



# WALLENSTAM

## Year-end Report

JANUARY 1–DECEMBER 31, 2023

### January 1–December 31, 2023

- » The equity/assets ratio amounted to 46 percent and the loan-to-value ratio was 46 percent.
- » Investment in new construction and reconstruction of properties amounted to SEK 2,379 million (2,517).
- » On closing day, 1,081 apartments were under construction.
- » Rental income amounted to SEK 2,730 million (2,490).
- » Income from property management amounted to SEK 1,040 million (1,252).
- » Changes in value of investment properties amounted to SEK -847 million (-2,627).
- » Changes in value of financial instruments amounted to SEK -916 million (1,646).
- » Profit before tax amounted to SEK -582 million (711) and profit after tax amounted to SEK -450 million (1,013), equivalent to SEK -0.7 per share (1.7).
- » Net asset value per share amounted to SEK 56.20 (57.40).
- » The Board of Directors will propose a dividend of SEK 0.50 per share (0.60), spread between two payments of SEK 0.25 each per share.

### October 1–December 31, 2023

- » Rental income amounted to SEK 694 million (627).
- » Income from property management amounted to SEK 211 million (259).
- » Changes in value of investment properties amounted to SEK -37 million (-3,001).
- » Profit after tax amounted to SEK -492 million (-1,801), equivalent to SEK -0.7 per share (-2.7).

*Comparisons in brackets refer to the corresponding period of the previous year for performance measures, and the latest year-end for balance sheet measures, unless otherwise stated.*

HANS WALLENSTAM, CEO

### Financially strong with attractive properties

"It is noticeable that our commercial premises, which are primarily located in Gothenburg CBD, are attractive, as we made a number of lettings in the fall to stable customers. The occupancy rate for commercial premises in Gothenburg is now 95 percent."

"Wallenstam is financially strong with an equity/assets ratio of 46 percent. We have a total of 98 percent of our financing in the form of bank loans and almost 60 percent of our loans are hedged using interest rate derivatives."

## Wallenstam in brief

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**Number of investment properties:** 208

**Value of investment properties:** SEK 63 billion

**Market capitalization:** SEK 36 billion

**Occupancy rate, lettable area:** 97%

**Lettable area:** 1.4 million sq m

**Number of apartments under construction:** 1,081

**Number of wind turbines:** 53

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# 46 percent

EQUITY/ASSETS RATIO

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*Read more about Wallenstam on page 21.*

## Events fourth quarter

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During the quarter, Wallenstam completed 82 apartments in the Kompositören project in Uppsala.

Wallenstam has sold the property New York 8, with 40 apartments, in Stockholm to a housing cooperative established by the tenants for a purchase price of SEK 160 million. Vacation occurred on October 6, 2023.

On November 1, 2023, Wallenstam vacated the recently constructed development property Kvarngärdet 71:1,

comprising 98 apartments in Uppsala. The property was part of the transaction that was carried out with ASPER in summer 2021, where the then project property with the project name Bersån was under development and according to the agreement would be vacated after approved final inspection and final clearance.

## Business plan 2030 – Goal: Achieve a net asset value of SEK 100 per share

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During the business plan 2030, Wallenstam has a goal of increasing the net asset value through a continued productive, cost-efficient and service-oriented business in the growth regions of Gothenburg, Stockholm and Uppsala. Successful letting, efficient management, value-creating investments, profitable new construction and profitable

transactions will contribute to this net asset value growth. During the business plan, the equity/assets ratio shall not be less than 35 percent.

On December 31, 2023, the net asset value per share amounted to SEK 56.20 (57.40).

## Comments by the CEO



Wallenstam stands strong with good liquidity and high demand for our product, even in these turbulent times. The year 2023 began with high inflation and a Riksbank, which raised its policy rate, something that affected both us and the entire property sector during the year. In the second half of 2023, we saw inflation fall back to levels in line with the Riksbank's target. The decrease in inflation is explained by the fact that policy makers have actually succeeded in reducing growth and consumption in the economy, which naturally also has a downside. Individuals have faced cuts in real wages for a couple of years and quite a lot of companies are having a tough time. The interest rate is still comparatively high, and the hope is that interest rates will fall during 2024.

### Strong demand for apartments

In such an external environment, I am very happy to have properties in locations that are sought after! Our apartments are found in attractive areas. Demand is strong, over 280,000 people – in other words more than 2.5 percent of Sweden's population – have registered an interest in our apartments. This is an indication that we have attractive apartments, but also that there is a really enormous need for more housing in the market.

### High surrender rate reflects satisfied customers

It is noticeable that our commercial premises, which are primarily located in Gothenburg CBD, are attractive, as we made a number of lettings in the fall to stable customers. The occupancy rate for commercial premises in Gothenburg is now 95 percent. I can also state that our customers are happy with us. The surrender rate is 90 percent, which means that nine out of ten tenants choose to remain a customer of ours when their lease expires. This is extremely gratifying!

### Belief in more transactions in 2024

There were few transactions in the property market during 2023. We have managed to complete a few, and we also settled previously made agreements. Now as the interest rate is stabilizing, it is my belief that the number of transactions in the property market will gradually increase somewhat. Wallenstam has the financial strength to both buy and sell, and to hopefully be in a position to take advantage of the opportunities presented. Against this backdrop, Erik Klang, Business Strategist, is joining our Group Management.

### Interest rate and electricity price affect income from property management

Income from property management has decreased during the year, and this is primarily attributable to the increase in our interest expense, but also to the fact that the electricity expenses in our management operations have gone up radically. However, the higher electricity prices are offset by our own electricity production, which means that it is cost-neutral for the Group but it has a negative impact on our property management. In 2024, we expect that both the electricity price and interest rates will fall.

### Financially strong

Wallenstam is financially strong with an equity/assets ratio of 46 percent. We have a total of 98 percent of our financing in the form of bank loans from Swedish banks and the European Investment Bank and almost 60 percent of our loans are hedged using interest rate derivatives. During the quarter, we have also extended our interest rate derivatives in order to increase the fixed interest term and thereby further strengthen our financial position.

### Hope of new project starts

Our construction of new rental apartments has unfortunately decreased in line with the increasing global turbulence. During the year, we have adapted our new construction operations so that the organization matches the decrease in the number of project starts. We now see that the increase in construction costs has stagnated and this means that we are once again looking to start new construction projects. I hope to be able to return soon with concrete news regarding construction starts and this feels both hopeful and gratifying, particularly in view of the acute housing need in our locations.

### Sustainability work that delivers results

There are many challenges regarding our new construction in terms of costs, but it is also a challenge to build as sustainably as possible. In 2023, we have also worked on preparing ourselves for upcoming reporting requirements according to the CSRD (Corporate Sustainability Reporting Directive). Both the CSRD and the EU's taxonomy regulation will be compulsory for us in financial year 2025. Since last year, we have voluntarily chosen to report how large a share of our assets is defined as sustainable under the EU taxonomy. Here I can happily confirm an improvement: 42 percent of our turnover is taxonomy-aligned, compared to 37 percent in the previous year.

### Looking forward to an exciting 2024

Despite unusually tough challenges in 2023, Wallenstam's business has functioned well, thanks to engaged and perseverant employees and I am extremely proud of what we have accomplished together in the entire organization during the year. Wallenstam has fantastic properties and a stable financial position, and I am looking forward to an exciting, challenging and hopefully brighter 2024!

Hans Wallenstam, CEO

## Consolidated income statement

SEK million	Jan-Dec 2023	Jan-Dec 2022	Oct-Dec 2023	Oct-Dec 2022
Rental income	2,730	2,490	694	627
Operating expenses	-730	-602	-212	-179
<b>Net operating income, properties</b>	<b>2,000</b>	<b>1,888</b>	<b>482</b>	<b>448</b>
Management costs and administrative expenses	-293	-272	-75	-68
Financial income	7	6	4	2
Financial expenses	-675	-370	-200	-123
<b>Income from property management</b>	<b>1,040</b>	<b>1,252</b>	<b>211</b>	<b>259</b>
Participation in profits/losses of associated companies	-3	-3	-1	-1
Revenue, development property sales	348	79	324	17
Expenses, development property sales	-254	-49	-241	-21
Other income	273	283	68	85
Other expenses	-176	-156	-48	-43
Financial expenses, other	-38	-14	-10	-3
<b>Profit before changes in value and impairment losses</b>	<b>1,190</b>	<b>1,392</b>	<b>304</b>	<b>292</b>
Change in value, investment properties	-847	-2,627	-37	-3,001
Change in value, financial instruments	-916	1,646	-904	-77
Change in value, synthetic options	-68	-	-39	-
Reversal of impairment loss on wind turbines	59	300	-	-
<b>Profit before tax</b>	<b>-582</b>	<b>711</b>	<b>-677</b>	<b>-2,786</b>
Current tax	-2	-4	-2	-1
Deferred tax	134	397	187	986
<b>Profit after tax</b>	<b>-450</b>	<b>1,103</b>	<b>-492</b>	<b>-1,801</b>
DISTRIBUTION OF PROFIT AFTER TAX				
Profit attributable to shareholders in the parent company	-450	1,103	-492	-1,801
Average number of outstanding shares, thousands	658,449	659,904	657,867	659,615
Profit after tax per share (SEK), dilution does not occur	-0.7	1.7	-0.7	-2.7

Other comprehensive income corresponds to Profit after tax.

## Comments on the consolidated income statement

### OCTOBER 1–DECEMBER 31

Rental income in the fourth quarter increased by SEK 67 million and amounted to SEK 694 million (627). Adjusted for transactions, the increase was SEK 75 million, where just over 50 percent came from added properties and larger projects and the remainder from comparable properties. The increase in comparable holdings primarily consisted of rent increases from indexations and rent negotiations as well as higher extra charges due to increased property tax and higher electricity prices.

