

EMILSHUS

Q4

Year-end Report January–December 2023

The year in brief

Full-year January–December 2023

- Income increased 31% to MSEK 593 (454), of which the increase in the like-for-like portfolio was 12% (4).
- Profit from property management increased 28% to MSEK 233 (182).
- Profit from property management per ordinary share increased 16% to SEK 2.05 (1.76) per ordinary share.
- Profit for the year totaled 33 MSEK (311), corresponding to SEK -0.09 per ordinary share (3.36).
- Changes in value of investment properties impacted earnings by MSEK -43 (99).
- Value adjustment of financial instruments impacted earnings by MSEK -112 (125).
- Cash flow from operating activities before changes in working capital increased 30% and amounted to MSEK 196 (151).
- Net investments totaled MSEK 255, of which MSEK 199 pertained to property acquisitions.
- The Board proposes that no dividend on ordinary shares be paid for the 2023 financial year. Furthermore, the Board proposes a dividend of SEK 2.00 per preference share, with a quarterly payment of SEK 0.50 per preference share. The dividend proposal is in line with Emilshus's dividend policy.

The quarter October–December 2023

- Income increased 11% to MSEK 147 (132), of which the increase in the like-for-like portfolio was 13% (-9).
- Profit from property management increased 28% to MSEK 57 (44).
- Profit from property management per ordinary share increased 34% to SEK 0.49 (0.37) per ordinary share.
- Profit for the year amounted to MSEK -44 (-43), corresponding to SEK -0.57 per ordinary share (-0.57).
- Value adjustment of investment properties impacted earnings by MSEK 0.6 (-86).
- Value adjustment of financial instruments impacted earnings by MSEK -98 (-3).
- Cash flow from operating activities before changes in working capital increased 43% and totaled MSEK 53 (37).
- Net investments totaled MSEK 116, of which MSEK 97 pertained to property acquisitions.

Forecast for 2024

For 2024, it is estimated that profit from property management – meaning earnings before changes in value and tax with the current property portfolio and announced acquisitions – will total MSEK 270.

	Full-year		Oct–Dec	
	2023	2022	2023	2022
Property value, MSEK	7,324	7,111	7,324	7,111
Income, MSEK	593	454	147	132
Net operating income, MSEK	471	363	114	103
Profit from property management, MSEK	233	182	57	44
Net profit/loss for the period, MSEK	33	311	-44	-42
Cash flow from operating activities before change in working capital, MSEK	196	151	53	37
Profit from property management per ordinary share, SEK	2.05	1.76	0.49	0.37
Net profit/loss for the period per ordinary share before dilution, SEK	-0.09	3.36	-0.57	-0.57
Net profit/loss for the period per ordinary share after dilution, SEK	-0.09	3.35	-0.57	-0.57
Equity per ordinary share, SEK	25.26	25.27	25.26	25.27
NAV per ordinary share, SEK	27.32	26.34	27.32	26.34
Return on equity, %	1.1	12.8	-1.9	-2.2
Net loan-to-value ratio, %	52	55	52	55
Interest-coverage ratio, multiple	2.1	2.3	2.2	2.0
Debt ratio, multiple	8.2	9.2	8.3	9.2
Equity/assets ratio, %	42	40	42	40

Significant events during and after the end of the quarter

- In October, two trade supplier properties with warehouses in Halmstad were acquired for MSEK 56. The properties are fully leased and encompass 5,625 sqm of leasable area, with a total annual rental value of MSEK 6. Accession took place in November 2023.
- In November, one big-box retail property with warehouse in Falkenberg was acquired for MSEK 48. The property is fully leased and encompasses 4,947 sqm of leasable area, with a total annual rental value of MSEK 4. Accession took place in December 2023.
- In November, a private placement of 7,407,408 Series B ordinary shares was carried out at a subscription price of SEK 27. The company raised proceeds of MSEK 200 less issue costs through the new share issue.
- In February, light industry properties – eight in Östergötland, one in Småland – were acquired for MSEK 179. The properties are fully leased and encompass 15,000 sqm of leasable area, with a total annual rental value of MSEK 17. Accession is scheduled for the first quarter of 2024.



