annhem Holding 2 AB	559230-7028	Ängelholm, Sweden	100%
Annhem Sadelplats Fastigheter 3 AB	556895-0116	Ängelholm, Sweden	100%
Annhem Sadelplats Fastigheter 4 AB	556916-2596	Ängelholm, Sweden	100%
Annhem Ledvolten 1 Fastigheter AB	559194-5570	Solna, Sweden	100%
CBT Nering AS	921682298	Oslo, Norway	100%
Annhem Invest Oy	1773022-9	Helsinki, Finland	100%
Ultimes I Ky	2568845-4	Helsinki, Finland	100%
Ultimes II Ky	2850052-5	Helsinki, Finland	100%
Ultimes Parking Ky	2568844-6	Helsinki, Finland	100%
Property Gardener Oy	2558819-7	Helsinki, Finland	100%
Annhem Syd Holding 1 Fastigheter AB	559220-9752	Ängelholm, Sweden	100%
Annehems Kamaxeln 2 Fastighets AB	559230-6889	Ängelholm, Sweden	100%
Annhem Partille Port 4 Fastigheter AB	556960-0280	Ängelholm, Sweden	100%
Annhem Stenekull 2 Fastigheter AB	559034-8917	Ängelholm, Sweden	100%
Annhem Jupiter 11 Fastigheter AB	556892-3428	Solna, Sweden	100%
Annehems Valhall Park AB	556107-0003	Ängelholm, Sweden	100%
Annhem Syd Parker Holding Fastigheter AB	559230-6897	Ängelholm, Sweden	100%
Ljungbyhed Park AB	556545-4294	Ängelholm, Sweden	100%

Participations in Group companies

Parent Company, SEK million	2021	2020
Opening balance for the year	12.5	-
Acquisitions during the year	0.3	12.5
Shareholders' contributions	3.8	-
Closing balance at year end	16.6	12.5

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

NOTE 16 LEASES

Leasing contracts where the company is lessee

Non-cancellable lease payments

SEK million	31 Dec 2021	31 Dec 2020
Within one year	-0.1	-4.3
Between one and five years	-0.2	-17.1
Later than five years	-1.5	-67.5
Total	-1.8	-88.8

Total lease expenses

SEK million	31 Dec 2021	31 Dec 2020
Total lease expenses - interest	-0.1	-4.3
Total	-0.1	-4.3

Lease expenses are recognised in their entirety as interest expenses for each year.

Cash outflow pertaining to leases corresponds to the total of lease expenses for each year.

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

SEK million	31 Dec 2021	31 Dec 2020
Opening balance	88.8	90.6
Less: right-of-use assets	-87.9	-
Change in lease liability	0.8	-1.8
Closing balance	1.8	88.8

Total cash outflow related to lease liability amounted to SEK 2.3 million (4.3) for 2021. The company redeemed three leasehold rights in Finland in 2021.

Annhem Group held one lease in the form of leasehold rights at the end of 2021. The leasehold rights are perpetual (or very long term). The right-of-use assets from the leasehold rights are recognised as investment properties at fair value but as the ground leases affects the measurement of the buildings, no separate remeasurement of the ground leases is carried out, rather the remeasurement of the buildings is considered to take into account the remeasurement of the ground leases. Buildings and leasehold rights are presented in the balance sheet and notes as one item and accordingly a breakdown/split is not needed but disclosures are given in accordance with IFRS 16 as lessee.

NOTE 17 PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK million	2021	2020
<i>For own liabilities and assets</i>		
Real estate mortgages	2,224.0	1,979.2
Total	2,224.0	1,979.2

NOTE 18 EVENTS AFTER THE END OF THE PERIOD

Significant events after the end of the period

- In a press release on 7 February 2022, Annhem's Board announced its intension to appoint a new CEO.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Financial key figures

Number of shares	2021	2020
Class A shares	6,863,991	6,863,991
Class B shares	52,128,557	52,128,557
Total average number of shares	58,992,548	58,992,548

Income from property management

Annhem's operations focus on growth in cash flow from day-to-day administration, meaning growth in income from property management. The target is that income from property management per share will double within 12 to 18 months and then increase over time by an average of 20 percent per year. Shown below is the income from property management, excluding items affecting comparability, which are related to Annhem's listing and refinancing processes.