Operating expenses amounted to SEK 212 million (179), an increase of SEK 33 million compared to the same quarter last year. Just over half of the increase was due to higher electricity prices in 2023 and the remainder was a result of general price increases in addition to higher repair and maintenance costs. Since the Group is a net electricity producer, the higher electricity expenses in our property operations do not mean a cost increase for the Group overall as an equivalent increase in revenue is found under other income. Seasonal costs were almost SEK 2 million higher compared to the same quarter in 2022, as a result of colder weather. Net operating income increased by almost 8 percent and amounted to SEK 482 million (448), which corresponds to a surplus ratio in the quarter of 69.5 percent (71.4).

Management costs and administrative expenses are distributed among property management, SEK 75 million (68), property transactions SEK 3 million (7), and energy management SEK 1 million (1) and were affected by non-recurring costs of SEK 7 million (0) for changes aimed at adapting the organization to prevailing market conditions. Project management costs of SEK 36 million (-) were also reported in the quarter within changes in value, investment properties, for which a comparative figure is lacking as these expenditures are normally part of the buildings' acquisition value. As the conditions did not allow for construction to the desired extent, these expenditures have instead been expensed.

Net financial items investment properties amounted to SEK -196 million (-121) where the average interest rate for the quarter amounted to 3.29 percent (2.01). Capitalized interest amounted to SEK 25 million (25).

Income from property management amounted to SEK 211 million (259).

Revenue from sales of development properties amounted to SEK 324 million (17) and mainly included the sale of Kvarngärdet 71:1.

The property valuation was affected in the quarter by increased yield requirements and updated property operation data corresponding to the expected levels of rents and

operating expenses for 2024. The properties' yield requirements have been raised for a number of properties compared to the previous quarter. For residential properties, the change is 10–30 points and for commercial properties the change is 10 points. Changes in value during the quarter amounted to SEK -37 million (-3,001).

Swap interest rates have fallen during the quarter, which gave a negative change in value on our interest rate derivatives of SEK -903 million (-49).

Profit after tax for the fourth quarter of 2023 amounted to SEK -492 million (-1,801), which corresponds to earnings per share of SEK -0.7 (-2.7).

## JANUARY 1–DECEMBER 31

Income from property management amounted to SEK 1,040 million (1,252). Profit after tax for the period amounted to SEK -450 million (1,103), which corresponds to earnings per share of SEK -0.7 (1.7).

### Rental income

Rental income for the period increased by SEK 240 million and amounted to SEK 2,730 million (2,490). Adjusted for transactions, the increase was SEK 284 million where just over 40 percent came from added properties and larger projects and the remainder from comparable properties. The increase in comparable holdings primarily consisted of rent increases from indexations and rent negotiations as well as higher extra charges due to increased property tax and higher electricity prices.

The year's rent negotiations for the residential holdings have been mainly effective from the first quarter of 2023. On average, the year's agreements mean a rent increase for apartments of 3.3 percent in total.

The rents in the commercial holdings were impacted by indexations and new lettings. In comparable holdings, the base rent for commercial increased by 9.1 percent compared to the previous year.

Wallenstam's revenue is evenly distributed between residential properties and commercial premises. The residential property holdings are fully let. Our commercial properties are mainly situated in central locations in Gothenburg,

with offices as the largest type of commercial premises. The surrender rate, which reflects how large a proportion of the cancellable leases are extended, amounted to 90 percent (91). Our occupancy rate for commercial in terms of lettable area amounted to 92 percent on closing day. In Gothenburg, where the majority of our commercial floor space is located, the occupancy rate is 95 percent.

In September, the Group received support from the Swedish Government of SEK 20 million for electricity, of which the part that was equivalent to the discounts provided to tenants with submetering is reported against Rental income, just over SEK 9 million in total, and the remainder is reported against Other income.

### Operating expenses & Net operating income

Seasonal effects at Wallenstam consist mainly of variable operating expenses, which are usually highest during quarters one and four when expenses for heating and property maintenance are generally higher.

Operating expenses for the period amounted to SEK 730 million (602). Approximately two thirds of the increase was due to higher electricity expenses as a result of higher electricity prices. Since the Group is a net electricity producer, the higher electricity expenses in our property operations are offset by an equivalent increase in income within electricity revenue under Other income so the higher electricity expenses do not mean a cost increase for the Group overall. Weather-related expenses were SEK 6 million higher during the period compared to the same period in the previous year.

Net operating income increased by SEK 112 million. The surplus ratio amounted to 73.3 percent (75.8).

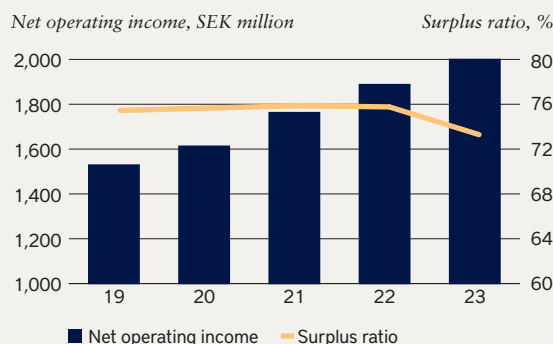
### Management costs and administrative expenses

Management costs and administrative expenses are distributed among property management SEK 293 million (272), energy management SEK 11 million (6) and property transactions SEK 13 million (19). In addition to this, the Group has project management expenditures totaling SEK 98 million (105), of which SEK 62 million (105) was capitalized and SEK 36 million (-) was expensed in change in

#### RENTAL INCOME AND INCOME FROM PROPERTY MANAGEMENT



#### NET OPERATING INCOME AND SURPLUS RATIO



value, investment properties, owing to the fact that several new construction projects had to be postponed. The year was affected by non-recurring costs of SEK 10 million (1) for changes aimed at adapting the organization to prevailing market conditions.

#### Financial income & expenses

Financial income amounted to SEK 7 million (6) and financial expenses totaled SEK 726 million (385), and are distributed among investment properties in operation SEK 675 million (370), expensed project-related interest SEK 13 million (-) and other SEK 38 million (14) which mainly consists of wind power and financial investments. Capitalized interest amounted to SEK 129 million (81).

The average debt was SEK 0.7 billion higher than year-end. The average interest rate for the year was 2.89 percent compared to 1.55 percent in the same period last year, due to rising market interest rates.

#### Other income & Other expenses

Other income amounted to SEK 273 million (283) and other expenses totaled SEK -176 million (-156). The Group's electricity production as well as additional other income and expenses are recognized as other income and other expenses. For 2023, Swedish Government support for electricity is included of almost SEK 11 million while the previous year included non-recurring income of SEK 69 million from the sale of wind turbines.

The electricity price is higher compared with the same period of the previous year, and a share of the sales is made to the Group's own properties. Electricity production amounted to 292 GWh (338). The decrease in production was mainly due to the divestment of 13 wind turbines in May 2022 (39 GWh). In comparable holdings, production decreased by 7 GWh due to less wind in 2023.

#### Changes in value, investment properties

Changes in value during the year amounted to SEK -847 million (-2,627).

The average yield requirements on closing day, which re-

fer to the properties owned on each closing day, amounted to 4.6 percent (4.6) for the commercial holdings and to 3.6 percent (3.5) for residential properties in operation. During the year, yield requirements have been raised for a number of properties by 10–30 points. Added properties have a marginal impact on the average yield requirement.

#### Change in value, financial instruments

The change in value of financial instruments includes changes in value of interest rate derivatives and holdings of listed and unlisted shares that constitute financial investments.

The value of interest rate derivatives developed negatively during the period, SEK -874 million (1,908), due to falling interest rate levels. On closing day, the 10-year swap rate amounted to 2.34 percent, compared to 3.12 percent at the start of the year.

#### Change in value synthetic options

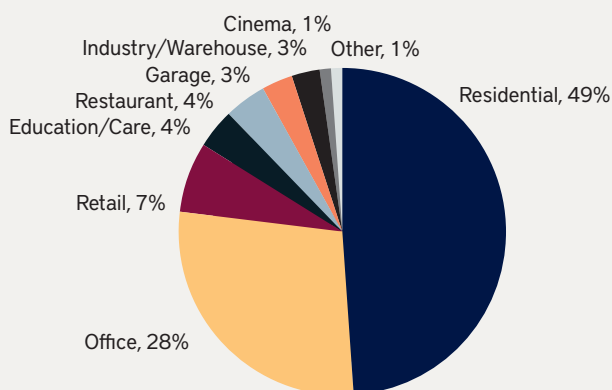
The AGM on May 3, 2023, resolved to introduce a synthetic options scheme of a maximum of 10,000,000 options directed to all personnel. The term of the scheme runs until March 1, 2027, and the expected cost in the event of a maximum outcome is SEK 350 million. At the start of the scheme in May 2023, personnel were invited to each receive 20,000–100,000 options. The value of the synthetic options varies with Wallenstam's share price. The option ceiling amounts to SEK 75 per share, which provides a value of SEK 30 per option in the event of a maximum outcome.

On closing day, the number of outstanding options amounted to 5,960,000, which were valued at SEK 61 million. Costs for social security contributions associated with the scheme amounted to SEK 7 million, which gave a total expense for the scheme of SEK 68 million (-).

#### Tax

The recognized tax for the year amounted to SEK 132 million (393) net, of which SEK 134 million (397) was deferred tax and SEK -2 million (-4) was current tax. Decreased property and derivative values affected the tax positively.