A stable Emilshus

For Emilshus, the past year was characterized by stability in our operations, with rising profit from property management and increased cash flow. We are well equipped, both operationally and financially, for continued growth. For full-year 2024, we forecast that profit from property management will total MSEK 270, and going forward this forecast will be monitored on a quarterly basis.

Despite a challenging and turbulent global environment, Emilshus has managed well as a result of a sound business model with a focus on stable cash flows, based on high-yield properties, a high occupancy rate and long-term leases.

Rental income for the full-year increased 31% to MSEK 593 while profit from property management increased 28% to MSEK 233. This corresponds to an increase of 16% in profit from property management per ordinary share. At the same time, cash flow from operating activities strengthened 30% to MSEK 196. During the fourth quarter of the year, profit from property management increased 28% and cash flow from operating activities rose 43%.

One reason for the stability of the operations is that 97% of the rental income is indexed. After the latest indexation of 6.5% at January 1, 2024, rents have been paid as contracted.

Well-controlled financing

The key to stability in property companies is keeping financing and interest expenses under control. Emilshus's debt ratio of a multiple of 8.2 is low, and 77% of interest-bearing liabilities has hedged rates with a remaining fixed-rate period of 3.1 years, which means we have good control of our financial expenses. Of the company's total interest-bearing liabilities, 14% are bonds corresponding to MSEK 576 after repurchases of approximately MSEK 70 during the fourth quarter. The bonds mature in April and September 2025, and we intend to manage these maturities well in advance.

Conditions for growth

Opportunities to acquire property on attractive terms regularly arise in times when many other property companies are forced to address problems and work from a defensive position. Emilshus's stability and strength means that we are continually working on finding supplementary acquisitions of high-quality properties so as to grow further.

Growing without increasing financial risk requires access to capital, and for that reason Emilshus carried out a private placement of Series B ordinary shares totaling MSEK 200 during the fourth quarter. The issue strengthened our ownership structure with several institutional investors as new shareholders. Larger blocks of shares were subscribed for by AB Sagax, Länsförsäkringar Fonder, the Third Swedish National Pension Fund and Nordea Fonder.

Using capital contributions, Emilshus conducted acquisitions in Falkenberg and Halmstad in the fourth quarter of 2023, and acquired eight properties in Östergötland and one property in Småland in the first quarter of 2024.

Several energy efficiency projects were carried out in the past year as part of Emilshus's sustainability activities, which resulted in a 6% reduction in the company's energy consumption in the like-for-like portfolio, corresponding to savings of 998,000 kWh. In the fourth quarter, the organization was strengthened with a new service focusing on sustainability that supports our continued efforts in the area. Dedicated sustainability activities boost profitability.

Well positioned for 2024

The company is positioned for a good start in 2024, both operationally and financially. We have the capacity and the desire to continue growing by enhancing efficiency and improving our existing property portfolio, and through property acquisitions that meet Emilshus's quality requirements. Emilshus's journey of growth is continuing, always with profitability in focus.

To highlight Emilshus's performance, a forecast for profit from property management on a full-year basis will be communicated quarterly. For 2024, it is estimated that profit from property management will total MSEK 270.

NP3 Fastigheter – one of our larger owners – proposed a dividend of Class B shares in Emilshus to its shareholders at its Annual General Meeting. For Emilshus, this would mean an expanded owner base, which benefits the liquidity of the share, and we are looking forward to welcoming our new shareholders.

Last but not least, my sincerest thanks to my colleagues at Emilshus for all their work during the year, which made a tremendous contribution to Emilshus's excellent performance. My thanks also to Emilshus's shareholders, who make our journey of growth possible.

