

HOLMSTRÖM
FASTIGHETER HOLDING

ANNUAL REPORT
2021





2021 was a strong year for Holmström Fastigheter Holding. Both directly owned investment properties and the associated companies Magnolia Bostad and Vincero Fastigheter have contributed to the result.

– ERIK RUNE
CEO

2021 IN BRIEF

In March 2021, Holmströmgruppen carried out a restructuring of the Group. Through combining companies with residential and community service properties and shareholdings in Magnolia Bostad and Vincero Fastigheter, a new sub-group was created under a new parent company, Holmström Fastigheter Holding AB (publ), ("Holmström Fastigheter").

Magnolia Bostad bought out from the stock exchange

In July 2021, Holmström Fastigheter and Areim announced a cash offer to the shareholders of Magnolia Bostad to transfer their shares to an associated company of Holmström Fastigheter. In September, the process was completed and Magnolia Bostad was delisted from Nasdaq Stockholm.



Leif Andersson, chairman of Areim, with Fredrik Holmström, chairman of Holmström Fastigheter.

Green financing framework

Brunswick Real Estate Capital and Holmström Fastigheter have developed a social and green business plan for the property portfolio. The plan includes a model for measuring and monitoring social improvement. The current loan is of SEK 600 million directed to Holmström Fastigheter's portfolio of 39 properties in the Kalmar Region.

Norrköping – a new place on our map

In May 2021, Holmström Fastigheter acquired a property in central Norrköping. The property comprises just over 1,000 m² of GFA and houses a nursery school.



KPIS, HOLMSTRÖM FASTIGHETER	2021	2020
Profit/loss after net financial items (SEK million)	898	0
Balance sheet total (SEK million)	4,161	0
Number of investment properties	67	0
Market value of the properties (SEK million)	2,259	0
Property value, SEK per m ²	22,810	0
Annual rental income, SEK per m ²	1,165	0
Property yield, %	3.4%	0%
Vacancy rate (economic), %	4.1%	0%
Lettable area, m ²	99,038	0
Annual return on equity, %	59.6%	0%
Adjusted equity/assets ratio, %	56.6%	100.0%
Interest coverage ratio, multiple	1.90	N/A

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

Bonds issued for SEK 500 million

In 2021, Holmström Fastigheter issued senior unsecured bonds of SEK 500 million under a total framework of SEK 750 million. The bonds are listed for trading on the Nasdaq Stockholm bond list.

Eleven new properties acquired in Kalmar

In 2021 Holmström Fastigheter signed an agreement to acquire eleven additional properties in Kalmar, totalling around 9,500 m² GFA. The acquisition includes two community service properties and one newly constructed row of terraced houses.



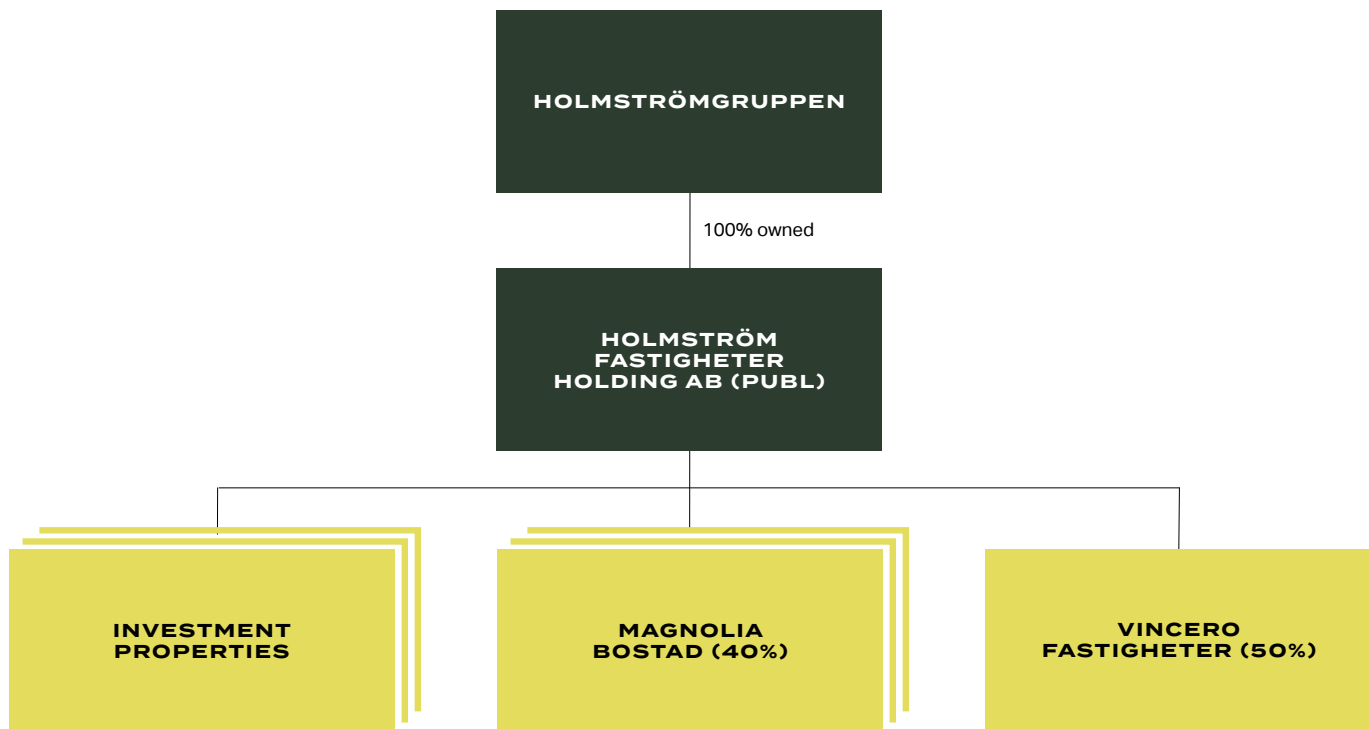
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This Annual Report is a translation of the original audited Swedish Annual Report, which prevails in the event of discrepancies between this translation and the Swedish original.



THIS IS HOLMSTRÖM FASTIGHETER

Holmström Fastigheter's business concept is to be a committed and active property owner in a few selected markets. The company will also be active in property development through associated companies. Additional value is created through the active and responsible exercise of ownership.

INVESTMENT PROPERTIES

At the end of the year, Holmström Fastigheter owned 67 properties, located in Kalmar, Örn-sköldsvik and the Mälardalen region. They cover approximately 102,000 m², of which 75% is residential, 17% commercial premises and 8% community service property. All properties are managed by Holmströmgruppen.

ASSETS, HOLMSTRÖM FASTIGHETER BOOK VALUES

- » INVESTMENT PROPERTIES
SEK 2,259 MILLION (54%)
- » MAGNOLIA BOSTAD
SEK 1,166 MILLION (28%)
- » VINCERO FASTIGHETER
SEK 572 MILLION (14%)
INCLUDING SHAREHOLDER
LOANS
- » OTHER ASSETS
SEK 164 MILLION (4%)



HOLMSTRÖM FASTIGHETER

67 properties, around 102,000 m² in total

MAGNOLIA BOSTAD

20,000 estimated building rights

VINCERO FASTIGHETER

26 properties, around 55,000 m² in total

MAGNOLIA BOSTAD

Holmström Fastigheter owns 40% of Magnolia Bostad, an urban developer creating new neighbourhoods and residential areas. The company develops rental and tenant-owned apartments, community service properties and hotels in Sweden's growth cities and metropolitan areas, partly for sale and partly for self-management. At the end of 2021, the company had more than 20,000 building rights in its portfolio and over 1,000 residential units were completed during the year.

VINCERO FASTIGHETER

Holmström Fastigheter owns 50% of Vincero VF5 AB ("Vincero Fastigheter"), which owns and manages 26 commercial properties in Stockholm and Uppsala totalling around 55,000 m², with good transport links.



Johan Kjerr, manager, and Felicia Björkqvist, EA to the CEO.



Olivia Henåker (communications officer) Erik Rune (CEO), Johan Tärnell (company economist) and Marija Nikolic (head of property and sustainability).



Elisabeth Kihlgren, management assistant, and Denis Trifunovic, manager.



Fredrik Tibell, Board member.



Christian Fredefors and Olivia Henåker work as CFO and communications officer respectively.



Katarina Strömberg, head of finance.



Åsa Sjöblom, finance assistant.



Max Melin, business developer.

A STRONG RESULT FOR THE YEAR

Holmström Fastigheter is reporting its first full-year results after the acquisition of the assets from its owner Holmströmgruppen and I am proud to be able to report strong figures.

Holmström Fastigheter Holding was formed in December 2020, but many assets that we own and manage have existed for a long time within Holmströmgruppen, our 100% owner. Even though we are a young company on paper, our focus is long-term and our planning horizon spans decades.

As I said, 2021 was a strong year for Holmström Fastigheter. Our profit after net financial items amounted to SEK 898 million and our balance sheet total was SEK 4,161 million. Both directly owned investment properties and the associated companies Magnolia Bostad and Vincero Fastigheter have contributed to the result.

INVESTMENT PROPERTIES

Our investment properties form the basis of our operations and account for around 54% of our total assets. In 2021, we expanded our property portfolio with eleven new properties in Kalmar and one in Norrköping. After these acquisitions, Holmström Fastigheter owns 67 properties. Attractive acquisitions during the year, investments in existing properties and a continued favourable market have contributed to a healthy increase in value for our portfolio of properties.

SUSTAINABILITY

Holmström Fastigheter puts sustainability issues high on the agenda. Sustainability is an integral part of our value creation and is an important part of our day-to-day work. For example, we continuously invest in energy-saving measures and offer our tenants security packages that include, among other things, installation of security doors, access control systems, LED lighting and improvement of common areas.

During the year, we also developed a social, green business plan together with the lender Brunswick. The business plan, which is based on local conditions and development opportunities, includes a model for metrics and monitoring social improvement. The current loan is of SEK 600 million directed to Holmström Fastigheter's portfolio of 39 properties in the Kalmar Region.

MAGNOLIA BOSTAD

Last summer, together with Areim, we announced an offer to the shareholders of Magnolia Bostad to transfer their shares in the company to us. In September, the process was completed and Magnolia Bostad was delisted from Nasdaq Stockholm.

As a result, Holmström Fastigheter now owns 40% of Magnolia Bostad. Areim owns 44% and Holmströmgruppen owns the remaining 16%. We intend to develop Magnolia Bostad in the long term in a private environment and Areim plans to contribute SEK 2 billion of financing to the company in the coming years, which will support Magnolia Bostad's strategy to develop properties for self-management.

VINCERO FASTIGHETER

Holmström Fastigheter owns 50% of Vincero Fastigheter, which owns a number of commercial properties with good transport links in Greater Stockholm and Uppsala. The intention is to develop building rights for housing on these properties.

In 2021, a zoning plan was initiated in the company's Sjödalén project in Huddinge, where the construction of about 2,000 residential units is planned. The company has decided to develop



most of the properties for self-management, something that paves the way for good value growth in the future.

THE FUTURE

Holmström Fastigheter believes in a long-term perspective, and we strive to establish collaborations with strong partners. Our collaboration with Areim regarding Magnolia Bostad is one example. At the start of 2022, we announced another, this time with Slättö, where we will together own and develop Klippudden Fastigheter, a company within Holmström Fastigheter. We intend to grow the company over time to a property portfolio of SEK 10 billion, where Slättö will contribute the majority of the financing for the expansion.