DISTRIBUTION, RENTAL VALUE



THE TEN LARGEST COMMERCIAL TENANTS BY FLOOR SPACE

Tenant	Floor space, sq m
City of Gothenburg	20,621
Essity Hygiene and Health AB	15,639
Filmstaden AB	14,508
The National Archives of Sweden	11,000
Västra Götaland County Council	10,832
Convendum AB	10,497
Frida Utbildning AB	8,088
Ica Fastigheter AB	6,906
Dagab Inköp & Logistik AB	6,308
Frisk Service i Göteborg AB	5,874
<b>Total</b>	<b>110,273</b>

Our total commercial floor space is approximately 530,000 sq m.



## Consolidated balance sheet, condensed

SEK million	Note	Dec 31, 2023	Dec 31, 2022
<b>ASSETS</b>			
NON-CURRENT ASSETS			
Investment properties	1	63,090	62,092
Site leasehold rights		534	500
Wind turbines		985	1,017
Land leases		9	9
Participations in associated companies		285	255
Financial assets		276	287
Financial derivative instruments		1,018	1,900
Other non-current assets		96	100
<b>Total non-current assets</b>		<b>66,293</b>	<b>66,161</b>
CURRENT ASSETS			
Development properties		77	217
Other current assets		421	489
Cash and cash equivalents		50	181
<b>Total current assets</b>		<b>548</b>	<b>887</b>
<b>Total assets</b>		<b>66,841</b>	<b>67,049</b>
<b>EQUITY AND LIABILITIES</b>			
EQUITY			
Equity		30,500	31,432
<b>Total equity</b>		<b>30,500</b>	<b>31,432</b>
NON-CURRENT LIABILITIES			
Deferred tax liability		5,830	5,963
Provisions		94	77
Interest-bearing liabilities		4,058	5,131
Financial derivative instruments		18	23
Lease liability		543	510
Other non-current liabilities		16	16
<b>Total non-current liabilities</b>		<b>10,559</b>	<b>11,720</b>
CURRENT LIABILITIES			
Interest-bearing liabilities		25,017	23,151
Financial derivative instruments		0	3
Lease liability		1	1
Current tax liability		2	4
Other current liabilities		762	738
<b>Total current liabilities</b>		<b>25,782</b>	<b>23,897</b>
<b>Total equity and liabilities</b>		<b>66,841</b>	<b>67,049</b>

### Note 1. Investment properties

SEK million	Dec 31, 2023	Dec 31, 2022
Investment properties in operation	58,103	55,862
Projects in progress, rental apartments	2,014	2,965
Land and projects for future new construction	2,973	3,265
<b>Total investment properties</b>	<b>63,090</b>	<b>62,092</b>

# Comments on the consolidated balance sheet

## OUR PROPERTIES

### Development during the period

During the period, we have invested a total of SEK 2,399 million (4,564), of which SEK 2,313 million (4,421) in investment properties and SEK 86 million (143) in development properties. New construction projects in progress involve 1,081 apartments. The total value of rental apartment and development projects in progress, including land and projects for future new construction, amounted to SEK 5.1 billion (6.4) on closing day.

The right of use value for land granted with site leasehold rights has been estimated at SEK 534 million (500).

### Investment properties

In view of the increased risks due to uncertainty about deliveries, inflation and increased construction costs, no gradual value growth on new construction is reported during the year.

The average yield requirements, which refer to the properties owned on each closing day, amounted to 4.6 percent for the commercial holdings and to 3.6 percent for residential properties in operation. The equivalent information for the fourth quarter of 2022 was 4.6 percent for commercial and 3.5 percent for residential.

The value of investment properties amounted to SEK 63,090 million (62,092) at the end of the period.

### Development properties

Development properties mainly consist of the projects Pixbo Sjöterrass in Mölnlycke, construction of eight co-op terraced houses, where sales started during the third quarter of 2023, and Söra radhus in Österåker, construction of 11 co-op terraced houses, where sales started during the first quarter of 2022. As of December 31, two of the terraced houses in Pixbo and seven of the terraced houses in Österåker have been taken into possession. In addition, the Bersån project in Uppsala was vacated during the final quarter of 2023. The book value of Development properties amounted to SEK 77 million (217) at the end of the period.

### Our markets

The cities in which we do business are characterized by growth and heavy demand for housing. Only a minor proportion of our rental apartments become available for rent due to relocation, and demand for finished, newly constructed rental apartments is high. For example, we currently have approximately 280,000 people in our housing queue.

We build mainly rental apartments, but also cooperative apartments, when there is a need for mixed forms of tenure. Our flexible business model, where co-op apartment sales do not start until the project is approaching completion, makes it possible to convert a co-op apartment project into a rental apartment project if demand for co-op apartments is uncertain.

We see that demand for commercial floor space in central Gothenburg is still stable.

## Valuation

### Investment properties

Wallenstam measures all of its investment properties internally at fair value. In connection with closing the annual accounts for 2023, an external valuation was also obtained regarding land and building rights for future new construction. We enjoy good market and property intelligence through active monitoring, which provides us with a firm basis for performing internal valuations of our property holdings. However, we must emphasize that the real value of properties only becomes a reality when they are sold, and therefore a valuation is always an estimation.

In its assessments of property values, Wallenstam has used different yield requirements. The yield requirements reflect market conditions and differ based on where the property is located and what type of property it is (housing or offices, etc.).

A valuation is calculated based on a property's net operating income including site leasehold rents, set in relation to the yield requirement for each property.

As our properties are valued separately, no consideration is given to the portfolio premium that may exist in the property market.

New constructions of rental apartments are measured at fair value, which is determined as cost plus the estimated surplus on the completion date in relation to the degree of completion of the construction. This is in turn based on the expenditures incurred. The surplus value on new production is gradually recognized during the construction period.

Land rights and building rights for future new construction are measured at market value and are externally valued.

### Development properties

Development properties are properties that we intend to construct in order to divest on completion, for example co-op apartment properties. Development properties are recognized at the lower of cost (investments incurred) and the estimated net realizable value. The profit/loss is recognized when the property or apartment is completed and handed over to the buyer.

## CHANGE DURING THE YEAR, INVESTMENT PROPERTIES

	Book value, SEK million
Investment properties, January 1, 2023	62,092
+ Acquisitions	20
+ Construction	2,293
- Sales	-464
- Unrealized changes in value, properties	-851
<b>Investment properties, December 31, 2023</b>	<b>63,090</b>



## NEW CONSTRUCTION IN PROGRESS, DECEMBER 31, 2023

Project	No. of apts.	Occupation*	Sq m**	of which occupied apts to date
<b>STOCKHOLM</b>				
Nacka Grace	169	Q3 2024	13,000	
Älta Torg Kv. 1, Nacka	191	Q4 2024	21,000	
Ädellövet, Farsta	172	2025	8,500	
<b>UPPSALA</b>				
Kompositören, Rosendal	185	Q2 2023	9,000	116
<b>GOTHENBURG</b>				
Kallebäcks Terrasser Kv. 5	182	Q1 2024	12,000	
Kallebäcks Terrasser Kv. 6	298	2025	17,000	
<b>Commercial</b>				
Stampgatan, reconstruction and extension		Q1 2024	2,000	
<b>Total apartments in projects</b>	<b>1,197</b>		<b>82,500</b>	
<b>of which in progress on December 31</b>	<b>1,081</b>			

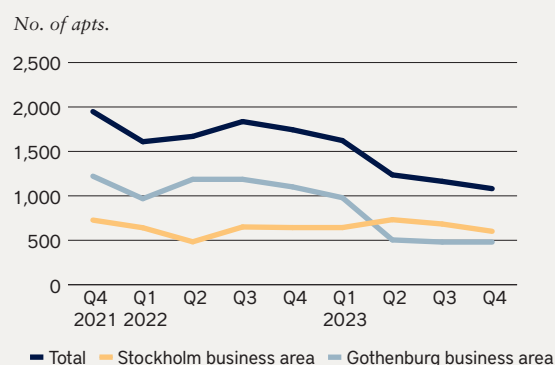
\* Refers to estimated start of occupation. Occupation will occur gradually, often over several quarters.

\*\* Number of sq m includes garage, and is rounded off to the nearest 500.

## CHANGE, CONSTRUCTION IN PROGRESS, APARTMENTS

	No. of apts.
New construction in progress, October 1, 2023	1,163
- Completed	-82
<i>Kompositören, Uppsala (82)</i>	
<b>New construction in progress, December 31, 2023</b>	<b>1,081</b>

## APARTMENTS, CONSTRUCTION IN PROGRESS



## PROPERTY HOLDING STRUCTURE AS OF DECEMBER 30, 2023

Lettable area, sq m	Residential sq m	Office sq m	Retail/ Restaurant/ Cinema sq m	Industry/ warehousing sq m	Education/ Care sq m	Garage sq m	Other sq m	Total	Distribution, place	No. of apts.
Stockholm	344,664	28,723	12,895	8,289	5,453	61,149	2,496	463,669	33%	5,813
Uppsala	21,569	63	384	-	532	2,584	-	25,132	2%	442
Gothenburg	330,592	229,035	93,722	92,071	47,923	98,940	7,149	899,432	65%	5,553
<b>Total</b>	<b>696,825</b>	<b>257,821</b>	<b>107,001</b>	<b>100,360</b>	<b>53,908</b>	<b>162,673</b>	<b>9,645</b>	<b>1,388,233</b>	<b>100%</b>	<b>11,808</b>
Distribution by type of premises	50%	18%	8%	7%	4%	12%	1%	100%		