Växjö, February 2024

Jakob Fyrberg, CEO



Emilshus is positioned for a good start in 2024, both operationally and financially.

A property company with strong cash flows

Fastighetsbolaget Emilshus is a property company that originated in a Småland-based property group established in 2008. Emilshus in its current form was established in 2018. A number of businesspeople with entrepreneurial drive, in combination with thorough knowledge of properties, created a property company with the ambition of becoming a leader in commercial premises in southern Sweden. Today, Emilshus owns and manages 130 commercial properties with a total property value of MSEK 7,324.

Business concept

Based in the corporate culture of Småland, Emilshus's business concept entails:

- acquiring, developing and managing high-yield commercial properties, with a focus on yield combined with long-term leases and assessed highly solvent tenants.
- building close and stable relationships with Emilshus's tenants based on local presence and commitment.

Strategy

Emilshus will generate strong cash flows by:

- acquiring, developing and managing high-yield commercial properties in southern Sweden.
- focusing on light industry, industrial services/trade suppliers, big-box retail and food retail.
- establishing close long-term relationships with the company's tenants through local presence and local commitments in the locations where the company operates.
- ensuring stable financing of the company's operations.

Financial targets

Profit from property management per ordinary share

Profit from property management per ordinary share is to increase at least 15% per year.

Return on equity

Return on equity, measured over a five-year period, is to amount to an average of at least 15% per year.

Financial risk limits

Net loan-to-value ratio

The net loan-to-value ratio is not to permanently exceed 60%.

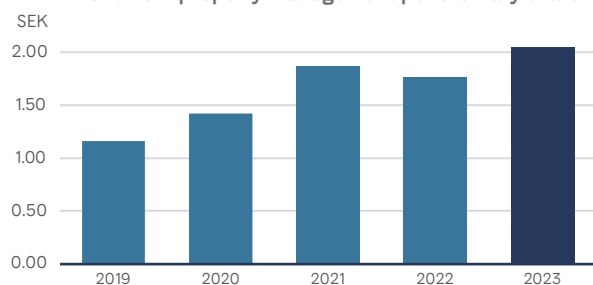
Interest-coverage ratio

The interest-coverage ratio is to exceed a multiple of 2.0.

Dividend policy

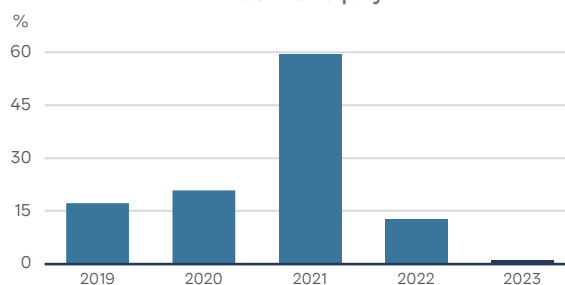
The overall objective is to create value for the company's shareholders. Over the next few years, it is deemed that this will best be achieved by reinvesting cash flows in the operations to create further growth through property acquisitions and investments in existing properties, which could lead to either small or no dividends on ordinary shares. Dividends on preference shares are to be paid in accordance with resolutions of General Meetings and the provisions of the Articles of Association

Profit from property management per ordinary share



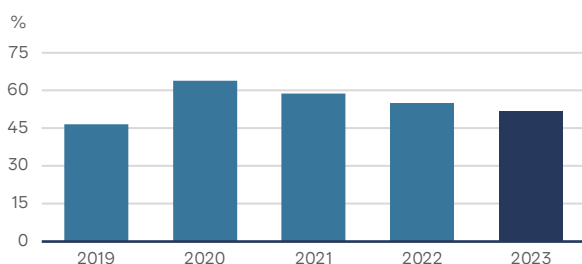
The average annual increase in profit from property management per ordinary share per year for the period 2019–2023 is 16%.