At the time of writing, war is raging in Ukraine. This is a terrible humanitarian disaster and we feel for those affected. The war is an example of the uncertainties of the world around us. We are following developments and planning for flexibility while continuing to work on our mission.

I would like to thank our employees, the Board and our partners for good collaboration in 2021, and I look forward to continuing our journey in 2022.

Stockholm, April 2022

Erik Rune
CEO

FINANCIAL TARGETS

Holmström Fastigheter is in a strong financial position and thus has a good opportunity, regardless of the economic situation, to take initiatives and expand in all its business areas when suitable investment opportunities arise.

RETURN ON EQUITY OVER ONE BUSINESS CYCLE

> 8%

The Group's return on equity in 2021 was just over 59.6%, exceeding its annual target by 51.6 percentage points.

ADJUSTED EQUITY/ASSETS RATIO

> 40%

At the end of 2021, the adjusted equity/assets amounted to 56.6%, 16.6 percentage points above Holmström Fastigheter's target.



INVESTMENT STRATEGY
INVESTMENT PROPERTIES

Direct property investments:

- Mainly residential properties
- Presence in a few markets to ensure efficient management and the right market expertise
- Purchases and sales are preceded by an analysis in which risks are weighed against the development potential of the properties



INVESTMENT STRATEGY
MAGNOLIA BOSTAD

- Properties are developed for sale as residential units, community service properties or hotels based on current market conditions and each property's individual potential and characteristics
- Projects are also developed for self-management with the aim of strengthening the balance sheet, generating a continuous cash flow and creating long-term value growth
- Collaboration with strong, long-term partners



INVESTMENT STRATEGY
VINCERO FASTIGHETER

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



Holmström Fastigheter is represented in many areas around Sweden through property holdings and development projects. Both through its own property holdings and through the partly-owned associated companies Magnolia Bostad and Vincero Fastigheter.

- Holmström Fastigheter
- Vincero Fastigheter
- Magnolia Bostad



Magnolia Bostad's Strandblick project in Östersund.



Fajansen 11, Stockholm



Plommonträdet 6, Kalmar.

SUSTAINABILITY

We take the environment and people into account and take responsibility for future generations. We are convinced that a healthy approach to sustainability issues brings great benefits for us as a company, for our employees and for the outside world as a whole. For us, sustainability is about understanding our role in society and acting responsibly in the areas that we can influence.

All of Holmström Fastigheter's properties are managed by Holmströmgruppen, which carries out the main sustainability work and employs the managing staff.

ENVIRONMENT AND CLIMATE

Together with Brunswick Real Estate ("Brunswick"), a lender to Holmström Fastigheter, a framework for allocating capital to sustainable investments was implemented in 2021. This has resulted in sustainable activities to be implemented with a focus on social responsibility and the environment and climate. We use digital solutions to measure and control the indoor climate and to map and assess physical climate risks. Temperature sensors in our apartments allow us to provide greater comfort to our tenants and ensure that energy is used only to the extent necessary.

Through framework agreements, we set sustainability requirements on our suppliers, with annual monitoring.

In September 2015, world leaders adopted a new development agenda and global goals for sustainable development. The 2030 Agenda consists of 17 global

► EVENTS 2021

- Employees receive sustainability training/certification.
- Purchase of environmentally friendly company cars encouraged.
- Continued installation of indoor temperature sensors in our buildings to save energy and provide greater comfort for our residents.
- Introduced digital indoor temperature control
- Continued investment in and installation of energy-efficient white goods in our homes.
- Continued investment in measures in our Security Package, such as security doors, LED lighting and access control systems. These measures in turn lead to security certification.
- Signed a cooperation agreement with the Her House foundation, where we offer apartments to vulnerable women in cooperation with women's shelters.

sustainable development goals that aim to eradicate poverty, halt climate change and create peaceful and secure societies.

At Holmström Fastigheter, we have chosen to prioritise four global goals from the UN's 2030 Agenda. The goals

and areas we are focusing on in our sustainability work are good health and well-being, affordable and clean energy, sustainable cities and communities, and climate action.

"We will create long-term value and nurture and enhance this in our day-to-day operations," says Marija Nikolic, Head of Property and Sustainability at Holmström Fastigheter. "Our property investments and decisions must involve a sustainability perspective. For example, we are actively working on energy optimization and heat recovery in our buildings."

"We see it as a matter of course to take responsibility for our climate and environmental footprint, and want to enable more sustainable lives for everyone living in and around our buildings."

SOCIAL RESPONSIBILITY

"Our employees' expertise and well-being are important for us to be a sustainable and successful company in the long term," says Marija. "It's important to take care of our staff if we want to be a successful company. If we have healthy



Marija Nikolic, Head of Property and Sustainability, with Pontus Sundin, CEO of Brunswick Real Estate Capital.

people who are happy at work and feel good, we are convinced that this will have a positive impact on the organization's operations and profitability.”

Holmström Fastigheter has developed a social business plan for its property portfolio. It includes security measures and improvements to communal and sports areas to contribute to improved health, safety and self-image.

In cooperation with the Her House foundation, Holmström Fastigheter enables vulnerable women with children to be offered housing. In turn, Her House works with women's shelters to help them find accommodation where they can feel safe. Regular resident dialogue is a part of the process and results will be assessed annually, including through the use of customized tenant surveys.

The security package includes the installation of security doors, access control systems, LED lighting and the improvement of communal areas such as football pitches and basketball courts.

As part of our security initiative and to ensure that we achieve security in our properties, we have now chosen to certify our properties with a Security Certification.

Diversity and gender equality

Diversity and gender equality within the organization is a key factor for growth and profitability and also helps to increase understanding of partners, customers and the local market. If the company does not work with diversity and gender equality, there is a great risk that the company will not succeed in attracting the talents that are necessary for growth and thus miss out on business opportunities. The Code of Conduct, personnel handbook and policy on diversity contain guidelines on diversity and gender equality. The workforce is currently made up of equal numbers of men and women. The company's executive management is 50% women.

SUSTAINABILITY CERTIFICATION

During the year, our employees underwent training and were certified in sustainability. The training will be part

of the induction of every new employee. Sustainability Certification serves as a base to educating different industries, companies, organizations and professional roles about sustainability. The overall objective of the certification is to create awareness and make employees aware of the activities required to achieve a transition to a sustainable economy and future.

MAGNOLIA BOSTAD

Magnolia Bostad's essential sustainability aspects are integrated into the overall business strategy and business plan. The company's business is based on developing economically, socially and environmentally sustainable housing, community service properties and hotels.

VINCERO FASTIGHETER

The Vincero Fastigheter housing project in Södalen, Huddinge, involves a major investment in sustainable concepts. The concepts are in areas such as energy, societal functions, social values, digitization and integration.

CORPORATE GOVERNANCE REPORT

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

CORPORATE GOVERNANCE

The 2021 Corporate Governance Report has been prepared as part of the company's compliance with the Swedish Companies Act and the Swedish Annual Accounts Act.

ARTICLES OF ASSOCIATION

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

SHARES AND SHARE OWNERSHIP

On 31 December 2021, the share capital amounted to SEK 500,000, divided into 500,000 shares, 100% of which are owned by F. Holmström Fastigheter AB.

ANNUAL GENERAL MEETING

The Annual General Meeting was held on 7 June 2021. Fredrik Holmström was elected chair of the Annual General Meeting.

On 29 January 2021, the company held an Extraordinary General Meeting. Fredrik Holmström was elected chair. The Extraordinary General Meeting decided to amend the Articles of Association with the following changes: change of the cat-

egory of company from private to public limited company, limits on the number of shares and on the share capital, company name, number of board members and rules for convening general meetings. The Extraordinary General Meeting also decided to carry out a new share issue.

On 9 February, the company held an Extraordinary General Meeting. Fredrik Holmström was elected chair. The Extraordinary General Meeting decided to change the Articles of Association due to a change to the company name.

On 3 February 2022, the company held an Extraordinary General Meeting. Fredrik Holmström was elected chair. The Extraordinary General Meeting decided to approve the transfer of subsidiary F. Holmström i Nynäshamn AB's shares in Klippudden Fastigheter AB to the subsidiary Klippudden Holding 18 AB.

BOARD OF DIRECTORS

The Board shall consist of a minimum of 3 and a maximum of 10 members with a maximum of 10 deputies. The Board of Directors is elected by the Annual General Meeting and as of 31 December 2021 consisted of three members: Fredrik Holmström, Erik Rune and Fredrik Tibell. Fredrik Holmström has been Chairman of the Board throughout the year. The role of the Board is to be responsible for the company's organization and management, to assess the company's financial situation on an ongoing basis and to ensure that there are effective sys-

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

CHAIRMAN OF THE BOARD

The Chairman of the Board, in close cooperation with the CEO, will monitor the company's performance and chair Board meetings. The Chair is responsible for ensuring that the other members of the Board receive sufficient information to carry out their work effectively. At the Annual General Meeting on 7 June 2021, Fredrik Holmström was re-elected as Chairman of the Board.

CEO AND EXECUTIVE MANAGEMENT

The CEO is responsible for operational management, day-to-day administration and managing the business in accordance with the guidelines, instructions and decisions of the Board. As of 31 December 2021, Executive Management consisted of Erik Rune, Marija Nikolic, Katarina Strömberg and Gustav Carp through an asset management agreement with F. Holmström Fastigheter AB. In February 2022, Gustav Carp left his position on the executive management team and Christian Fredfors joined the team.

AUDITORS

The company's external auditors are appointed by the Annual General Meeting. The auditors are tasked with reviewing on behalf of the shareholders the Board of Directors' and the CEO's management of the company and that the annual financial statements have been prepared in accordance with applicable laws and regulations. At the Annual General Meeting of 7 June 2021, the registered accounting firm Ernst & Young AB was re-elected as auditor for the period until the Annual General Meeting in 2022. Authorized auditor Fredric Hävrén from Ernst & Young AB was appointed chief auditor. In addition to the audit assignment, Ernst & Young AB was engaged for additional services in 2021, mainly accounting matters. Such services have always and only been provided to the extent consistent with the rules of the Auditing Act and FAR's Code of Professional Conduct regarding auditor impartiality and independence.

INTERNAL CONTROLS

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

Control environment

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

Risk Assessment

The risk of material misstatement in financial reports is assessed annually by the company's Board of Directors, Executive Management and the company's external auditors. The CEO, in collaboration with different departments within the

company, is responsible for structured risk mapping across all business activities. Company risks are divided into three main types: (1) external risks, (2) operative risks and (3) organizational risks.

Control activities

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

Information on communication

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

Follow-up

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

Auditor's report on the corporate governance statement

To the general meeting of Holmström Fastigheter Holding AB (publ), corporate identity number 559286-6809.

ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors that is responsible for the corporate governance statement for the year 2021 (financial year 01/01/2021 – 31/12/2021) on pages 16–17 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

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

OPINIONS

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

Stockholm, 29 April 2022

Ernst & Young AB

Fredric Hävrén
Authorized auditor

BOARD OF DIRECTORS

Holmström Fastigheter's Board of Directors consists of Fredrik Holmström (chairman), Erik Rune and Fredrik Tibell.