## PROPERTY SALES

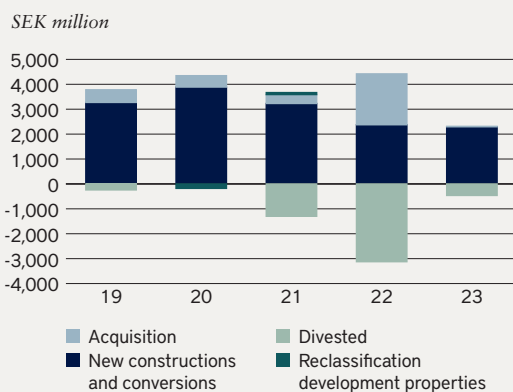
Name of property	Address	Year of construction	Residential sq m	Office sq m	Retail/ Restaurant/ Cinema sq m	Industry/ warehousing sq m	Education/ Care sq m	Garage sq m	Other sq m	Total sq m	No. of apts.
<b>GOTHENBURG</b>											
Kvillebäcken 5:6	Lantmätaregatan 12A-D, 14A-C / Långängen 19	1954	2,089	114	559	-	-	-	-	2,762	37
<b>STOCKHOLM</b>											
New York 8	Sandhamnsgatan 1	1943	2,212	-	260	-	-	-	-	2,472	40
<b>UPPSALA</b>											
Dragarbrunn 20:6	Kungsgatan 47 A-E / Vaksalagatan 14	1938/2017	372	1,846	707	80	-	-	-	3,005	3
Kvarngärdet 71:1	Gamla Uppsalag. 61A-E, Kantorsgatan 11-17	2023	4,943	82	78	12	-	870	-	5,985	98
<b>Total</b>			<b>9,616</b>	<b>2,042</b>	<b>1,604</b>	<b>92</b>	<b>-</b>	<b>870</b>	<b>-</b>	<b>14,224</b>	<b>178</b>

## FULLY COMPLETED NEW CONSTRUCTION

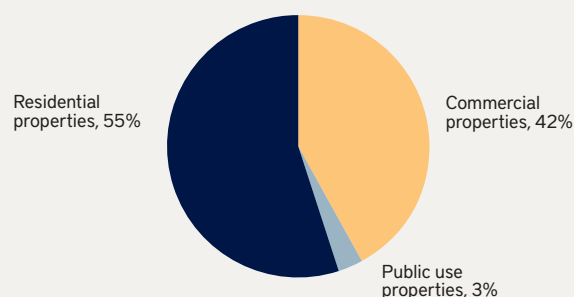
Name of property	Address	Year of construction	Residential sq m	Office sq m	Retail/ Restaurant/ Cinema sq m	Industry/ warehouse/ sing sq m	Education/ Care sq m	Garage sq m	Other sq m	Total sq m	No. of apts.
<b>GOTHENBURG</b>											
Majorna 303:29* (Project: Djurgårdsgatan)	Amiralitetsg. 2A-2B, 4-8 / Bang. 21-39 / Djurgårdsg. 26-40	2023	371	-537	-	-	-	-	-	-166	14
Kallebäck 18:6 (Project: Kallebäck's Terrasser Kv.7, Kedjan)	Separatorgatan 10, 12, 14, 16 / Skummjölkgatan 2, 4A, 4B, 4C, 6, 8	2022	9,291	-	381	-	-	-	-	9,672	189
Kallebäck 18:7 (Project: Kallebäck's Terrasser Kv.8, Utsikten)	Filmjölkgatan 1, 3, 5 / Skummjölkgatan 10,12,14,16 / Separatorsgatan 6, 8	2021	14,259	-	153	-	-	705	-	15,117	266
Mölnlycke 1:164 (Project: Kv. Skogsvaktaren)	Disponentvägen 1-11	2023	7,228	-	-	-	-	322	-	7,550	128
Kallebäck 18:12 (Project: School, Kallebäck's Terrasser)	Smörkärnegatan 17-19	2023	-	-	-	-	1,260	-	-	1,260	0
Kallebäck 18:11 (Project: Nursery school, Kallebäck's Terrasser)	Kallebäck's Torggata 32-36	2023	-	-	-	-	5,319	-	-	5,319	0
Kvillebäcken 5:6* (Project: Lantmätaregatan)	Lantmätaregatan 12A-D, 14A-C / Långängen 19	2023	839	-	-	-	-	-	-	839	18
Pixbo 1:294 (Project: Pixbo Sjöterrass, co-op)	Rådavägen 2	2023	1,276	-	-	-	-	-	-	1,276	8
<b>UPPSALA</b>											
Kvarngärdet 71:1 (Project: Bersån, development property)	Gamla Uppsalag 61A-E, Kantorsgatan 11-17	2023	4,943	82	78	12	-	870	-	5,985	98
<b>Total</b>			<b>38,207</b>	<b>-455</b>	<b>612</b>	<b>12</b>	<b>6,579</b>	<b>1,897</b>	<b>-</b>	<b>46,852</b>	<b>721</b>

\* Reconstruction commercial premises to apartments

### ACQUISITION, CONSTRUCTION AND SALES OF INVESTMENT PROPERTIES



### MARKET VALUE



### WIND POWER

On closing day, Wallenstam had 53 wind turbines in operation, divided among 17 wind farms. The installed output amounted to 112 MW (112). Wind turbines are recognized at cost less depreciation and impairment losses.

On closing day, the consolidated book value of wind turbines amounted to SEK 985 million (1,017). During the second quarter of 2023, a reversal was made of a previously recognized impairment loss in electricity price zone 2 of SEK 59 million (-) as the write-down requirement no longer exists. In 2022, SEK 300 million was reversed regarding electricity price zone 3.

During 2023, our process for identifying the expected electricity price for impairment testing has been updated. As an input for the electricity price, an average price is used based on expectations of future electricity prices based on the Board's and Management's best estimate using external, independent, market data reports. The electricity price from the market data report forms the basis for estimation of the cash flow for the 2023–2030 period and an average growth rate of 1.5 percent (1.5) has subsequently been assumed. The yield requirement is 6 percent (6).

Estimated value in use of land leases, based on minimum rents, amounted on closing day to SEK 9 million (9).

Depreciation for the year amounted to SEK 91 million (74). The increase was due to the reversal of previous impairment losses.

## DEFERRED TAX

A net deferred tax liability is recognized in the balance sheet of SEK 5,830 million (5,963), which consists of a deferred tax asset of SEK 1,088 million (907) and a deferred tax liability of SEK 6,918 million (6,870) where SEK 6,430 million (6,393) relates to temporary differences in property investments and SEK 488 million (477) relates to derivative instruments, site leasehold rights and wind turbines.

## FINANCING

### Equity

Shareholders' equity amounted to SEK 30,500 million (31,432), which is equivalent to SEK 46.40 per share (47.70). The equity/assets ratio was 46 percent (47).

### Interest-bearing liabilities

Wallenstam has 98 percent of its financing in the form of traditional loans from Swedish banks and the European Investment Bank. The remainder of the financing consists of commercial paper and a bond loan.

On closing day, total interest-bearing liabilities amounted to SEK 29,075 million (28,283). Of the liability, outstanding bond loans amounted to SEK 334 million (890), and the book volume of commercial paper, with a framework amount of SEK 4,000 million, amounted to SEK 373 million (1,034). Total interest-bearing liabilities consist of SEK 10.8 billion (8.8) green financing, of which SEK 10.5 billion (7.9) of green loans and SEK 0.3 billion (0.9) of green bonds, issued according to the terms of Wallenstam's green framework and within Wallenstam's then MTN program (Medium Term Notes). The bond loans are listed on Nasdaq Stockholm.

During the fourth quarter, we have extended our average fixed interest term from 37 months in the previous quarter to 40 months (44). Wallenstam uses interest rate derivatives to obtain a desired interest maturity profile. The first interest rate derivative maturity will occur in

2026, see table below. Of the loan portfolio, 57 percent (59) of the loans have fixed interest terms longer than one year. On closing day, the average interest rate on our loans was 3.24 percent (2.21).

Financing of the loan portfolio is mainly secured by mortgage deeds for properties. The bond loans, commercial paper and the loan from the EIB are unsecured. The commercial paper program has underlying credit commitments in the form of overdraft facilities. Covenants are issued for the loan from the EIB for the loan to be unsecured.

### Lease liability

The recognized lease liability corresponds to the rights of use for land leases and site leasehold rights. The liability on closing day totaled SEK 544 million (511).

### Derivative instruments

Wallenstam's financial derivative instruments consist of interest rate derivatives. On closing day, Wallenstam had a net receivable in respect of derivative instruments of SEK 1,000 million compared to SEK 1,874 million as of December 31, 2022.

The total volume of outstanding interest rate derivatives, where Wallenstam pays fixed interest, amounts to SEK 16.0 billion (16.3).

Interest rate derivatives are measured through discounting future cash flows at present value. Arising deficit or surplus values for interest rate derivatives, which reflect how the Group's hedged interest rates relate to the market rate of interest on closing day, are recognized in the balance sheet and as changes in value, financial instruments in the income statement.

### Available liquid assets

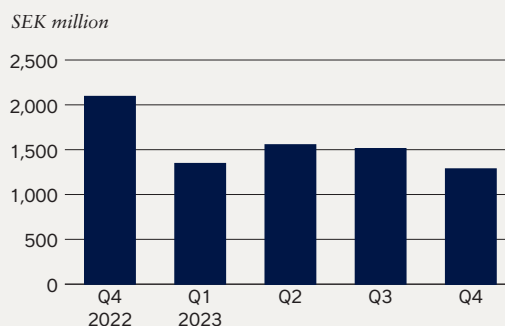
Available liquid assets, including available bank overdraft facilities, amounted to SEK 1,285 million (2,093), of which SEK 378 million is allocated as back up for issued outstanding commercial paper. During the year, Wallenstam has chosen to reduce the overdraft facilities. Approved overdraft facilities amounted to SEK 1,325 million (1,912), where SEK 90 million (-) was used on closing day.