Income from property management excl. items affecting comparability

SEK million	2021	2020
Profit before tax	262.1	101.9
<i>Reversal</i>		
Changes in value of properties	-172.9	-85.9
Changes in value of derivatives	-3.0	
IPO costs	-	19.0
Refinancing costs	-	5.1
Exchange-rate effects	-	4.9
Income from property management excl. items affecting comparability	86.2	45.0

Income from property management, excluding items affecting comparability, SEK per share

SEK million	2021	2020
Income from property management	86.2	16.0
Items affecting comparability	-	29.0
Income from property management excl. items affecting comparability	86.2	45.0
Number of shares	58,992,548	58,992,548
Income from property management excl. items affecting comparability, SEK per share	1.46	0.76

Long-term net asset value

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

SEK million	31 Dec 2021	SEK per share	31 Dec 2020	SEK per share
Equity according to the balance sheet	2,275.9	38.6	2,057.9	34.9
<i>Reversal</i>				
Deferred tax according to the balance sheet	139.1	-	86.5	-
Long-term net asset value	2,415.0	40.9	2,144.4	36.3

Interest-coverage ratio excl. items affecting comparability

SEK million	2021	2020
Income from property management	86.2	16.0
<i>Reversal</i>		
Net interest income	44.1	43.7
Interest-coverage ratio, multiple	3.0	1.4
<i>Reversal</i>		
Items affecting comparability	-	29.0
Income from property management excl. items affecting comparability and net interest income	130.3	88.7
Interest-coverage ratio excl. items affecting comparability, multiple	3.0	2.0

Loan-to-value ratio

SEK million	31 Dec 2021	31 Dec 2020
Interest-bearing liabilities	1,721.3	1,546.9
Cash and cash equivalents	-190.2	-448.0
Interest-bearing liabilities, net	1,531.1	1,098.9
Investment properties	3,994.1	3,317.5
Net loan-to-value ratio, %	38.3	33.1

Surplus ratio

SEK million	2021	2020
Income from property management	86.2	16.0
<i>Reversal</i>		
Management costs	69.6	99.1
Net operating income	155.8	115.0
Rent revenue	187.8	151.5
Surplus ratio, %	83.0	75.9

Items affecting comparability

Annhem regards items of a non-recurring nature as items affecting comparability. For 2020, these comprised costs related to the listing process, as well as costs and exchange-rate effects related to the refinancing process. The intention is to hedge exchange-rate effects from 2021 using currency futures.

SEK million	2021	2020
IPO costs	-	19.0
Refinancing costs	-	5.1
Non-recurring exchange-rate effects	-	4.9
Items affecting comparability	-	29.0

Return on equity

SEK million	2021	2020
Net income for the period attributable to the Parent Company's shareholders	209.7	71.8
Equity attributable to the Parent Company's shareholders	2,275.9	2,057.9
Return on equity, %	9.2	3.5

Earnings per share, SEK

	2021	2020
Net income for the period attributable to the Parent Company's shareholders, TSEK	209,734.6	71,779.0
Weighted average number of outstanding ordinary shares, thousand	58,992.5	58,992.5
Earnings per share, before and after dilution, SEK	3.56	1.22

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

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

As stated above, the annual accounts and the consolidated financial statements were approved for publication by the Board and CEO on 5 April 2022. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be presented to the Annual General Meeting for adoption on 19 May 2022.

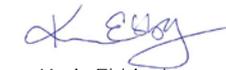
Ängelholm, 5 April 2022



Göran Grosskopf
Chairman of the Board



Pia Andersson
Board member



Karin Ebbinghaus
Board member



Axel Granlund
Board member



Jesper Göransson
Board member



Anders Hylén
Board member



Lars Ljungälv
Board member



Jörgen Lundgren
CEO

Our Auditor's Report was submitted on 5 April 2022

KPMG AB



Peter Dahlöf
Authorised Public Accountant

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Auditor's Report

Translation from the Swedish original

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Annhem Fastigheter AB (publ) for the year 2021, except for the corporate governance statement on pages 42–49 and the remuneration report on page 50. The annual accounts and consolidated accounts of the company are included on pages 7, 11–13, 25–30, 34, 36–41 and 51–84 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 42–49 and remuneration report on page 50. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further