Return on equity



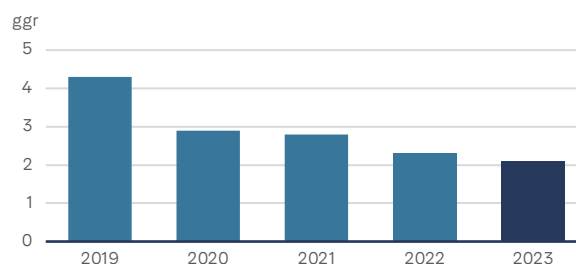
Average annual return on equity for the period 2019–2023 is 17%.

Net loan-to-value ratio



Net loan-to-value ratio at the end of the period totaled 52%.

Interest-coverage ratio



The interest-coverage ratio during the period was a multiple of 2.1.

Income, expenses and earnings

January–December 2023

Comparison figures in parentheses refer to the corresponding period in the preceding year.

Income

Income increased 31% to MSEK 593 (454). The growth is attributable primarily to property acquisitions, but also to rent adjustments and increased income as a result of investments made in existing properties. Income in the like-for-like portfolio increased 12% (4). Other income totaled MSEK 5 (-) and comprised state electricity subsidies received.

Contractual annual rent increased 9%, totaling MSEK 606 (557) at the end of the period. Economic vacancy totaled MSEK 30 (24) and the economic occupancy rate was 95% (96). The share of income that contains an index clause was 97%, which means that a high proportion of income is adjusted annually in line with the CPI.

Property costs

Property costs increased 34% to MSEK 123 (91). The increase is attributable primarily to a larger property portfolio. Property costs comprised MSEK 90 (57) in property upkeep and maintenance, MSEK 14 (18) in repairs and maintenance, and MSEK 19 (17) in costs for property tax. Property costs in the like-for-like portfolio increased 3% (12).

Net operating income

Net operating income increased 30% to MSEK 471 (363). The surplus ratio was 79.3% (79.9). During the comparison period in the preceding year, Emilshus received vacancy remuneration corresponding to MSEK 8, which had a positive impact on the surplus ratio.

The surplus ratio varies throughout the year, depending on the seasonal variations that occur in the property industry. During the winter months, the surplus ratio was impacted by increased costs for energy and snow removal. Furthermore, the surplus ratio was adversely impacted during the period by energy pricing levels that remained high.

Net operating income in the like-for-like portfolio increased 14% to MSEK 2.

The average yield during the year was 6.6%.

Administration

The costs for central administration totaled MSEK 32 (37) and comprised costs for central functions such as personnel costs as well as costs for executive management and the accounting function. The costs for central administration as a percentage of Emilshus's income amounted to 5% (8).

Like-for-like portfolio

	Dec 31		Change, %
	2023	2022	
No. of properties	100	100	—
Value of properties, MSEK	4,942	4,867	1
Yield, %	6.9	6.1	12
Income, MSEK	404	359	12
Property costs, MSEK	-62	-60	3
Net operating income, MSEK	342	299	14

Net financial items

Net financial items totaled MSEK -205 (-143). The change in net financial items was attributable primarily to higher market interest rates and higher average debt during the period. The average interest rate on interest-bearing liabilities, including costs for interest-rate hedges, was 4.7% (4.6) at the end of the period. The interest-coverage ratio was a multiple of 2.1 (2.3).

The fixed-rate period, including fixed-income derivatives, was 3.1 years (1.9) at the end of the period and the loan maturity period was 1.8 years (2.9). Interest-bearing liabilities decreased to MSEK 3,984 (4,103).

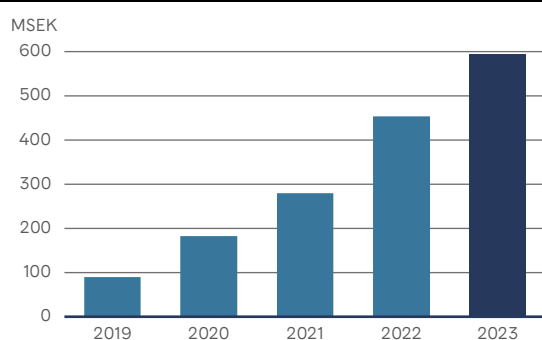
Profit from property management

Profit from property management, which comprises earnings before changes in value and tax, increased 28% to MSEK 233 (182). The increase was primarily attributable to higher net operating income, which offset increased interest expenses. Profit from property management per ordinary share less dividends to preference shareholders increased 16% to SEK 2.05 (1.76).