## FIXED TERMS, AVERAGE INTEREST RATES

Year	Dec 31, 2023		Dec 31, 2022	
	Amount, SEK million	Average interest rate, %	Amount, SEK million	Average interest rate, %
2023			11,533	3.96 *
2024	12,575	6.06 *	0	-
2025	500	0.52	2,000	0.72
2026	2,000	0.78	2,000	0.78
2027	2,000	1.05	2,000	1.05
2028	2,000	1.16	2,000	1.16
2029	2,000	0.93	2,000	0.93
2030	2,000	0.95	2,000	0.95
2031	2,000	0.67	2,000	0.67
2032	2,000	1.31	2,000	1.31
2033	2,000	2.02	750	2.21
<b>Total</b>	<b>29,075</b>	<b>3.24</b>	<b>28,283</b>	<b>2.21</b>

\*Includes effects of swap agreements.

## ACCESSIBLE LIQUIDITY



## Consolidated statement of changes in equity

– Equity attributable to parent company shareholders –

SEK million	Share capital	Other capital contributed	Other reserves	Profit brought forward	Total equity
<b>Opening equity, Jan 1, 2022</b>	<b>165</b>	<b>359</b>	<b>-3</b>	<b>30,246</b>	<b>30,767</b>
Profit after tax	-	-	-	1,103	1,103
TRANSACTIONS WITH SHAREHOLDERS					
Dividends	-	-	-	-396	-396
Repurchase of own shares	-	-	-	-43	-43
<b>Closing equity, Dec 31, 2022</b>	<b>165</b>	<b>359</b>	<b>-3</b>	<b>30,911</b>	<b>31,432</b>
<b>Opening equity, Jan 1, 2023</b>	<b>165</b>	<b>359</b>	<b>-3</b>	<b>30,911</b>	<b>31,432</b>
Profit after tax	-	-	-	-450	-450
TRANSACTIONS WITH SHAREHOLDERS					
Dividends	-	-	-	-395	-395
Repurchase of own shares	-	-	-	-87	-87
<b>Closing equity, Dec 31, 2023</b>	<b>165</b>	<b>359</b>	<b>-3</b>	<b>29,979</b>	<b>30,500</b>

## Consolidated statement of cash flows, condensed

SEK million	Jan-Dec 2023	Jan-Dec 2022	Oct-Dec 2023	Oct-Dec 2022
Profit before changes in value and impairment losses*	1,190	1,392	304	292
Adjustment for items not included in cash flow	-6	-16	-34	31
Change provisions	-7	-44	-7	-1
Taxes paid	-5	-4	-	-1
<b>Cash flow before change in working capital</b>	<b>1,172</b>	<b>1,328</b>	<b>263</b>	<b>320</b>
Change in working capital	172	-129	64	-242
<b>Cash flow from operating activities</b>	<b>1,344</b>	<b>1,199</b>	<b>327</b>	<b>79</b>
INVESTMENTS/DIVESTMENTS				
Investment in properties and individual co-op apartments	-2,438	-4,562	-557	-1,274
Investments in intangible assets and property, plant and equipment	-11	-27	-5	-13
Investments in financial assets	-75	-5	-58	-
Expensed project expenditures relating to interest and administration*	-50	-	-50	-
Divestment of financial assets	6	137	6	27
Investments in associated companies	-33	-41	-5	-
Divestment of properties, development properties and property, plant and equipment	817	3,179	493	1,174
<b>Cash flow from investing activities</b>	<b>-1,785</b>	<b>-1,318</b>	<b>-176</b>	<b>-86</b>
FINANCING				
Raised interest-bearing liabilities	27,120	23,159	7,094	8,810
Amortization of interest-bearing liabilities	-26,418	-22,709	-7,204	-8,382
Net change in overdraft facilities	90	-	0	-32
Net change promissory notes	-	58	-	-
Dividends paid	-395	-396	-197	-198
Repurchase of own shares	-87	-43	-68	-43
<b>Cash flow from financing activities</b>	<b>309</b>	<b>69</b>	<b>-375</b>	<b>155</b>
<b>Changes to liquid assets</b>	<b>-131</b>	<b>-51</b>	<b>-225</b>	<b>148</b>
Cash and cash equivalents at beginning of the period	181	232	275	34
Cash flow for the period	-131	-51	-225	148
Cash and cash equivalents at the end of the period	50	181	50	181
Unutilized overdraft facilities at the end of the period	1,235	1,912	1,235	1,912
Available liquid assets	1,285	2,093	1,285	2,093

\*Includes interest paid and received, including gross flows from interest rate swap contracts, of SEK-824 million (-400) and SEK 7 million (4) in profit before changes in value and impairment losses and SEK -13 million (-) related to project-related interest within changes in value, investment properties, net SEK-830 million (393). In total, SEK 129 million (81) of these items have been capitalized as a non-current asset.

## Segments report

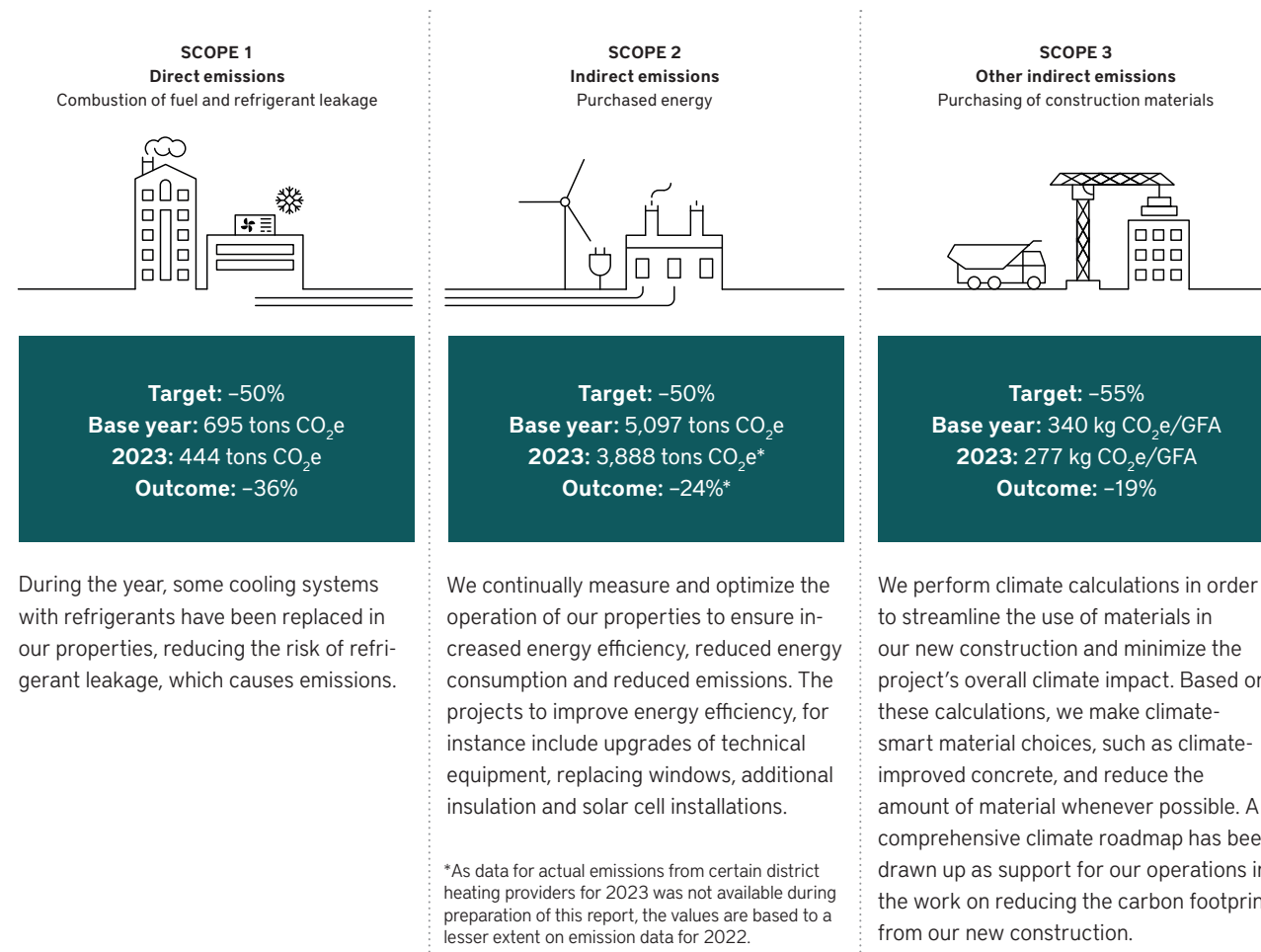
<b>Dec 31, 2023</b> <b>SEK million</b>	Gothenburg Jan-Dec	Stockholm Jan-Dec	Other Jan-Dec	Elimination Jan-Dec	Total Jan-Dec
<b>INCOME STATEMENT</b>					
Rental income	1,854	902	0	-27	2,730
Operating expenses	-479	-250	0	-	-730
<b>Net operating income</b>	<b>1,375</b>	<b>652</b>	<b>0</b>	<b>-27</b>	<b>2,000</b>
Management costs and administrative expenses	-181	-107	-31	27	-293
Net financial items	-467	-210	9	-	-668
<b>Income from property management</b>	<b>727</b>	<b>335</b>	<b>-21</b>	<b>-</b>	<b>1,040</b>
<i>Unapportioned items</i>					
Participation in profits/losses of associated companies					-3
Sales result, development properties					95
Other income and expenses					97
Financial expenses, other					-38
<b>Profit before changes in value and impairment losses</b>					<b>1,190</b>
Changes in value					-1,772
<b>Profit before tax</b>					<b>-582</b>
<b>BALANCE SHEET</b>					
Investment properties	41,077	21,991	22	-	63,090
Site leasehold rights	52	482	-	-	534
Wind turbines	-	-	985	-	985
Land leases	-	-	9	-	9
Development properties	54	23	-	-	77
Unapportioned assets	-	-	-	-	2,146
<b>Total assets</b>					<b>66,841</b>
Equity	-	-	-	-	30,500
Interest-bearing liabilities and lease liabilities	17,711	10,078	1,830	-	29,619
Unapportioned liabilities	-	-	-	-	6,722
<b>Total equity and liabilities</b>					<b>66,841</b>
<i>Property investments in progress including land</i>	<i>2,000</i>	<i>3,064</i>	<i>-</i>	<i>-</i>	<i>5,064</i>
<b>Dec 31, 2022</b> <b>SEK million</b>	Gothenburg Jan-Dec	Stockholm Jan-Dec	Other Jan-Dec	Elimination Jan-Dec	Total Jan-Dec
<b>INCOME STATEMENT</b>					
Rental income	1,679	838	0	-27	2,490
<b>Net operating income</b>	<b>1,289</b>	<b>626</b>	<b>0</b>	<b>-27</b>	<b>1,888</b>
<b>Income from property management</b>	<b>846</b>	<b>391</b>	<b>15</b>	<b>-</b>	<b>1,252</b>
<i>Unapportioned items</i>					
Participation in profits/losses of associated companies					-3
Sales result, development properties					30
Other income and expenses					127
Financial expenses, other					-14
<b>Profit before changes in value and impairment losses</b>					<b>1,392</b>
Changes in value					-681
<b>Profit before tax</b>					<b>711</b>
<b>BALANCE SHEET</b>					
Investment properties	39,739	22,354	-	-	62,092
Site leasehold rights	52	448	-	-	500
Wind turbines	-	-	1,017	-	1,017
Land leases	-	-	9	-	9
Development properties	31	186	-	-	217
Unapportioned assets	-	-	-	-	3,213
<b>Total assets</b>					<b>67,049</b>
Equity	-	-	-	-	31,432
Interest-bearing liabilities and lease liabilities	16,703	10,261	1,829	-	28,793
Unapportioned liabilities	-	-	-	-	6,824
<b>Total equity and liabilities</b>					<b>67,049</b>
<i>Property investments in progress including land</i>	<i>3,291</i>	<i>3,157</i>	<i>-</i>	<i>-</i>	<i>6,448</i>