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

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

Key Audit Matters

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

Valuation of investment properties

See disclosure 9 and accounting principles on pages 62–67 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

- Investment properties are reported in the consolidated accounts at fair value. The Group's investment properties comprise approximately 95 percent of the Group's total assets.
- The fair value of the properties as of 31 December 2021 has been determined on the basis of the external valuation performed by independent external valuers with a valuation date of 31 August 2021. Thereafter, the company has performed an internal valuation based on external market data as of 31 December 2021.
- Given the investment properties' significant share of the Group's total assets and the element of assessments included in the valuation process, this constitutes a particularly important area in our audit.

- The risk is that the book value of investment properties may be overestimated or underestimated and that any adjustment of the value directly affects the profit for the period.

Response in the audit

- We have considered whether the applied valuation methodology is reasonable by comparing it with our experience of how other real estate companies and valuers work and what assumptions are normal when valuing comparable objects.
- We have assessed the competence of the external valuers and of the internal valuation function.
- We have assessed the independence of the external valuers by reading their assignment agreements in order to assess whether there are contractual terms that may affect the scope or direction of the external valuers' assignments.
- In addition, we have tested the controls that the company has established to ensure that the input data provided to the external valuers is correct and complete. Furthermore, regarding the internal valuations, we have examined assumptions and their application.
- We have randomly tested the established property valuations. In doing so, we have used current market data from external sources, especially regarding assumptions about yield requirements, discount rates, rental levels and vacancies.
- We have checked the accuracy of the information about the investment properties that the company provides in the annual report, especially with regard to elements of assessments and applied key assumptions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–6, 8–10, 14–24, 31–33, 35, 42–50 and 89–92. The Board of Directors and the Managing Director are responsible for this other information.

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

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

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

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

Responsibilities of the Board of Directors and the Managing Director

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

In preparing the annual accounts and consolidated accounts the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

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

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

Report on other legal and regulatory requirements

The auditor's review of management and proposals for disposition 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 Managing Director of Annhem Fastigheter AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

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

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

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

Auditor's responsibility

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions

or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

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

Auditor's review of the ESEF report Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also performed a review of the fact that the Board of Directors and the President have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (ESEF report) in accordance with ch. Section 4 a of the Act (2007: 528) on the securities market for Annhem Fastigheter AB (publ) for the year 2021.

Our review and our statement relate only to the statutory requirement.

In our opinion, the ESEF report y12MSzafwm6AkLO= has been prepared in a format that essentially enables uniform electronic reporting.

Basis for opinion

We performed the audit in accordance with FAR's recommendation RevR 18 Auditor's review of the ESEF report. Our responsibilities in accordance with this recommendation are described in more detail in the Auditor's responsibilities section. We are independent in relation to Annhem Fastigheter AB (publ) in accordance with good auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate as a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the ESEF report has been prepared in accordance with Chapter 16, § 4 a of the Securities Market Act (2007: 528), and because there is such internal control as the Board and the managing director deems necessary to prepare the ESEF report without significant inaccuracies, whether these are due to irregularities or mistakes.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 42–49 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is 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.

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

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Annhem Fastigheter AB (publ) by the general meeting of the shareholders on 19 May 2021. KPMG AB has been the company's auditor since 2019

Stockholm 5 April 2022

KPMG AB

Peter Dahllöf
Authorized Public Accountant

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annhem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Glossary and definitions