Fredrik Holmström
Chairman of the Board

Working for the Group since 2006

Born: 1971

Founder and Chairman of the Board of Magnolia Bostad. Board member of Vincero Fastigheter. Chairman of the Board and owner of Holmströmgruppen, the parent company in a privately-owned group focused on the production of residential units, acquisition and management of properties and trading in listed and unlisted holdings.

BSBA from IUM, Monaco (formerly University of Southern Europe).



Erik Rune
CEO and Board member

Working for the Group since 2015

Born: 1973

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

Master in Business Administration from the Stockholm School of Economics.



Erik Rune, CEO and Board member, Fredrik Holmström, Chairman of the Board, and Fredrik Tibell, Board member.



Fredrik Tibell
Board member

Born: 1966

Board member of Magnolia Bostad. Founder, owner and CEO of Caritas Corporate Finance AB, a financial consultancy mainly for companies in the property sector. Chairman of the Board of companies including Svenska Husgruppen Intressenter AB.

Studied Economics at Stockholm University.

EXECUTIVE MANAGEMENT

At the end of 2021, Holmström Fastigheter's management team, through an asset management agreement with Holmströmgruppen, consisted of CEO Erik Rune, CFO Katarina Strömberg, Head of Business Development Gustav Carp and Head of Property and Sustainability Marija Nikolic. In early 2022, Gustav Carp left his position and Christian Fredefors took over as CFO of the company.



Erik Rune

CEO (since 2020)

Working for the Group since 2015

Born: 1973

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

Master in Business Administration from the Stockholm School of Economics.



Christian Fredefors

CFO

Working for the Group since 2022

Born: 1984

Most recently Investment Manager at Brunswick Real Estate Debt. Previously worked with financing and transactions at Hemfosa Fastigheter, and financing and analysis at Swedbank and SBAB.

MSc in Economics from the Swedish University of Agricultural Sciences in Uppsala.



Katarina Strömberg

Head of Finance

Working for the Group since 2019

Born: 1970

Most recently CFO at JLL, previously Nordic CFO at SIX Financial Information.

MSc in Economics from Uppsala University.



The Holmström Fastigheter executive management with Chairman of the Board Fredrik Holmström (left).



Marija Nikolic
 Head of Property and Sustainability
 Working for the Group since 2019
 Born: 1971

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

Studied Property at Stockholm University.



Gustav Carp
 Head of Business Development
 Working for the Group since 2006
 Born: 1984

In February 2022, Gustav Carp left his position at Holmström Fastigheter for a new position as CEO of Klippudden Fastigheter, an associated company of Holmström Fastigheter.

INVESTMENT PROPERTIES



Our property portfolio continues to expand, with twelve properties being acquired during the year. There has been a strong focus on sustainability, which is why, together with Brunswick, we have set up a framework for the allocation of capital to sustainable investments in environmental and social issues.

– MARIJA NIKOLIC
HEAD OF PROPERTY AND SUSTAINABILITY

INVESTMENT PROPERTIES

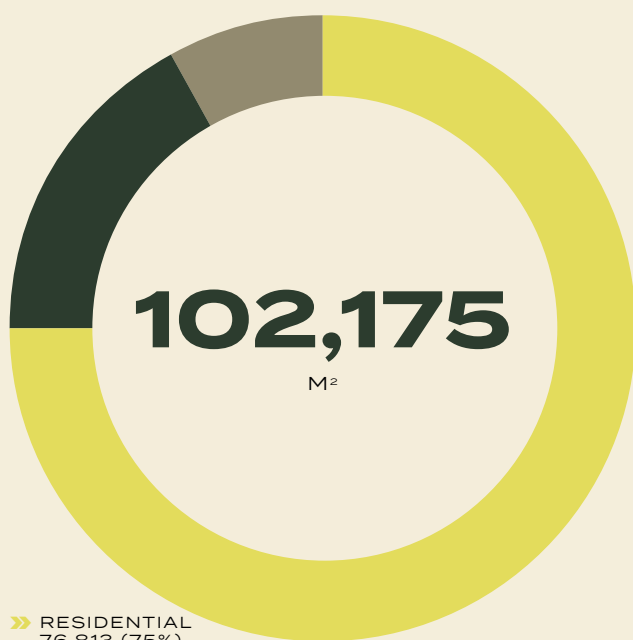
Holmström Fastigheter's property portfolio comprises 67 properties and is divided into the Kalmar region, Örnköldsvik and the Mälaren region. The properties cover around 102,000 m² in total, of which 75% is residential, 17% commercial premises and 8% community service property.

▶ EVENTS 2021

- The majority of the group's assets were acquired on 19 March 2021 from Holmströmgruppen.
- Holmström Fastigheter establishes itself in a new location – Norrköping (community service property).
- The Kalmar portfolio was expanded with a further eleven properties, two of which are community service properties.
- Implemented green loan financing framework with Brunswick.

INVESTMENT PROPERTIES, DIVIDED BY PROPERTY TYPE

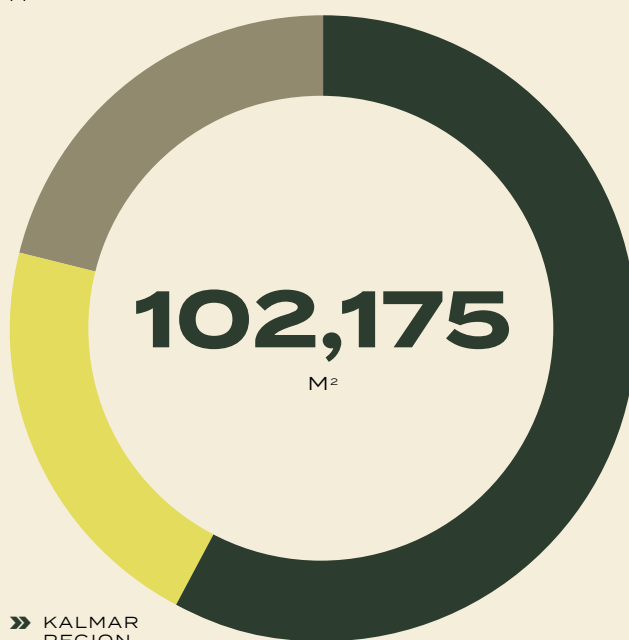
M²



- » RESIDENTIAL
76,813 (75%)
- » COMMERCIAL PREMISES
17,070 (17%)
- » COMMUNITY SERVICE PROPERTIES
8,312 (8%)

INVESTMENT PROPERTIES, GEOGRAPHICAL DISTRIBUTION

M²



- » KALMAR REGION
58,299 (57%)
- » ÖRNKÖLDSVIK
21,993 (22%)
- » MÄLAREN REGION
21,883 (21%)



Berga 10:6, Åkersberga

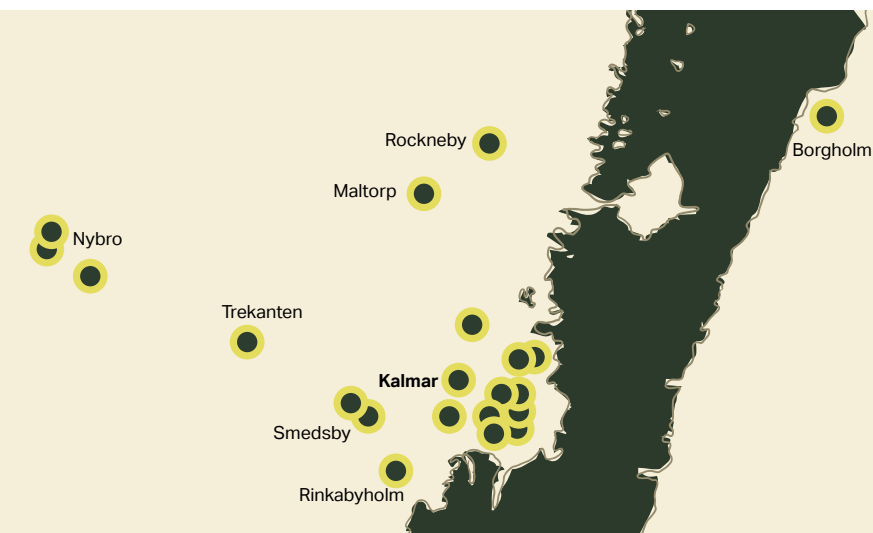


Lärkrädet 16, Kalmar



Ryssland 4, Örnsköldsvik

KALMAR REGION



The Kalmar region consists of holdings in Kalmar, Nybro and Borgholm. In 2021, Holmström Fastigheter acquired eleven further properties in Kalmar. This means that the Group currently owns 39 properties in Kalmar and its surroundings.

The properties comprise a total of 58,299 m², divided into 636 residential units and 48 commercial units. In addition, there are 575 parking spaces.



Verdandi 5, Borgholm.



Kastanjen 2, Kalmar.



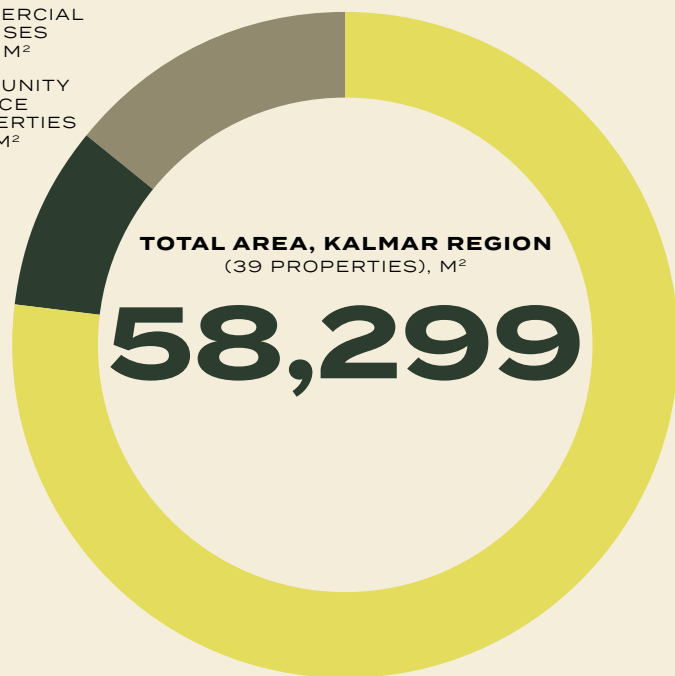
Mäsen 6, Kalmar.



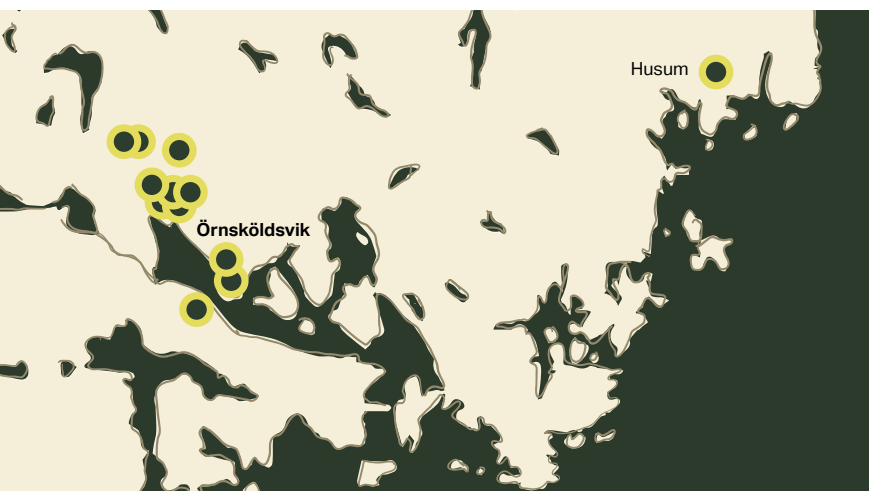
Bofinken 8, Kalmar.