# Wallenstam's sustainability work

## Climate targets 2023–2030

Wallenstam's climate targets are so-called near-term targets and are approved by the global climate action partnership – The Science Based Targets initiative (SBTi). The validated climate targets mean that Wallenstam shall reduce its Scope 1 and 2 emissions by 50 percent through 2030, with base year 2018. In addition to the validated cli-

mate targets in Scope 1 and 2, Wallenstam has also chosen to define a voluntary target in Scope 3, according to the Science Based Targets initiative's methodology. This target means that Wallenstam shall measure and reduce the emissions from its construction operations by 55 percent through 2030, with 2019 as a base year.



## EU taxonomy

Wallenstam is not yet covered by the EU's taxonomy regulation but the company has voluntarily chosen to report how large a share of its assets are defined as sustainable under the EU taxonomy. Wallenstam's operations are deemed to meet the regulation's technical screening criteria with regard to articles 4.3 *Electricity generation from wind power* and 7.7 *Acquisition and ownership of buildings*.

## Environmental certifications

Wallenstam has continued the work on environmentally certifying its properties. During the year, one property was certified according to Miljöbyggnad iDrift (Environmental Building In-Use), Gold level, and eight newly constructed properties were certified according to Miljöbyggnad, Silver level. In addition, one property was certified early in the year according to BREEAM In-Use with the high rating Excellent.

## KEY PERFORMANCE INDICATORS, EU TAXONOMY

2023	SEK million	Share Taxonomy-aligned, %
Turnover	1,255 (1,010)	42 (37)
CapEx	1,263 (1,649)	54 (37)
OpEx	95 (95)	25 (33)*

Information in parenthesis refers to outcomes in 2022.

\* Corrected data for 2022.



## The Wallenstam share

The Wallenstam B share is listed on Nasdaq Stockholm, Large Cap. During 2023, the Wallenstam share price has increased by 24.6 percent. The property index OMX Stockholm Real Estate rose by 17.0 percent and the OMX Stockholm PI index rose by 15.5 percent during the same period.

At year-end, the Wallenstam share price was SEK 54.70 compared to SEK 43.90 at year-end 2022. The market capitalization was SEK 36,102 million (28,974) based on the total number of registered A and B shares. Equity per share amounted to SEK 46.40 (47.70).

### Buyback

Wallenstam has a mandate from the Annual General Meeting to repurchase shares. During the year, 2,000,000 shares were repurchased. On closing day, the company held a total of 3,000,000 repurchased shares, acquired at an average price of SEK 43.28 per share, including brokerage.

### Dividend

In May, SEK 198 million was disbursed to the shareholders and in November, SEK 197 million was disbursed, in total SEK 395 million (396).

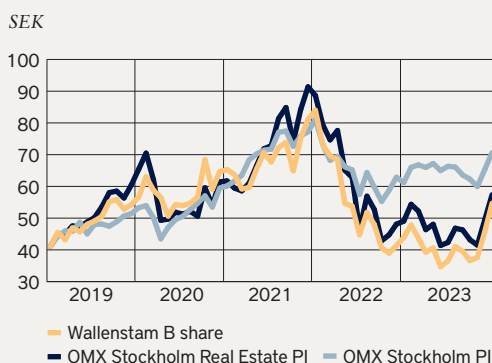
The Board of Directors will propose a dividend of SEK 0.50 per share (0.60) to the Annual General Meeting for the 2023 financial year, spread over two payment dates of SEK 0.25 each per share. The record day for the first payment is proposed to be April 29, 2024, and October 29, 2024, for the second payment.

The proposed dividend is equivalent to a yield of 0.9 percent (1.4), based on the share price at the end of the period. The share's total yield in 2023, calculated on the distributed dividend, was 26 percent (neg).

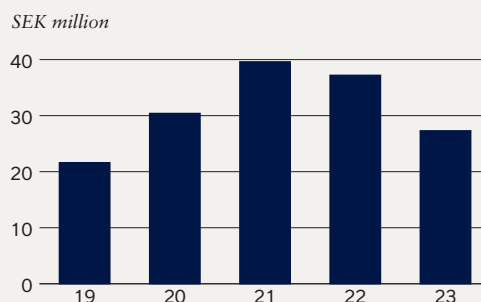
### Turnover

During the period, the Wallenstam share had an average daily turnover on Nasdaq Stockholm of about SEK 27.3 million (37.2).

SHARE PRICE TREND Q1 2019-Q4 2023



AVERAGE SHARE LIQUIDITY PER DAY



Refers to trading on Nasdaq Stockholm, where around 35% of the trading in the Wallenstam share took place in 2023.

### SHAREHOLDINGS, DECEMBER 31, 2023

	A shares	B shares	Equity, %	Votes, %
Hans Wallenstam and family, and company	69,000,000	98,799,600	25.42	61.72
AMF - Insurance and funds		85,115,201	12.90	6.66
Henric and Ulrika Wiman		23,955,504	3.63	1.87
Agneta Wallenstam		23,368,000	3.54	1.83
Anna-Carin B Wallenstam and Anders Berntsson		21,529,200	3.26	1.68
David Wallenstam		17,040,276	2.58	1.33
Christian Wallenstam		16,000,000	2.42	1.25
Monica and Jonas Brandström		13,468,604	2.04	1.05
Swedbank Robur Fonder		12,886,972	1.95	1.01
Bengt Norman		12,440,000	1.88	0.97
Other owners		263,396,643	39.93	20.63
<b>Total number of shares</b>	<b>69,000,000</b>	<b>588,000,000</b>		
Repurchased own shares*		3,000,000	0.45	
<b>Total registered shares</b>	<b>660,000,000</b>		<b>100.00</b>	<b>100.00</b>
<b>Total outstanding shares</b>		<b>657,000,000</b>		

The proportion of institutional ownership amounted to around 21 percent of equity and around 11 percent of the votes.

Foreign ownership amounted to around 8 percent of equity and around 4 percent of the votes.

\* Refers to repurchased shares up to closing day. Repurchased shares do not carry voting rights.

Source: Euroclear Sweden AB

## Parent Company

The parent company's operations are focused on managing all of the Group's companies. In addition, the parent company owns a small number of properties.

Total revenue during the period amounted to SEK 481 million (479), of which rental income amounted to SEK 146 million (132).

The result was impacted by the item changes in value of derivative instruments, SEK -874 million (1,908). Profit after tax amounted to SEK 424 million (2,107).

Investments in intangible assets and property, plant and equipment during the period amounted to SEK 33 million (82). Parent company external loans amounted to SEK 11,060 million (11,406) on closing day.

Since 2023, the parent company has been part of an income tax law commission with subsidiaries. As a principal in the income tax law commission, the commissionaire companies' profits/losses are reported and taxed at the parent company. The profit/loss is transferred to the principal through a commissionaire' contribution, which is reported as an appropriation with the same name in the income statement. The commissionaire' contributions include the entire results of the subsidiaries and consist, in addition to profits/losses from current operations of SEK 94 million (-), of dividends and impairment losses from participations in subsidiaries, net SEK 978 million (-).

The parent company's tax is positive for 2023, which is explained by the year's large decline in the value of interest rate derivatives which reduces the company's deferred tax liability.

In 2023, the parent company was also part of a value added taxation group with subsidiaries.