Return on equity	Profit for a rolling 12-month period in relation to closing equity for the period. Purpose: The key figure shows the return generated on the capital attributable to the shareholders.
Gross rent	Gross rent is defined as rent revenue at a yearly basis excluding supplements and discounts.
Yield	Net operating income for a rolling 12-month period in relation to the properties' carrying amount, adjusted for the properties' holding period for the period. The key figure shows the return from operational activities in relation to the value of the properties. Purpose: The key figure shows the return from operational activities in relation to the value of the properties.
Net operating income	Net operating income includes the revenue and expenses that are directly linked to the property, that is to say, rent revenue and the expenses required for running the property, such as operating costs and maintenance costs. Purpose: The metric is used to provide comparability with other property companies and also to show the performance of the business.
Economic occupancy rate¹⁾	Vacancy rent as a percentage of the gross rent at the end of the period. Purpose: The key figure facilitates the assessment of estimated rent for vacant spaces in relation to the total value of the rented and unrented floor space.
Property	Property held with property rights or leasehold rights.
Fair value of properties	Property value recognised according to balance sheet at the end of the period. Purpose: The key figure provides greater understanding of the value growth in the property portfolio and the company's balance sheet.
Income from property management	Income from property management is comprised of net operating income plus property management and administrative expenses and financial income and expenses. The earnings measure does not include the effects of changes in value of the investment properties and derivatives.

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

Income from property management, excluding items affecting comparability	Income from property management is comprised of net operating income excluding items affecting comparability, plus property management and administrative expenses and financial income and expenses. The earnings measure does not include the effects of changes in value of the investment properties and derivatives.
Rent revenue	Rent revenue less vacancies, rent discount and lost rent.
Rental value¹⁾	Rent revenue with deductions for rent discount, plus rent surcharges and property tax for the rented space, as well as an estimate of market rent for vacant space. Purpose: The key figure enables an assessment of the total potential rent revenue as surcharges are added to the charged rent revenues with an estimated market rent for vacant spaces.
Items affecting comparability	Annhem regards items of a non-recurring nature as items affecting comparability.
Long-term net asset value	Equity per share with the reversal of fixed-interest derivatives and deferred tax according to balance sheet. Purpose: Long-term net asset value is a metric that reflects the long-term value of a property portfolio, instead of equity.
Net loan-to-value ratio	Interest-bearing liabilities, including lease liabilities, less cash and cash equivalents as a percentage of the carrying amount of the properties. Purpose: Net loan-to-value ratio is a measure of risk that indicates the degree to which the operations are encumbered with interest-bearing liabilities.
Net letting	New letting taken out during the period less terminations with notice of vacancy.
Interest-bearing liabilities	Interest-bearing liabilities mean all liabilities on which Annhem pays interest. These items in the balance sheet are: non-current and current liabilities to related parties, non-current and current interest-bearing liabilities (including lease liabilities) and Group account.

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

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

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Abbreviations

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

THIS IS ANNEHEM	2
The year in brief	3
Significant events	4
CEO's comments	5
Introduction to the Directors' Report	7
Market	8
Strategy, targets and target achievement	11
Our properties	14
Our customers	22
Sustainability	25
The Annehem share	34
CFO's comment	35
Financing	36
Risks and risk management	37
CORPORATE GOVERNANCE REPORT	42
Board of Directors	48
Senior executives	49
Remuneration report	50
ACCOUNTS	51
Financial developments and events during the year	51
Financial statements	53
Financial key figures	84
Auditor's report	86
OTHER	89
Glossary and definitions	89
Abbreviations	91
Invitation to the Annual General Meeting	92

Invitation to the Annual General Meeting

Annehem Fastigheter's Annual General Meeting will take place on 19 May 2022 at Valhall Park Hotell, Stjarnsvärds allé 66, Ängelholm. In order to reduce the risk to spread Covid-19, shareholders will also be given the opportunity to exercise their voting rights at the Annual General Meeting by postal ballot.

Shareholders who wish to participate in the Annual General Meeting (AGM) by postal ballot must (i) be listed as a shareholder in the share register produced by Euroclear Sweden AB regarding the conditions on 11 May 2022 and (ii) register by mailing their postal vote no later than 13 May 2022 so that the postal vote is received by Euroclear Sweden AB (which administers the forms on behalf of Annehem) no later than that day.

Shareholders who wish to attend the AGM in person or by proxy must notify this in accordance with what is stated above. This means that a registration by postal vote only is not enough for those who want to attend the meeting room.

Notice of the Annual General Meeting, proxy form and advance voting form will be available on Annehem's website no later than 14 April 2022, <https://www.annehem.se/investors/corporate-governance/shareholders-meetings/annual-general-meeting-2022/>.