INVESTMENT PROPERTIES, KALMAR REGION
M²

- » RESIDENTIAL
44,758 M²
- » COMMERCIAL
PREMISES
6,382 M²
- » COMMUNITY
SERVICE
PROPERTIES
7,159 M²



ÖRNSKÖLDSVIK



Holmström Fastigheter owns 20 properties in Örnköldsvik. They comprise a total of 21,993 m², divided into 250 apartments and 33 commercial units. In addition, there are 236 parking spaces.



Norrlungänger 2:201, Örnköldsvik.



Husum 1:217, Örnköldsvik.



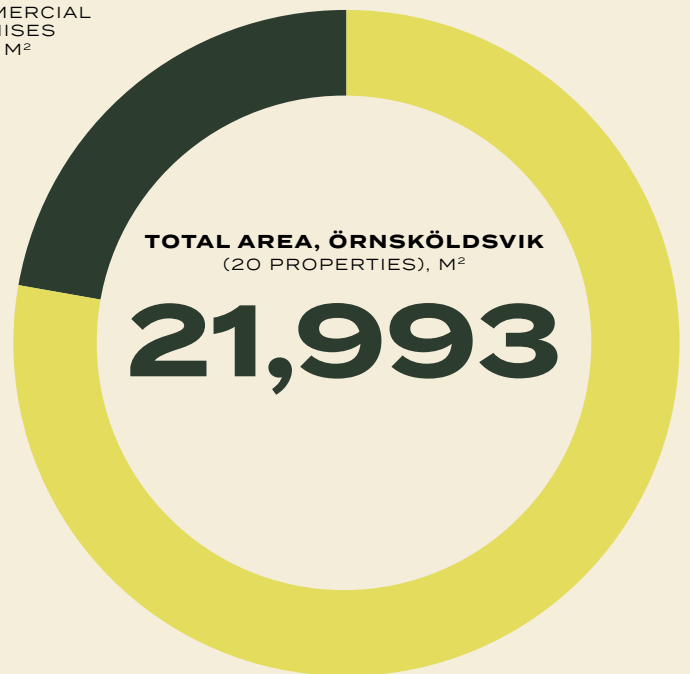
Dublin 1, Örnsköldsvik.



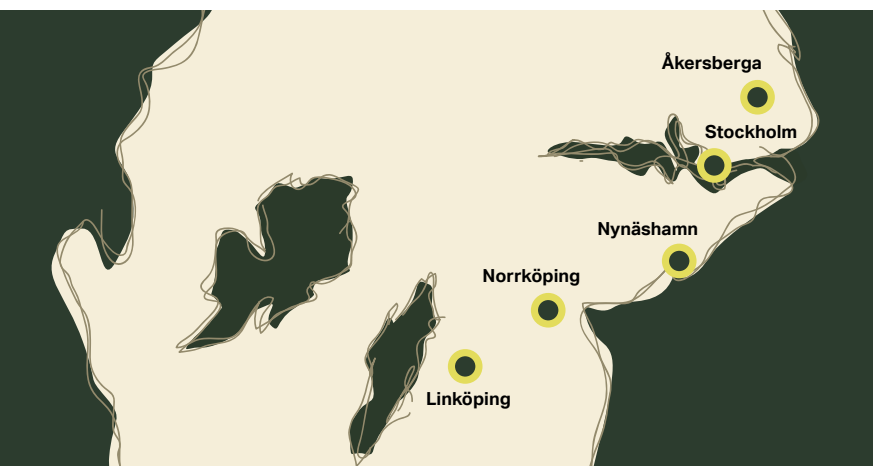
Husum 1:113, Örnsköldsvik.

INVESTMENT PROPERTIES, ÖRNSKÖLDSVIK
M²

- » RESIDENTIAL
17,052 M²
- » COMMERCIAL
PREMISES
4,941 M²



MÄLAREN REGION



The Mälaren region comprises eight properties located in Stockholm, Åkersberga, Nynäshamn, Linköping and Norrköping. The properties comprise a total of 21,883 m², divided into 211 residential units and 31 commercial units.

STOCKHOLM

Holmström Fastigheter owns three properties in Stockholm municipality. They comprise a total of 3,630 m² divided into 48 apartments and three commercial units. One property is located at Norrbackagatan 28 and totals 1,514 m². The other two are located in Skarpnäck and total 2,116 m².

ÅKERSBERGA

The property Berga 10:6 is located near the centre of Åkersberga in Österåker municipality. The property consists of 5,294 m², divided into 41 apartments and eight commercial units.

NYNÄSHAMN

The property in Nynäshamn comprises a total of 9,443 m² and is centrally located about 200 metres from the railway station. The property consists of a total of four buildings built on 3-4 floors, which together form an entire neighbourhood. In total, the properties consist of 80 apartments and 18 commercial premises.

LINKÖPING

Holmström Fastigheter owns two properties in central Linköping. The properties, located at Gamla Tanneforsvägen 80 and 82, comprise a total of 2,363 m², divided into 42 residential units and one commercial unit.

NORRKÖPING

Holmström Fastigheter owns one property in Norrköping. The property houses a nursery school and covers a total of 1,153 m².



Kardanen 1 and 2, Linköping.



Växthuset 1, Norrköping (pre-school).



Postmästaren 2, Nynäshamn.



Berga 10:6, Åkersberga.

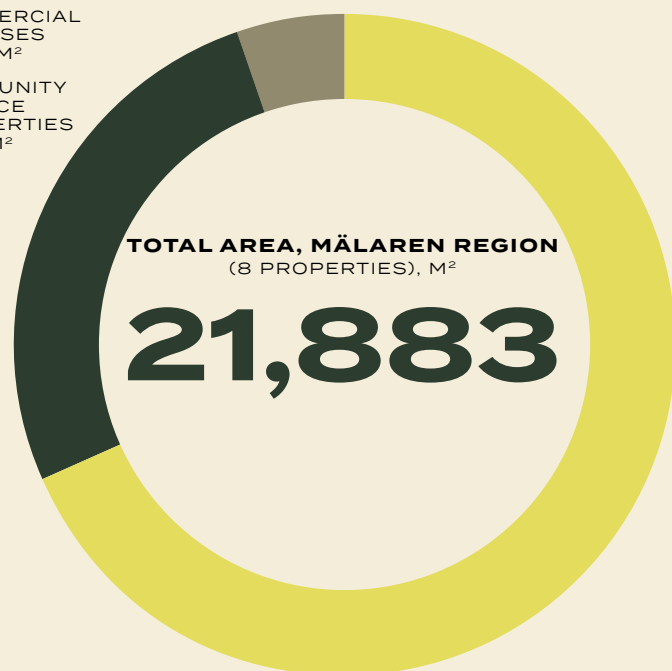


Fajansen 11, Stockholm.

INVESTMENT PROPERTIES, MÄLAREN REGION

M²

- » RESIDENTIAL
15,003 M²
- » COMMERCIAL
PREMISES
5,727 M²
- » COMMUNITY
SERVICE
PROPERTIES
1,153 M²



MAGNOLIA BOSTAD



During the year, we added over 3,600 building rights to our building rights portfolio, which at the end of the year consisted of just over 20,000 building rights. We started production on over 1,600 residential units, with about 40% being sold and about 60% being developed for self-management. At the turn of the year, we had 9,400 residencies in production.

– JOHAN TENGELIN,
CEO, MAGNOLIA BOSTAD

MAGNOLIA BOSTAD



Leif Andersson, chairman of Areim, with Fredrik Holmström, chairman of Holmströmgruppen.

Since September 2021, Magnolia Bostad has been controlled by HAM Nordic AB and its owner Holmströmgruppen, and funds and units that are managed and advised by Areim AB.

MAGNOLIA

“A year passes quickly but it packs a lot in, something I know after my first year as CEO. During the year, we added over 3,600 building rights to our building rights portfolio, which at the end of the year consisted of just over 20,000 building rights. We started production on over 1,600 residential units, with about 40% being sold and about 60% being developed for self-management. At the turn of the year, we had 9,400 residencies in production. In addition, we completed just over 1,000 residential units during the year. All this is thanks to the drive that I see in our organization. This drive remained despite the adjustments to our way of working that we had to make during the pandemic. Many thanks to all employees who made this possible.

NEW OWNERSHIP STRUCTURE

During the year, our focus on developing residencies for self-management became increasingly clear. In September, we put in place a new ownership structure, Holmströmgruppen and Areim. Shortly afterwards, we delisted Magnolia Bostad's shares from the stock market.

Through capital contributions from our new owners, we have reached a stronger financial position and can therefore develop more properties for self-management in a shorter time. Our target is to hold just over 6,000 completed residencies for self-management by the end of 2026.

During the year, we completed 108 residential units for self-management, which means that we are now up to a total of 176 managed properties. We will now accelerate our development of properties for self-management while at the same time continuing to develop properties for sale.

OUR COMMITMENT AS AN URBAN DEVELOPER

In our role as urban developers, we collaborate with other parties to help with the industry's adaptation to the global sustainability goals. During

the year, we started HS30 (Hållbart (Sustainable) Stockholm 30) together with Rise and five other housing developers, having already been involved with LFM30 in Malmö.

We also took part in a pilot project on proactive climate calculations and began to measure our climate impact in all three scopes of greenhouse gases according to the Greenhouse Gas Protocol.

We have also applied for a research-based climate goal, an SBT (Science-Based Target), in order to set the relevant targets to become climate neutral.

As a result of our business focus on sustainability at all levels, financing that is sustainable based on environmental and social aspects feels natural. During the year, we issued another green bond and redeemed an older bond. This means that we now only have green bonds. Our aim is for all our future financing in the long-term to be sustainable in terms of environmental and social aspects.

We increased our community involvement by starting a collaboration with Her House whose purpose is to support, promote and strengthen women's health through various initiatives in society, and through a partnership with Mitt Liv, which runs mentoring schemes for academics of foreign descent. We are already working for integration and gender equality, including through our involvement in girls' and women's football, where we now support about 30 clubs around Sweden.

THE FUTURE

At the start of 2022, we are seeing great geopolitical unrest due to the war started by Russia in Ukraine. This is a terrible humanitarian catastrophe.

We live at a time of various uncertain external factors that we are monitoring, and plan for flexibility while we continue to work on our mission.