### INCOME STATEMENT, PARENT COMPANY

SEK million	Jan-Dec 2023	Jan-Dec 2022
Management revenue	319	336
Rental income	146	132
Revenue, sales of renewable energy certificates	11	5
Other revenue	4	6
<b>Total revenue</b>	<b>481</b>	<b>479</b>
Management costs and administrative expenses	-423	-396
Operating expenses	-46	-38
Depreciation and impairment losses properties	-36	-29
Expenses, sales of renewable energy certificates	-15	-11
Expense, synthetic options scheme	-68	-
Other expenses	-4	-7
<b>Total expenses</b>	<b>-591</b>	<b>-481</b>
<b>Operating income</b>	<b>-110</b>	<b>-2</b>
Profit/loss from participations in Group companies	47	224
Interest income and similar profit/loss items	830	550
Interest expenses and similar profit/loss items	-634	-338
Changes in value, derivative instruments	-874	1,908
<b>Net financial items</b>	<b>-630</b>	<b>2,343</b>
<b>Profit/loss after financial items</b>	<b>-741</b>	<b>2,341</b>
Group contributions paid	-	-194
Commissionaire' contributions	1,072	-
Additional depreciation	-22	-
Tax on net profit/loss	115	-40
<b>Profit/loss after tax</b>	<b>424</b>	<b>2,107</b>

Other comprehensive income corresponds to Profit/loss after tax.

### CONDENSED BALANCE SHEET, PARENT COMPANY

SEK million	Dec 31, 2023	Dec 31, 2022
<b>Assets</b>		
Properties	1,372	1,383
Participations in Group companies	4,067	5,692
Financial derivative instruments	1,018	1,900
Receivables from Group companies	34,490	25,631
Other assets	284	113
Cash and cash equivalents	49	181
<b>Total assets</b>	<b>41,280</b>	<b>34,901</b>
<b>Equity and liabilities</b>		
Equity	14,393	14,451
Untaxed reserves	27	5
Provisions	73	28
Interest-bearing external liabilities	11,060	11,406
Liabilities to Group companies	15,572	8,870
Financial derivative instruments	18	26
Other liabilities	138	115
<b>Total equity and liabilities</b>	<b>41,280</b>	<b>34,901</b>

## Other information

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### OPPORTUNITIES & RISKS

Wallenstam's opportunities and risks, and how we manage them, are presented in the 2022 Annual Report on pages 25–28. No significant changes in the management of these risks have occurred during 2023.

### SENSITIVITY ANALYSIS

As of December 31, 2023, the estimated market value of the properties amounted to around SEK 63 billion. A change in value of plus/minus 10 percent is thus equivalent to about plus/minus SEK 6.3 billion. A general change of plus/minus 0.25 percentage points in property yield requirements is equivalent to about SEK -3.6 billion to SEK +4.1 billion, while a general change in revenue of 5 percent is equivalent to about plus/minus SEK 3.6 billion.

A change in the market interest rate of plus/minus 50 points is equivalent to about plus/minus SEK 63 million in interest expenses.

### TRANSACTIONS WITH RELATED PARTIES

Wallenstam's related parties consist chiefly of Group companies. Board members, company management and their families and the companies they control are also related parties. Transactions with related parties mainly consist of administrative fees and the renting of premises between Group companies. Individuals related to Board members and the Group Management rent apartments and premises. Insurance services are purchased from companies where a member of Wallenstam's Board of Directors is a Board member, for a total equivalent to about SEK 5 million in net expenditure for the year. The CEO is a joint owner (50 percent) of Aranea Holding AB. Aranea is a tenant of Wallenstam with an annual rental value equivalent to SEK 0.7 million. In addition, the CEO has acquired two co-op shares in Pixbo Sjöterrass for an amount of SEK 24.3 million.

A member of Wallenstam's Board, through his own consulting company, sold consulting hours to Wallenstam for SEK 0.1 million.

The Convendum and Colive groups, where Wallenstam's Chairman is a board member of each parent company, have paid SEK 41 million and SEK 13 million, respectively, in rent during the year. Ferroamp AB, where Wallenstam's

Chairman is a board member, has been a tenant since the second half of 2023 and has paid a total of SEK 1.5 million in rent during the year.

Wallenstam's involvement in environmental and social responsibility issues is described in more detail on pages 17–24 of the 2022 Annual Report. As part of its social responsibility work, the Wallenstam Group not only contributes financially to a number of organizations but also gives its time in the form of e.g. board work. As a result of such board positions, related party status arises in the case of the Rescue Mission in Gothenburg and Barn i Nöd (Swedish International Help for Children). During the year, the Rescue Mission in Gothenburg received contributions and discounts equivalent to SEK 3.5 million and Barn i Nöd received contributions of SEK 1.8 million. The Rescue Mission in Gothenburg and Barn i Nöd rent premises and apartments from Wallenstam equivalent to annual rental income of about SEK 6.4 million and SEK 0.1 million, respectively.

All transactions take place on market-related terms.

### ROUNDING OFF

As a result of rounding off, figures presented in this report do not, in some cases, sum up exactly to the total and percentages may differ in order for them to correspond to the actual numerical data.

### ACCOUNTING PRINCIPLES

This report was prepared in accordance with IAS 34. The accounting principles are unchanged compared to the 2022 Annual Report. The Parent Company's accounting principles comply with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.

New and amended standards and principles that entered into force on January 1, 2023, or subsequently are not expected to have any material impact on the Wallenstam Group's financial statements.

### EVENTS AFTER THE END OF THE REPORTING PERIOD

No events of material importance for the company's position have occurred after the end of the reporting period.

## Key ratios – multi-year summary

Accumulated during period	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
<b>PROPERTY-RELATED KEY RATIOS</b>									
Net operating income, properties, SEK million	2,000	1,519	972	462	1,888	1,440	942	459	1,763
Surplus ratio, property management, %	73.3	74.6	72.6	70.1	75.8	77.3	76.2	74.5	75.9
Income from property management, SEK million	1,040	828	532	265	1,252	993	650	322	1,280
Changes in value, investment properties, SEK million	-847	-810	-611	0	-2,627	374	374	187	3,674
Value of investment properties, SEK million	63,090	62,777	62,671	62,712	62,092	64,997	64,441	63,392	63,480
Area, sq m (thousand)	1,388	1,396	1,386	1,356	1,356	1,342	1,342	1,314	1,330
Occupancy rate – lettable area, %	97	96	96	96	97	97	97	97	98
Development properties, net, SEK million	77	282	269	251	217	194	169	147	123
<b>FINANCIAL KEY RATIOS</b>									
Profit after tax, SEK million	-450	42	-170	48	1,103	2,904	2,150	1,207	4,717
Return on equity, %	-1.4	-5.5	-3.8	-0.2	3.4	15.7	16.5	17.8	16.9
Return on total assets, %	0.2	-3.0	-2.1	-0.1	1.6	9.5	9.6	9.3	8.9
Interest coverage ratio, times (rolling 12 months)	2.6	2.9	3.3	4.1	4.7	5.5	6.1	6.1	6.1
Loan-to-value ratio, %	46	46	46	45	45	42	43	43	43
Average interest rate on closing day, %	3.24	3.14	2.98	2.61	2.21	1.84	1.43	1.34	1.17
Average fixed interest term, months	40	37	38	41	44	46	47	50	40
Equity/assets ratio, %	46	46	46	47	47	48	47	47	46
Equity, SEK million	30,500	31,257	31,045	31,461	31,432	33,474	32,720	31,975	30,767
Net asset value, SEK million	36,930	37,660	37,473	37,908	37,825	40,557	39,697	38,864	37,795
Market capitalization, SEK million	36,102	24,169	24,103	25,912	28,974	26,783	29,535	45,177	55,440
<b>PER SHARE DATA</b>									
Profit after tax, SEK	-0.7	0.1	-0.3	0.1	1.7	4.4	3.3	1.8	7.2
P/E ratio, times	Neg.	Neg.	Neg.	Neg.	26.3	5.4	5.9	8.7	11.7
Cash flow from operating activities, SEK	2.0	1.5	1.2	0.8	1.8	1.7	1.2	0.6	1.5
Equity, SEK	46.40	47.50	47.10	47.80	47.70	50.70	49.60	48.40	46.60
Net asset value per share, SEK	56.20	57.20	56.90	57.60	57.40	61.50	60.10	58.90	57.30
Share price, SEK	54.70	36.62	36.52	39.26	43.90	40.58	44.75	68.45	84.00
Repurchased shares at end of period, thousands	3,000	1,500	1,500	1,500	1,000	-	-	-	-
Shares outstanding, average, thousands	658,449	658,645	658,719	658,875	659,904	660,000	660,000	660,000	655,334
Shares outstanding at end of period, thousands	657,000	658,500	658,500	658,500	659,000	660,000	660,000	660,000	660,000

## Quarterly overview

	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2021
Rental income, SEK million	694	697	679	660	627	626	620	616	603
Net operating income, properties, SEK million	482	547	510	462	448	498	483	459	441
Surplus ratio, property management, %	69.5	78.4	75.0	70.1	71.4	79.5	77.9	74.5	73.1
Income from property management, SEK million	211	297	267	265	259	343	328	322	312
Return on equity, %	-1.4	-5.5	-3.8	-0.2	3.4	15.7	16.5	17.8	16.9
Interest coverage ratio, times	2.4	2.5	2.6	3.3	3.3	4.6	5.6	6.0	6.2
Earnings per share after tax, SEK	-0.7	0.3	-0.3	0.1	-2.7	1.1	1.4	1.8	3.1
Cash flow per share from operating activities, SEK	0.5	0.4	0.4	0.8	0.1	0.5	0.6	0.6	0.4
Equity per share, SEK	46.40	47.50	47.10	47.80	47.70	50.70	49.60	48.40	46.60
Net asset value per share, SEK	56.20	57.20	56.90	57.60	57.40	61.50	60.10	58.90	57.30
Share price, SEK	54.70	36.62	36.52	39.26	43.90	40.58	44.75	68.45	84.00

Earnings-based key ratios are calculated on the average number of outstanding shares; yield figures are calculated on rolling twelve-month profit or loss.

## Report signatures

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The Board and CEO certify that the year-end report provides a fair view of the Parent Company's and Group's operations, financial position and results and describes the significant risks and uncertainties to which the Parent Company and Group Companies are exposed.

Gothenburg, February 8, 2024

Lars-Åke Bokenberger  
Chairman of the Board

Karin Mattsson  
Vice Chairman of the Board

Agneta Wallenstam  
Board member

Mikael Söderlund  
Board member

Rebecka Wallenstam  
Board member

Hans Wallenstam  
CEO

# Definitions

## Share yield

The proposed dividend as a percentage of the share price at the end of the period.

## Share total yield

The share price trend during the year including distributed dividend as a percentage of the share price at the start of the period.

## Alternative performance measures (APM)

Wallenstam presents a number of financial measures that are outside IFRS definitions (Alternative performance measures, according to ESMA's guidelines) with the aim of enabling effective evaluation of the company's financial position and performance for investors and for the company's management. This means that these measures are not always comparable with measures used by other companies and shall therefore be considered as a complement to measures defined according to IFRS. Wallenstam applies these alternative key ratios consistently over time. The definitions describe how Wallenstam's key ratios are calculated. The key ratios are alternative performance measures according to ESMA guidelines unless otherwise stated.

## The number of shares

The number of registered shares at any given time.

*Number of shares outstanding:* the number of registered shares less repurchased own shares at any given time.

*Average number of shares:* weighted average number of shares outstanding at any given time.

## Return on equity\*\*

Profit after tax on a rolling 12-month basis in relation to average equity.

## Return on total assets\*\*

Profit before tax with reversal of interest expenses for the latest rolling 12-month period in relation to average total assets.

## Loan-to-value ratio

Interest-bearing liabilities and lease liability less cash and cash equivalents in relation to the Group's investments in properties, site leasehold rights, development properties, wind power and land leases at the end of the period.

## Residential property

Property, which predominantly consists of residential space.

## Market capitalization

Share price multiplied by the number of registered shares on the closing day.

## Net operating income

Rental income less operating and maintenance expenses, and property tax.

## Development property

A property that is constructed with the intention of being divested, either in its entirety or per share, upon completion.

## Income from property management

Rental income from investment properties less operating expenses, management costs and administrative expenses and net financial items attributable to investment properties.

## Average interest rate

Interest expenses for the period in relation to interest-bearing average debt.

## Average yield requirement

Normalized net operating income in accordance with the valuation model in relation to the estimated market value of yielding investment properties.

## Rental value\*

Rental income and the estimated market rent for vacant space.

## Cash flow per share

Cash flow for the period in relation to the average number of shares outstanding.

## Cash flow from operating activities per share

Cash flow from operating activities for the period in relation to the average number of shares outstanding.

## Commercial property

Property, which predominantly consists of commercial space.

## P/E ratio

Share price at the end of the period, in relation to profit after tax per average number of outstanding shares for the latest rolling 12-month period.

## Earnings per share after tax

Profit after tax in relation to the average number of outstanding shares.

## Interest coverage ratio

Profit or loss before changes in value and impairment losses with reversal of net financial items in relation to net financial items.

## Public use property

Property, which is predominantly used by tax funded activities and is specifically adapted for community services.

## Equity/assets ratio

Equity in relation to total capital employed at the end of the period.

## Net asset value

Equity with the addition of deferred tax liabilities related to investment properties.

## Net asset value per share

The Group's net asset value in relation to the number of outstanding shares at the end of the period.

## Occupancy rate – floor space

Let floor space in relation to total floor space, excluding garage, project properties and voluntary vacation.

## Changes in value, investment properties

Profits or losses from sales of investment properties during the period less expenses and the assessed market value of the properties at the immediately preceding reporting period and profits or losses from the change in the assessed market value of investment properties compared to the immediately preceding reporting period.

## Surrender rate

Proportion of commercial leases, which are extended in relation to the proportion of cancellable commercial leases.

## Surplus ratio

Net operating income as a percentage of rental income.

For further information, please refer to: [www.wallenstam.se/glossary](http://www.wallenstam.se/glossary)

\*Operational key ratios, are not considered alternative key ratios according to ESMA's guidelines.

**	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
<b>Bridge alternative performance measures</b>									
Equity, SEK million	30,500	31,257	31,045	31,461	31,432	33,474	32,720	31,975	30,767
Average equity, SEK million	31,139	31,734	32,026	32,212	32,074	31,567	30,486	29,198	27,915
Total assets, SEK million	66,841	67,743	67,659	67,157	67,049	69,636	69,397	67,616	66,698
Average total assets, SEK million	67,290	67,849	68,180	68,171	68,079	67,370	66,028	64,482	63,075

For average values, add the latest five periods and divide by five.



# This is Wallenstam

## BUSINESS PLAN 2030

### Goal

The net asset value shall amount to SEK 100 per share.

### Focus areas

- » We shall improve the customer's overall impression of Wallenstam every year through attractive apartments and premises as well as good service.
- » We shall strive to ensure increased security for our customers that live and work in our properties.
- » Through our strong corporate culture, we shall be an attractive employer and improve our Engagement Index score every year.

### Defined key ratios

- » The equity/assets ratio shall not be less than 35 percent.

### VISION

Wallenstam shall be the natural choice for housing and premises.

### BUSINESS CONCEPT

We develop and manage people's homes and workplaces based on a high level of service and long-term sustainability in selected metropolitan areas in Sweden.

### WALLENSTAM TODAY

Wallenstam was founded in 1944 and its head office is located in Gothenburg. The company's B share is listed on

Nasdaq Stockholm, Large Cap and Wallenstam is one of the larger listed property companies in Sweden.

Our residential properties are located in Stockholm, Uppsala and Gothenburg, while our commercial properties are concentrated towards inner city locations in Gothenburg. All in all, Wallenstam has approximately 11,800 apartments and 1,000 commercial tenants.

Wallenstam also builds rental apartments for its own management operations.

Wallenstam produces renewable electrical energy through 53 of its own wind turbines in operation. As we produce at least as much electrical energy as our properties consume, we are self-sufficient in renewable electricity.

Operations are conducted in the Stockholm business area and the Gothenburg business area.

### Stockholm

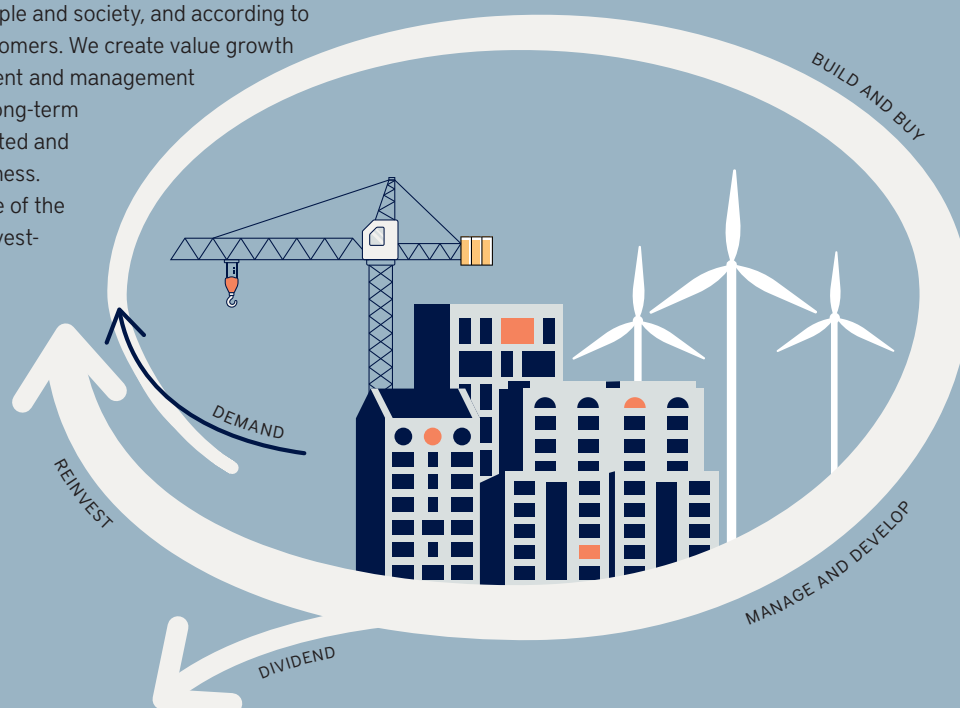
The majority of our apartments, about 6,300, are located in the Stockholm business area. Approximately 450 of these apartments are located in Uppsala. On closing day, we had about 600 apartments under construction in the Stockholm business area.

### Gothenburg

Our property holdings in the Gothenburg business area consist of around 5,600 apartments and about 900 commercial tenants that rent office and retail premises, mainly in inner city locations in Gothenburg. On closing day, the Gothenburg business area had about 500 apartments under construction.

## BUSINESS PROCESS

Wallenstam builds, acquires, develops and manages properties and areas based on the needs of people and society, and according to wishes and requirements of customers. We create value growth through construction, development and management with a high level of service and long-term sustainability. Profits are reinvested and used to further develop the business. The shareholders receive a share of the value growth through these reinvestments and through dividends.



## Calendar

Publication of Annual report 2023	week commencing March 18, 2024
Interim report Q1, 2024	April 24, 2024
Annual General Meeting 2024	April 25, 2024
Interim report Q2, 2024	July 8, 2024
Interim report Q3, 2024	October 22, 2024
Year-end report 2024	February 6, 2025



This is information that Wallenstam is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 13:00 CET on February 8, 2024.

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

## Contact

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