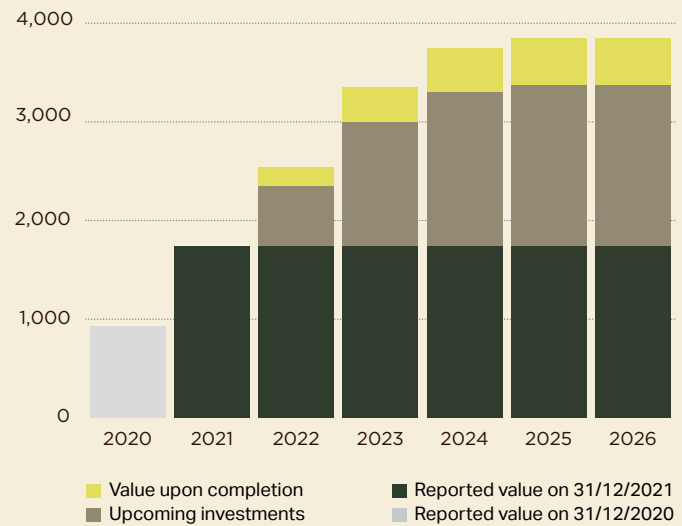
Within five years, we will complete just over 6,000 residencies for self-management and our journey has begun in earnest towards becoming the Nordic region's most colourful landlord.



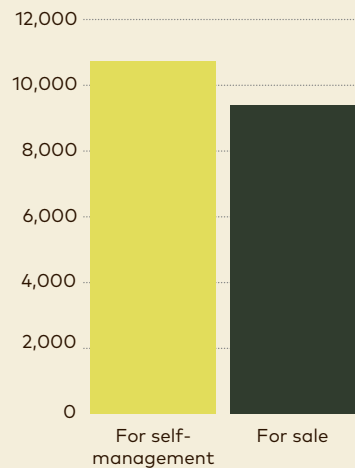
Stockholm, March 2022

Johan Tengelin
CEO, Magnolia Bostad

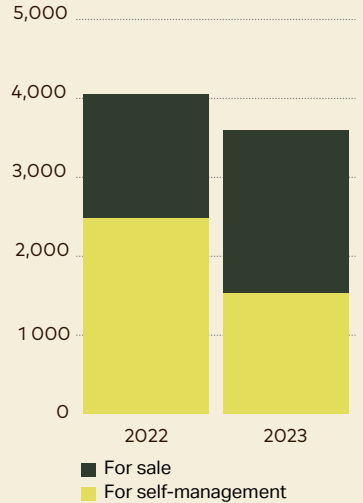
VALUE, PROPERTIES FOR SELF-MANAGEMENT SEK MILLION



BUILDING RIGHTS PORTFOLIO NUMBER



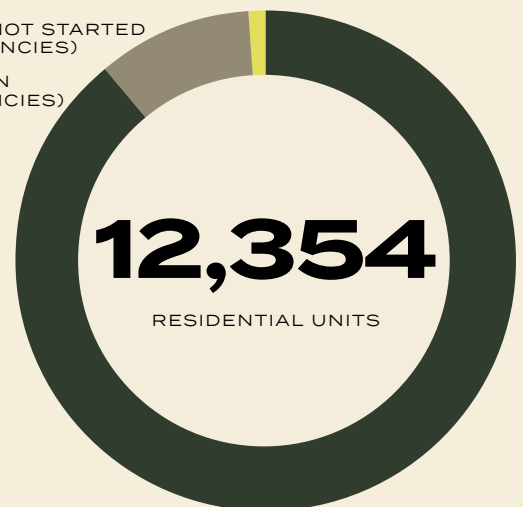
PRODUCTION STARTS IN BUILDING RIGHTS PORTFOLIO, NUMBER



PROJECT STATUS

PROPERTIES FOR SELF-MANAGEMENT

- » PRODUCTION NOT STARTED (10,724 RESIDENCIES)
- » IN PRODUCTION (1,454 RESIDENCIES)
- » COMPLETED (176 RESIDENCIES)



PROJECTS AND PROPERTIES

Magnolia Bostad has one of Sweden's largest construction rights portfolios and develops rental apartments as well as residential apartments, community service properties and hotels. Housing is developed as individual projects or as part of a larger project when a completely new neighbourhood emerges.

At the end of December 2021, Magnolia Bostad's building rights portfolio consisted of just over 20,000 building rights. Just over half are intended for development for self-management and the other half for development for sale. The company's ambition is to reach a margin of at least 10% for all projects developed for sale.

As of 31 December 2021, the company's assessment is that it will be able to carry out 3,000-4,000 production starts per year over the next two years. This figure may change as the building rights portfolio is replenished with newly acquired building rights, some completed with a zoning plan in force. There are also uncertainties such as zoning plan processes, government decisions or unspecified dates for vacant project properties that can cause estimates to change over time.

NUMBER OF ESTIMATED BUILDING RIGHTS IN THE PROJECT PORTFOLIO

20,000

NUMBER OF RESIDENTIAL UNITS IN PRODUCTION

9,400

NUMBER OF RESIDENTIAL UNITS COMPLETED IN 2021

1,000





The Öresjö Ångar project in Borås.



The LU:1 project in Luleå.

SELECTED PROJECTS



The Bro Mälarstad project in Upplands-Bro consists of around 2,300 residencies. The project began in 2018 with the acquisition of land and has since grown with further land acquisitions. The area is divided into three stages. Occupancy in stage one began in 2021 and the entire area is expected to be completed in around 2030.

Bro Mälarstad is a good example of how Magnolia Bostad develops entire neighbourhoods. Rental accommodation, tenant-owned apartments, detached houses and community service properties such as nursery schools and schools are being developed. Some of the residencies are being developed for long-term self-management and others for sale. Some parts are being developed together with JV partners such as Heimstaden and KF-fastigheter.

There are show homes located in Björkalund just outside Norrköping. The project was completed in 2021 and occupancy took place at the end of 2021 and beginning of 2022.

The property is certified according to the Swedish Green Building Council's silver certification and has solar panels on the roof that provide electricity in the public areas. The project consists of 116 rental apartments that Heimstaden has bought and now manages.





Magnolia Bostad is developing around 350 homes on the site of the old Fix factory in Majorna, Göteborg. The project consists of two blocks of tenant-owned apartments and around 110 additional rental units. Some of the rental accommodation is special units, i.e. residencies with access to care, support and service. The project is being run as a JV with Niam.



Magnolia Bostad's Nyponrosen project was completed in 2021 and consists of a care home, specially adapted housing for adults, rental apartments, a gym, a hairdresser's and an underground car park. The entire project is environmentally certified in accordance with LEED. Northern Horizon Capital has purchased the residencies and premises from Magnolia Bostad, which developed and completed them. The project is in the Rosengården district in Helsingborg, a stone's throw from Helsingborg city centre.

VINCERO FASTIGHETER



The positive development of our construction portfolio during the year will provide us with considerable business opportunities in 2022.

– ROBIN RUTILI
CEO, VINCERO FASTIGHETER

VINCERO FASTIGHETER

Holmström Fastigheter owns 50% of Vincero Fastigheter, which owns, manages and develops commercial properties with good transport links in Greater Stockholm and Uppsala.



Fjärdingen 27:5, Uppsala.

The focus of the company is on creating the right conditions for its tenants' operations and thereby increasing returns over time.

The company was founded in 2016 and in its first year of operation acquired 16 commercial properties in Greater Stockholm and Uppsala. In 2021, three properties were divested while two in Aspudden were acquired, covering approximately 5,700 m². On 31 December 2021, the portfolio comprised 26 properties covering approximately 54,900 m².

The company is not expanding its own organization but ensures expertise in both commercial and financial management through a management agreement with Vincero AB, run by brothers Robin and Andreas Rutili. Vincero AB and Holmström Fastigheter both own 50% of Vincero Fastigheter. The company has the potential to continue being an active buyer in the coming years.



Fjärdingen 27:5, Uppsala.

PROPERTY PORTFOLIO 31/12/2021

AREA	COMPANY	VINCERO % OWNERSHIP	PROPERTY	LAND	MUA/GFA
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 1 AB	100%	Hantverket 5	2,575	1,205
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 1 AB	100%	Hantverket 6	2,629	1,379
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 1 AB	100%	Hantverket 11	3,502	2,145
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 2 AB	100%	Verkstaden 15	1,401	570
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 2 AB	100%	Verkstaden 23	1,374	1,400
Sjödalen (Etapp 2), Huddinge	Sjödalen Fastigheter 3 AB	100%	Förrådet 6	1,014	675
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 4 AB	100%	Tonfisken 5	4,487	1,482
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 5 AB	100%	Hantverket 3	3,321	826
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 6 AB	100%	Hantverket 14	588	430
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 6 AB	100%	Hantverket 15	966	420
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 7 AB	100%	Verkstaden 24	4,719	3,255
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 8 AB	100%	Verkstaden 25	8,188	5,400
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 9 AB	100%	Hantverket 10	2,015	1,985
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 9 AB	100%	Hantverket 13	4,039	2,685
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 10 AB	100%	Tonfisken 8	5,846	3,160
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 11 AB	100%	Verkstaden 14	1,378	849
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 12 AB	100%	Hantverket 12	3,859	0
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 13 AB	100%	Verkstaden 18	2,600	1,400
Sjödalen (Etapp 4), Huddinge	Sjödalen Fastigheter 14 AB	100%	Tonfisken 3	1,565	0
Aspudden, Stockholm	Provberg Fastigheter 1 AB	88%	Provröret 9	1,232	2,752
Aspudden, Stockholm	Provberg Fastigheter 1 AB	88%	Provröret 15	3,861	10,270
Aspudden, Stockholm	Strumento Fastigheter 1 AB	100%	Instrumentet 13	1,700	2,604
Aspudden, Stockholm	Strumento Fastigheter 1 AB	100%	Instrumentet 18	2,854	3,126
Spånga, Stockholm	VK Projektfastigheter AB	50%	Mandelblomman 9	3,894	1,815
Centrum, Uppsala	Stradella Fastigheter 1 AB	100%	Fjärdingen 27:5	2,425	1,304
Centrum, Uppsala	Stradella Fastigheter 2 AB	100%	Fjärdingen 27:6	2,713	3,728
SUMMA				74,745	54,865

INNOVATIVE URBAN DEVELOPMENT

Vincero Fastigheter acquires and manages commercial properties with good transport links in Greater Stockholm that are being transformed into attractive residential areas through active urban planning. In Storängen, which is next to the centre of Huddinge, Vincero Fastigheter has innovative ambitions in developing a major residential area of around 2,000 homes.

Andreas and Robin Rutili, founders of Vincero Fastigheter.



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

In Storängen, less than a kilometre east of Huddinge centre, Vincero Fastigheter has acquired over 20 properties grouped within an area of 90,000 m². Storängen has good potential to become an attractive residential area with good transport links and proximity to services, schools and recreation. Central Stockholm is 15 minutes away by commuter train from Huddinge town centre and Flemingsberg is just a few minutes away. Flemingsberg is one of the fastest growing development areas in the country, and will become a hub for transportation, education and work in the south of the city.

Vincero Fastigheter has ambitions of developing a next-generation residential area in Storängen in eight large neighbourhoods. To understand how residential areas will be developed in the future, the company has chosen to work with around fifty of Sweden’s and Europe’s leading experts in areas such as energy, mobility, digitization, the environment and social issues. These specialists, who come from industry, academia and government, have been working for a couple of years to develop an innovation programme to form the basis for the development of the next-generation residential area in Storängen. This innovation programme will also act as guidelines for urban planning in other residential areas developed by the company.



Storängen stage 2, Huddinge.



Storängen stage 4, Huddinge.

FINANCIAL INFO AND ACCOUNTS



2021 was Holmström Fastigheter Holding's first year of business, as the company was formed in December 2020. Holmström Fastigheter Holding delivered a strong profit for 2021 of SEK 898 million after net financial items.

– KATARINA STRÖMBERG,
HEAD OF FINANCE

BOARD OF DIRECTORS' REPORT

The Board of Directors and CEO of Holmström Fastigheter Holding AB (publ), 559286-6809, registered office in Stockholm, are hereby authorized to present the Annual Report for the company's second financial year, 1 January 2021-31 December 2021.

THE BUSINESS IN GENERAL

Parent Company

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

The Group

The Group currently owns 67 properties, located in Kalmar, Örnköldsvik and the Mälardalen region. They cover around 102,000 m², of which 75% is residential and 25% commercial premises and community service property. All properties are managed by Holmströmgruppen.

The Group owns 40% of Magnolia Bostad, an urban developer creating new neighbourhoods and residential areas. The company develops rental and tenant-owned apartments, community service properties and hotels in Sweden's growth cities and metropolitan areas, partly for sale and partly for self-management. At the end of 2021, the company had more than 20,000 building rights in its portfolio and over 1,000 residential units were completed during the year.

The Group owns 50% of Vincero Fastigheter 5 AB, which owns and manages 26 commercial properties in Stockholm and Uppsala totalling around 55,000 m², with good transport links.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In 2021, the parent company carried out a new issue and increased the share capital to SEK 500,000 in order to become a public company.

During the spring of 2021, a restructuring of the F Holmström Fastigheter AB group was carried out, whereby assets were sold into the subsidiaries under Holmström Fastigheter Holding AB (publ).

In Q2 the parent company issued a bond of a nominal SEK 300 million within a framework of SEK 750 million, with a variable interest rate of Stibor 3m + 5.0% maturing in October 2024. In Q3 an additional bond of a nominal SEK 200 million within the same framework was issued.

In July 2021, an offer was made to the shareholders of Magnolia Bostad to transfer their shares in Magnolia Bostad to HAM Nordic AB, one of the Group's associated companies. In September, the process was completed and Magnolia Bostad was delisted from Nasdaq Stockholm. As a result, the Group now owns 40% of Magnolia Bostad. Areim owns 44% and Holmströmgruppen owns the remaining 16%. We intend to develop Magnolia Bostad in the long term in a private environment and Areim plans to contribute SEK 2 billion of financing to the company in the coming years, which will support Magnolia Bostad's strategy to develop properties for its own management.

SUSTAINABILITY

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

OWNERSHIP STRUCTURE

Holmström Fastigheter Holding AB (publ) 559286-6809, registered office in Stockholm, is a wholly-owned subsidiary of F. Holmström Fastigheter AB, co. reg. no. 556530-3186, registered in Stockholm.

The parent company of the smallest group to which the company is a subsidiary and where consolidated accounts are prepared is F Holmström Fastigheter AB. The parent company of the largest group of which the company is a subsidiary is F Holmströmgruppen AB, domiciled in Stockholm. As this is the second year of business, there are no figures for previous years.

MULTI-YEAR SUMMARY

Amounts in SEK million unless otherwise stated

CONDENSED INCOME STATEMENT	2021	2020
Rental income	84	0
Net operating income	52	0
Change in value, investment properties	311	0
Profit/loss from participations in associated companies and joint ventures	573	0
Profit/loss after financial items	898	0
CONDENSED STATEMENT OF FINANCIAL POSITION	2021	2020
Investment properties	2,259	0
Participations in associated companies	1,698	0
Cash and cash equivalents	121	0
Equity including the minority	2,234	0
Balance sheet total	4,161	0
KPIS	2021	2020
Number of investment properties	67	0
Market value of the properties, SEK m	2,259	0
Property value, SEK per m2	22,810	0
Annual rental income, SEK per m2	1,165	0
Property yield, %	3.4%	0%
Vacancy rate (economic), %	4.1%	0%
Lettable area, m2	99,038	0
Annual return on equity, %	59.6%	0%
Adjusted equity/assets ratio, %	56.6%	100.0%
Interest coverage ratio, multiple	1.90	N/A

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

PROPOSED APPROPRIATION OF COMPANY PROFITS

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

Profit/loss carried forward	1,390,668,529
Net profit/loss for the year	-13,201,075
	1,377,467,454
Dividends to be carried forward	700,000,000
	677,467,454
	1,377,467,454

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

CONSOLIDATED INCOME STATEMENT

AMOUNTS IN SEK MILLION	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Operating income			
Rental income	4, 6	84	0
Production and operating costs	5	-31	0
Property tax		-1	0
Net operating income		52	0
Central administration	5, 8, 10	-9	0
Profit/loss from participations in associated companies and joint ventures	11	573	0
Change in value, investment properties	16	311	0
Operating profit/loss		927	0
Financial income	12	4	0
Financial expenses	13	-33	0
Profit/loss after financial items		898	0
Tax on profit/loss for the year	14, 15	-72	0
NET PROFIT/LOSS FOR THE YEAR		826	0
Profit/loss attributable to			
Parent company shareholders		804	0
Minority interests		22	0

CONSOLIDATED STATEMENT OF COMPRE- HENSIVE INCOME

AMOUNTS IN SEK MILLION	Note	2021	2020
Other comprehensive income			
Profit/loss for the period		826	0
Other comprehensive income		0	0
Total other comprehensive income		0	0
Total other comprehensive income for the year		826	0

CONSOLIDATED BALANCE SHEET

AMOUNTS IN SEK MILLION	Note	31/12/2021	31/12/2020
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Investment properties	16	2,259	0
Right of use assets	7	6	0
<i>Total property, plant and equipment</i>		2,265	0
<i>Financial assets</i>			
Participations in associated companies	18, 19	1,698	0
Receivables from associated companies	20	40	0
Other long-term securities	21	1	0
<i>Total financial assets</i>		1,739	0
Total non-current assets		4,004	0
Current assets			
<i>Current receivables</i>			
Rent and accounts receivable	22	1	0
Receivables from associated companies	20	6	0
Other receivables	23	26	0
Prepaid expenses and accrued income	24	3	0
<i>Total current receivables</i>		36	0
<i>Cash and bank balances</i>		121	0
Total current assets		157	0
TOTAL ASSETS		4,161	0

AMOUNTS IN SEK MILLION	Note	31/12/2021	31/12/2020
EQUITY AND LIABILITIES			
Equity			
Share capital	25	1	0
Retained profits including net profit/loss for the year		2,163	0
Equity attributable to Parent Company shareholders		2,164	0
Holdings without a controlling influence		70	0
Total equity		2,234	0
Non-current liabilities			
Deferred tax liability	26	70	0
Non-current interest-bearing liabilities	27	1,390	0
Non-current lease liabilities		7	0
Total non-current liabilities		1,467	0
Current liabilities			
Current interest-bearing liabilities	27	305	0
Current liabilities to parent company	31	121	0
Accounts payable		5	0
Income tax liabilities		1	0
Accrued expenses and deferred income	28	28	0
Total current liabilities		460	0
TOTAL EQUITY AND LIABILITIES		4,161	0

CHANGES IN GROUP EQUITY

AMOUNTS IN SEK MILLION	Share capital	Retained profits including net profit/loss for the year	Non-controlling interests	Total equity
Opening equity 01/12/2020				
Share capital paid in	0			0
Net profit/loss for the year		0		0
Closing equity 31/12/2020	0	0		0
Opening equity 01/01/2021	0	0		0
New share issue	1			0
Shareholder contribution		1,389		1,389
Acquisition of non-controlling interests			57	57
Dividend			-8	-8
Given group contribution		-29	-1	-30
Net profit/loss for the year		804	22	826
Closing equity 31/12/2021	1	2,163	70	2,234

CONSOLIDATED CASH FLOW STATEMENT

AMOUNTS IN SEK MILLION	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Operating activities		
Profit/loss after financial items	927	0
<i>Adjustments for non-cash items</i>		
Less share in profits in associated companies	-573	0
Change in value, investment properties	-311	0
Interest received	1	0
Interest paid	-21	0
Income tax paid	-1	0
Cash flow from operating activities before changes in working capital	22	0
Cash flow from changes in working capital		
Decrease/increase in current receivables	-36	0
Decrease/increase in current liabilities	116	0
Cash flow from operating activities	102	0
Investing activities		
Acquisition of investment properties	-1,948	0
Investment in financial assets	-1,166	0
Cash flow from investing activities	-3,114	0
Financing activities		
Received shareholder contributions	1,389	0
Transactions with non-controlling interest	49	0
Borrowings	1,972	0
Amortization of loan	-277	0
Cash flow from financing activities	3,133	0
Cash flow for the year	121	0
Cash and cash equivalents at the beginning of the year	0	0
Cash and cash equivalents at the end of the year	121	0

PARENT COMPANY INCOME STATEMENT

AMOUNTS IN SEK MILLION	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Operating income			
Net sales		0	0
Gross profit/loss		0	0
Administration costs	8	-1	0
Operating profit/loss		-1	0
Financial income	12	6	0
Financial expenses	13	-18	0
Profit/loss before tax		-13	0
Tax on profit/loss for the year	14, 15	0	0
NET PROFIT/LOSS FOR THE YEAR		-13	0

PARENT COMPANY STATEMENT OF COMPRE- HENSIVE INCOME

AMOUNTS IN SEK MILLION	Note	2021	2020
Other comprehensive income			
Profit/loss for the period		-13	0
Other comprehensive income		0	0
Total other comprehensive income		0	0
Total other comprehensive income for the year		-13	0

PARENT COMPANY BALANCE SHEET

AMOUNTS IN SEK MILLION	Note	31/12/2021	31/12/2020
ASSETS			
Non-current assets			
<i>Financial assets</i>			
Participations in subsidiaries	17	1,139	0
Total non-current assets		1,139	0
Current assets			
<i>Current receivables</i>			
Receivables from Group companies	31	856	0
Prepaid expenses and accrued income	24	6	0
<i>Total current receivables</i>		<i>862</i>	<i>0</i>
<i>Cash and bank balances</i>		<i>1</i>	<i>0</i>
Total current assets		863	0
TOTAL ASSETS		2,002	0
EQUITY AND LIABILITIES			
Equity			
Share capital	25	1	0
<i>Total restricted equity</i>		<i>1</i>	<i>0</i>
<i>Non-restricted equity</i>			
Retained profits		1,390	0
Net profit/loss for the year		-13	0
<i>Total non-restricted equity</i>		<i>1,377</i>	<i>0</i>
Total equity		1,378	0
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	27	494	0
<i>Total non-current liabilities</i>		<i>494</i>	<i>0</i>
<i>Current liabilities</i>			
Current liabilities to group companies	27	121	0
Accrued expenses and deferred income	28	9	0
<i>Total current liabilities</i>		<i>130</i>	<i>0</i>
TOTAL EQUITY AND LIABILITIES		2,002	0

CHANGES IN PARENT COMPANY EQUITY

AMOUNTS IN SEK MILLION	Share capital	Profit/loss carried forward	Net profit/loss for the year	Total equity
Opening equity 01/12/2020	0	0	0	0
Net profit/loss for the year			0	0
Closing equity 31/12/2020	0	0	0	0

AMOUNTS IN SEK MILLION	Share capital	Profit/loss carried forward	Net profit/loss for the year	Total equity
Opening equity 01/01/2021	0	0	0	0
New share issue	1			1
Shareholder contribution		1,389		1,389
Group contributions received		1		1
Net profit/loss for the year			-13	-13
Closing equity 31/12/2021	1	1,390	-13	1,378

PARENT COMPANY CASH FLOW STATEMENT

AMOUNTS IN SEK MILLION	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Operating activities		
Profit/loss after financial items	-13	0
<i>Adjustments for non-cash items</i>		
Interest paid	8	0
Cash flow from operating activities before changes in working capital	-5	0
Cash flow from changes in working capital		
Decrease/increase in current receivables	6	0
Decrease/increase in current liabilities	-9	0
Cash flow from operating activities	-8	0
Investing activities		
Acquisition of subsidiaries	-1,139	0
Changes in Group receivables	-856	0
Changes in Group liabilities	121	0
Cash flow from investing activities	-1,874	0
Financing activities		
Received shareholder contributions	1,389	0
Bond loans taken out	500	0
Transaction costs relating to bond loans	-6	0
Cash flow from financing activities	1,883	0
Cash flow for the year	1	0
Cash and cash equivalents at the beginning of the year	0	0
Cash and cash equivalents at the end of the year	1	0

ADDITIONAL INFORMATION

Note 1 Accounting principles

ABOUT THE COMPANY IN GENERAL

Holmström Fastigheter Holding AB (publ), co. reg. no. 559286-6809 is a company registered in Stockholm. Its address is Sturegatan 6, Box 5184, 102 44 Stockholm, Sweden.

APPLIED REGULATIONS

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

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

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

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

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

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

CLASSIFICATION

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

INPUT DATA FOR MEASUREMENTS AT FAIR VALUE

- Level 1 Listed, unadjusted, prices on active markets for identical assets or liabilities that the company has access to at the date of measurement.
- Level 2 Other input data than the listed prices that are included in Level 1, which are directly or indirectly observable for assets and liabilities.
- Level 3 Input data at Level 3 is non-observable input data for assets and liabilities.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

Business combinations vs. asset acquisitions

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

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

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

Reporting of associated companies and joint arrangements

Joint ventures are arrangements in which the company has joint deciding influence and the investment is reported using the equity method (see the section on associated companies below). Assets (including any goodwill and fair value adjustments) and

liabilities for acquired or divested joint arrangements during the year are included in the consolidated financial statements from the date on which the joint controlling influence is acquired and removed on the date on which the joint controlling influence ceases.

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

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

Gradual acquisitions

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

REVENUE RECOGNITION

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

Rental income

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

REMUNERATION TO EMPLOYEES AND THE BOARD OF DIRECTORS

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

Defined-contribution pensions

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

FINANCIAL INCOME AND EXPENSES

Financial income consists of interest-bearing income on bank balances, receivables and financial investments. Interest income is

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

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

LEASING - LESSOR

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

LEASING - LESSEE

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

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

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

TAXES

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

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

within the foreseeable future. Deferred tax is calculated using the tax rates and tax rules that have been decided or in practice are decided as of the balance sheet date.

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

INVESTMENT PROPERTIES

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

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

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

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

INVENTORIES

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

IMPAIRMENT PRINCIPLES FOR INTANGIBLE ASSETS AND INVENTORIES

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

Licenses	5 years
Inventories	3–5 years

IMPAIRMENT LOSSES

Carrying amounts for the company's assets are tested every balance sheet date to assess whether there is a need for impairment. If such an indication is present, the asset's recoverable amount is calculated as the higher of the value in use and the net realizable value. Impairment losses are applied if the recoverable amount is less than the carrying amount. An impairment loss is only reversed if the asset's carrying amount after the reversal does not

exceed the carrying amount that the asset would have had if no impairment loss had been applied. For goodwill and intangible assets with indefinite useful lives, the impairment test is conducted annually.

PROVISIONS AND CONTINGENT LIABILITIES

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

FINANCIAL INSTRUMENTS

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

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

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

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

Financial assets measured at accrued acquisition value

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

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

expected to be received. Write-downs are made for bad debts and are reported under operating expenses.

Financial assets measured at fair value through the income statement

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

Cash and cash equivalents and blocked accounts

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

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

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

Financial assets measured at fair value through the income statement

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

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

Financial liabilities measured at fair value through the income statement

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

Financial liabilities measured at accrued acquisition value

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

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

CASH FLOW STATEMENT

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

PARENT COMPANY ACCOUNTING PRINCIPLES

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

Participations in Group companies

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

Group contributions, dividends and shareholders' contributions

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

CHANGED REPORTING PRINCIPLES

New or revised existing standards effective from 1 January 2021 have not had a material impact on the Group's financial statements.

New and amended standards not yet applied by the Group

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

Other new and amended standards endorsed by the EU and interpretations issued by the IFRS Interpretations Committee are not currently expected to have a material impact on results or financial position.

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

Note 2 Critical assessments and estimations

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

PROPERTY VALUATION

Property and property-related assets are inherently difficult to value due to the specific nature of each property and the fact that it is not necessarily a liquid market. As a result, valuations may be subject to considerable uncertainty. There is no guarantee that the

estimates resulting from the valuation process will reflect actual sale prices. Valuations are based on an estimate of future receipts and payments and a discounting of these, taking into account a risk-free interest rate and risk premium. All these factors are therefore future estimates and are subject to uncertainty.

Note 3 Financial risks and finance policy

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

LIQUIDITY RISK

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

FINANCING RISK

Financing risk refers to the risk that either no financing can be obtained or financing can only be obtained at much higher prices. In order to manage this risk, the finance policy contains rules regarding the spread of capital tie-up for the credit stock and the size of unutilized loan facilities and investments. The refinancing risk is reduced through a structured and early start to the refinancing process. For large loans, the process is begun 9 months prior to the maturity date. The Group has an equity/assets ratio target of at least 40%.

CREDIT RISK

Credit risk refers to the risk that a counterparty or issuer cannot discharge its obligations to the company. At the end of the year, past due accounts receivable amounted to SEK 1 million (0).

GROUP, SEK M	31/12/2021	31/12/2020
Long-term receivables	40	0
Current receivables	36	0
Cash and cash equivalents	121	0
Maximum exposure to credit risk	197	0

MARKET RISK

Interest rate risk

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

CATEGORIZATION OF FINANCIAL INSTRUMENTS

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

GROUP, SEK M	Financial assets/ liabilities measured at fair value through the income statement	Amortized cost
Financial assets in the balance sheet, 31/12/2021		
Receivables from associated companies		46
Accounts receivable		1
Other receivables		26
Prepaid expenses and accrued income		3
Cash and cash equivalents		121
Total	0	197
Financial liabilities in the balance sheet, 31/12/2021		
Non-current interest-bearing liabilities		1,390
Other non-current liabilities		7
Current interest-bearing liabilities		305
Current liabilities to parent company		121
Accounts payable		5
Income tax liabilities		1
Accrued expenses and deferred income		28
Total	0	1,857

GROUP, SEK M	Financial assets/ liabilities measured at fair value through the income statement	Amortized cost
Financial assets in the balance sheet, 31/12/2020		
Receivables from associated companies		0
Accounts receivable		0
Other receivables		0
Prepaid expenses and accrued income		0
Cash and cash equivalents		0
Total	0	0
Financial liabilities in the balance sheet, 31/12/2020		
Non-current interest-bearing liabilities		0
Other non-current liabilities		0
Current interest-bearing liabilities		0
Current liabilities to parent company		0
Accounts payable		0
Income tax liabilities		0
Accrued expenses and deferred income		0
Total	0	0

VALUATION AT FAIR VALUE

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

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

MANAGEMENT OF CAPITAL RISK

The Group's goal with regard to its capital structure is to secure the Group's ability to be a going concern, so it is able to continue

to generate returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to keep capital costs low. In order to maintain or adjust the capital structure, the Group can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to decrease liabilities.

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

In 2021, the Group's strategy was to maintain an equity/assets ratio of at least 40%. The adjusted equity/assets ratio on 31 December 2021 was 56.6% (100). The Group's strategy is unchanged compared to last year.

Note 4 Net sales per business area

GROUP, SEK M	2021	2020
Property business	84	-
Total	84	-

Consolidated sales refers in its entirety to Sweden. Property activities consist mainly of residential leases. These are normally concluded for an indefinite period, with tenants having the option to terminate with three months' notice.

Note 5 Costs for the business broken down by cost type

GROUP, SEK M	2021	2020
Property maintenance and service agreements	-5	0
Tax-related costs	-18	0
Ongoing maintenance	-7	0
Property tax	-1	0
Other external costs	-10	0
Total	-41	0

Note 6 Leasing - lessor

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

GROUP, SEK M	2021	2020
Contractual rental income within one year	91	0
Contractual rental income between one and five years	11	0
Contractual rental income beyond five years	9	0
Total	111	0

Note 7 Leasing - lessee

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

GROUP, SEK M	2021	2020
Rights of use		
Opening carrying amount	0	0
Acquisitions	6	0
Closing carrying amount	6	0

Note 8 Disclosures regarding fees and cost reimbursement for audits

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

GROUP, SEK M	2021	2020
Ernst & Young AB		
- auditing assignment	1	0
Total	1	0

PARENT COMPANY, SEK M	2021	2020
Ernst & Young AB		
- auditing assignment	0	0
Total	0	0

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

Note 9 Remuneration to employees

GROUP, SEK M	2021	2020
Salaries and other remuneration		
Board, CEO and Executive Management	0	0
Other employees	0	0
Total	0	0
Social security expenses	0	0
- of which pension expenses including special employer's contribution	0	0
Total	0	0

The Group does not bear salary costs for the Board of Directors, the CEO, or senior executives. The Group has an asset management agreement with F. Holmström Fastigheter AB.

Note 10 Average number of employees

GROUP	2021	2020
The average number of employees divided into gender is:		
Women	0	0
Men	1	0
Total	1	0

Note 11 Profit/loss from participations in Group companies

GROUP, SEK M	2021	2020
Revaluation	267	0
Share of profit/loss from associated companies	306	0
Total	573	0

Note 12 Financial income

GROUP, SEK M	2021	2020
Interest income, Group companies	1	0
Interest income, associated companies	2	0
Other financial income	1	0
Total	4	0

PARENT COMPANY, SEK M	2021	2020
Interest income, Group companies	6	0
Total	6	0

Note 13 Financial expenses

GROUP, SEK M	2021	2020
Interest expenses, Group companies	-2	0
Interest expenses, other	-28	0
Other financial expenses	-3	0
Total	-33	0

PARENT COMPANY, SEK M	2021	2020
Interest expenses, Group companies	-2	0
Interest expenses, other	-15	0
Other financial expenses	-1	0
Total	-18	0

Note 14 Tax on profit/loss for the year

GROUP, SEK M	2021	2020
Current tax		
- tax on profit/loss for the year	-2	0
Deferred tax		
- relating to temporary differences between carrying amounts and taxable values of buildings	-70	0
Total	-72	0

Note 15 Reconciliation of effective tax

GROUP, SEK M	2021	2020
Profit/loss before tax	898	0
Tax according to current tax rate, 20.6%	-185	0
Tax effect of non-deductible expenses	-6	0
Tax effect of other non-deductible expenses	0	0
Tax effect of Group contributions made	6	0
Tax effect of other non-taxable income	121	0
Tax effect of temporary differences	-8	0
Reported effective tax	-72	0

Note 16 Investment properties

GROUP, SEK M	31/12/2021	31/12/2020
Opening fair value	0	0
Investments and acquisitions	1,948	0
Unrealized changes in value	311	0
Closing fair value	2,259	0

The number of investment properties amounts to 68 (0).

Investment properties are reported in accordance with IFRS as fair value. Fair value is based on market valuations performed by independent valuation agencies. Normally, a cash flow model is used where the operating surplus less remaining investments is calculated at present value over a five- or ten-year calculation period to determine fair value. The calculation interest rate constitutes a nominal interest rate requirement for total capital before tax. The interest requirement is based on assessments of the market's return requirements for similar objects. In the valuations, a long-term inflation assumption of 2.0% has been used. The direct yield requirement is in the range of 1.5% to 6.9%. Investment properties are valued according to level 3.

SENSITIVITY ANALYSIS, PROPERTY VALUE

Change in value before tax, %	Effect on profit/loss (SEK m)	Adjusted equity ratio, %
+10	226	58.1
0	0	56.6
-10	-226	54.1

Note 17 Participations in Group companies

PARENT COMPANY, SEK M	31/12/2021	31/12/2020
Opening cost	0	0
Shareholder contribution	1,139	0
Closing carrying amount	1,139	0

SPECIFICATION OF THE COMPANY'S SHAREHOLDING

NAME	Corp. ID number	Domicile	Percentage holding *	Carrying amount
F Holmström Holding 1 AB	559293-3427	Stockholm	100.00%	130
				130

* Refers to both equity and ownership.

Note 18 Participations in associated companies

GROUP, SEK M	31/12/2021	31/12/2020
Opening cost	0	0
Acquisitions	1,031	0
Shareholder contribution	94	0
Revaluation	267	0
Share of profit/loss from associated companies	306	0
Closing accumulated cost	1,698	0

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

NAME	Corp. ID number	Domicile	Percentage holding*	Reported value, SEK m
HAM Nordic AB	559279-7376	Stockholm	39.91%	1,166
Vincero Fastigheter 5 AB	559299-5467	Stockholm	50.00%	532
				1,698

* Refers to both equity and ownership.

Note 20 Receivables from associated companies

GROUP, SEK M	31/12/2021	31/12/2020
Carrying amount at start of year	0	0
Additional items	184	0
Outgoing items	-138	0
Closing carrying amount	46	0

Note 21 Other long-term securities holdings

GROUP, SEK M	31/12/2021	31/12/2020
Carrying amount at start of year	0	0
Acquisitions	1	0
Closing accumulated cost	1	0

Note 22 Rent and accounts receivable

GROUP, SEK M	31/12/2021	31/12/2020
Net rent and accounts receivable	1	0
Provision for bad debt	0	0
Closing carrying amount	1	0

Rent and accounts receivable divided by due date

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

Note 23 Other receivables

GROUP, SEK M	31/12/2021	31/12/2020
Paid deposits	25	0
Other items	1	0
Total	26	0

Note 24 Prepaid expenses and accrued income

GROUP, SEK M	31/12/2021	31/12/2020
Prepaid expenses	3	0
Total	3	0

PARENT COMPANY, SEK M	31/12/2021	31/12/2020
Accrued interest income	6	0
Total	6	0

Note 25 Number of shares and quotient value, parent company

The number of shares amounts to 500,000 and the quotient value is SEK 1 per share (50,000 and quotient value SEK 1 per share).

Note 26 Deferred tax

GROUP, SEK M	31/12/2021	31/12/2020
Deferred tax liability		
for temporary difference between carrying amounts and taxable values of buildings	70	0
Total	70	0

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

GROUP, SEK M	31/12/2021	31/12/2020
Non-current interest-bearing liabilities		
Bank loans	896	0
Bond loans	494	0
Total	1,390	0

Current interest-bearing liabilities		
Bank loans	301	0
Other loans	4	0
Total	305	0
Total	1,695	0

Liabilities that fall due for payment within one year after the balance sheet date	1,390	0
Liabilities that fall due for payment within one and five years after the balance sheet date	305	0
Liabilities that fall due for payment more than five years after the balance sheet date	0	0
Total	1,695	0

PARENT COMPANY, SEK M	31/12/2021	31/12/2020
Non-current interest-bearing liabilities		
Bond loans	494	0
Total	494	0

Current interest-bearing liabilities		
Owner loans	121	0
Total	121	0
Total	615	0

Liabilities that fall due for payment within one year after the balance sheet date	121	0
Liabilities that fall due for payment within one and five years after the balance sheet date	494	0
Liabilities that fall due for payment more than five years after the balance sheet date	0	0
Total	615	0

Note 28 Accrued expenses and deferred income

GROUP, SEK M	31/12/2021	31/12/2020
Deferred rental income	13	0
Accrued interest expenses	10	0
Other items	5	0
Total	28	0

PARENT COMPANY, SEK M	31/12/2021	31/12/2020
Accrued interest expenses	8	0
Other items	1	0
Total	9	0

Note 29 Pledged assets

GROUP, SEK M	31/12/2021	31/12/2020
Property mortgages	1,224	0
Pledged shares in subsidiaries	26	0
Pledged internal reversals	601	0
Subordinated shareholder loans	121	0
Total	1,972	0

Note 30 Contingent liabilities

GROUP, SEK M	31/12/2021	31/12/2020
Other guarantee commitments	200	0
Total	200	0

PARENT COMPANY, SEK M	31/12/2021	31/12/2020
Other guarantee commitments	200	0
Total	200	0

Note 31 Transactions with related parties

GROUP

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

GROUP, SEK M	2021	2020
Purchases from owner companies		
Management fees from F. Holmström Fastigheter AB	6	0
Receivables from associated companies		
Vincero Fastigheter 5 AB	40	0
HAM Nordic AB	6	0
Total	46	0

PARENT COMPANY

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

PARENT COMPANY, SEK M	2021	2020
Interest income from subsidiaries	6	0
Interest costs to owning company	-2	0
Total	4	0

PARENT COMPANY, SEK M	31/12/2021	31/12/2020
Receivables from subsidiaries	855	0
Liabilities to subsidiaries	-121	0
Total	634	0

Note 32 Definition of KPIs

Return on equity, %

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

Adjusted equity ratio, %

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

Interest coverage ratio, multiple

Net operating income divided by net financial items.

Net financial items

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

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

Rental income

Income from tenants after deduction of discounts and vacancies.

Vacancy rate (economic)

Rental income from unlet lettable space divided by rental income from all lettable space.

Lettable area

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

Property yield, %

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

Note 33 Significant events after the end of the financial year

Holmström Fastigheter, Slättö Core Plus AB ("Slättö") and Latona Fastigheter AB ("Latona") have established a JV regarding the ownership in Klippudden Fastigheter AB. The collaboration was established in February 2022. After the transaction, the JV is owned (directly or indirectly) 50% by Slättö, 47.5% by Holmström Fastigheter and 2.5% by Latona. Holmström Fastigheter's property holdings in the Kalmar region and its property holdings in Norrköping and Linköping are part of Klippudden Fastigheter AB. The properties are sold at the valuations valid as of 31 December 2021. For properties not yet acquired, Holmström Fastigheter will receive an additional purchase price of close to SEK 50 million. Holmströmgruppen will continue to be the asset manager for Klippudden Fastigheter.

Note 34 Proposed appropriation of profit/loss

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

Retained profits	1,390,668,529
Profit/loss for the year	-13,201,075
	1,377,467,454
Dividend	700,000,000
To be carried forward	677,467,454
	1,377,467,454

Signatures

The undersigned declare that the consolidated and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and with generally accepted accounting principles and give a true and fair view of the position and performance of the Group and the company, and that the Directors' Report for the Group and the parent company gives a true and fair view of the development of the Group's and the company's business, position and performance and describes the principal risks and uncertainties that the companies that make up the Group face.

Stockholm, 29 April 2022

Fredrik Holmström
Chairman of the Board

Fredrik Tibell
Board member

Erik Rune
CEO

We issued our Auditor's Report on 29 April 2022.

Ernst & Young AB

Fredric Hävrén
Authorized auditor

AUDITOR'S REPORT

To the general meeting of *Holmström Fastigheter Holding AB (publ)*, corporate identity number 559286-6809.

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of *Holmström Fastigheter Holding AB (publ)* for 2021 with the exception of the corporate governance report on pages 16-17. The annual accounts and consolidated accounts of the company are included on pages 48-71 in this document.

In our opinion, the financial statements have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the parent company as of 31 December 2021 and of its financial performance and cash flow for the year in accordance with the Swedish Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the Group as of 31 December 2021 and of its financial performance and cash flow for the year in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual report 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 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 judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

VALUATION OF INVESTMENT PROPERTIES

Description

The carrying fair value of investment properties in the Group on 31 December 2021 amounted to SEK 2,259 million and the changes in value to SEK 311 million. Investment properties were the most significant item in the Group's balance sheet in terms of amount. Fair value measurements are, by their nature, subject to subjective judgements where a small change in the assumptions influencing the measurements may have a significant effect on the carrying amounts. Valuations are based on yields in accordance with the cash flow model and are established in accordance with the local price method for building rights. The cash flow model involves forecasting future cash flows. Property yield requirements are assessed based on the individual risk of each property and actual market transactions. The local price method means that the value assessment is based on comparisons of prices of similar building rights. Given the high degree of assumptions and judgements involved in the valuation of investment properties, we consider this to be a particularly significant area for our audit. A description of the valuation of the property portfolio can be found in Note 1 on accounting principles and Note 16 on property holdings.

How our audit addressed this key audit matter

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

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains information other than the annual report and consolidated accounts and can be found on pages 1-47. The Board of Directors and CEO are responsible for this additional information.

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

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

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

The Audit Committee shall, without prejudice to the Board of 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 report and consolidated accounts as a whole are free from significant misstatement, whether due to fraud or error, and to submit an audit report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect material misstatement if it exists. Misstatements may arise from irregularities or errors and are considered significant if, individually or in combination, they could reasonably be expected to influence the financial decisions that users make on the basis of the annual report and consolidated accounts.

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

- identify and assess the risks of material misstatement in the annual report and consolidated accounts, whether due to fraud or error, design and perform audit procedures, including those based on these risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement due to an irregularity is greater than for a material misstatement due to an error, as irregularities may include collusion, falsification, deliberate omissions, misrepresentation, or breach of internal control.

- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- conclude on the appropriateness of the use of the going concern assumption by the Board of Directors and the CEO in the preparation of the annual report and consolidated accounts. We also conclude, based on the audit evidence obtained, whether there are any significant uncertainties related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a significant uncertainty exists, we must draw attention in the auditor's report to the disclosures in the financial statements about this significant uncertainty or, if such disclosures are inadequate, modify our opinion on the annual report and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may make it impossible for a company to continue operating.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual report and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence about the financial information of the units or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the management, supervision and execution of the group audit. We are independently responsible for our opinions.

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

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

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

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of Holmström Fastigheter Holding AB (publ) for 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 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. Regarding the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

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

AUDITOR'S 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 a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

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

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

Stockholm, 29 April 2022
Ernst & Young AB

Fredric Hävrén
Authorized auditor

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**HOLMSTRÖM FASTIGHETER HOLDING
ANNUAL REPORT 2021**

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