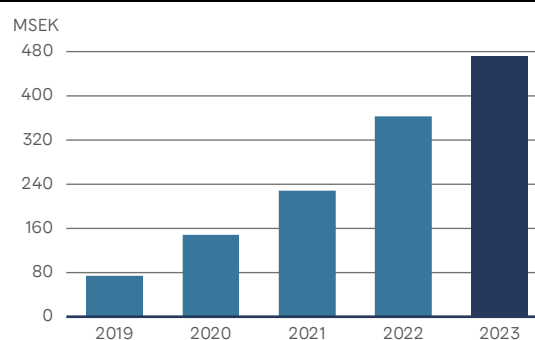
Changes in value of properties and financial instruments

Emilshus gathers external valuation statements to establish the market value of its properties. Unrealized changes in value of investment properties impacted earnings by MSEK -43 (99). The value adjustment was primarily attributable to higher yield requirements that impacted the value by MSEK -462, which was offset to a certain extent by improved net operating income that impacted the value by MSEK 338, and other items that had an impact of MSEK 81. As of the balance-sheet date, all properties had been externally valued by Newsec.

Income



Net operating income



Unrealized changes in value of financial instruments comprise derivatives for interest-rate hedging and totaled MSEK -102 (125). The change in value was attributable to new derivatives that were signed during the period, as well as lower market interest rates. In addition, realized changes in value of financial instruments totaled MSEK -10, of which MSEK -9 was attributable to the restructuring of an interest-rate swap and MSEK -1 was attributable to acquisition of treasury bonds.

Tax

Current tax expense totaled MSEK 42 (33) and deferred tax expense totaled MSEK 4 (65). The deferred tax expense pertains primarily to temporary differences between the carrying amounts and tax values of investment properties and derivatives. Applicable interest deduction limitations had an impact on the Group's effective tax rate.

Net profit for the period

Net profit for the period after tax totaled 33 MSEK (311), corresponding to SEK -0.09 per average number of ordinary shares before dilution (3.36) and SEK -0.09 after dilution (3.35).

Cash flow

Cash flow from operating activities before changes in working capital totaled MSEK 196 (151), which was an improvement of 30%.

Acquisitions of investment properties via subsidiaries impacted the cash flow by MSEK -199 (-2,193). Investments in existing properties totaled MSEK -56 (-69), which pertained primarily to tenant-specific modifications and reconstructions.

Cash flow from financing activities totaled MSEK 20 million (2,115) and was largely attributable to proceeds from the new share issue less issue costs of MSEK 195 (700), new bank loans of MSEK 390 (1,810) linked to acquisitions less repayments of MSEK 379 (712) and the repurchase of bonds totaling MSEK 69.

Altogether, cash and cash equivalents during the period changed by MSEK -12 (132), which at the end of the period meant that Emilshus's cash and cash equivalents amounted to MSEK 212 (224).

Fourth quarter 2023

Income showed an increase of 11% to MSEK 147 (132). Net operating income was 114 MSEK (103), corresponding to a surplus ratio of 78% (78).

Net financial items totaled MSEK -47 (-47). Profit from property management totaled MSEK 57 (44), an increase of 28%. In December 2023, new interest-rate swap contracts were signed for a total nominal amount of MSEK 1,000, with an average fixed interest rate of 2.66 % and an average maturity of 6.0 years. Additionally, an existing interest-rate swap of MSEK 500 was extended for another two years, which resulted in a realized change in value of financial instruments of MSEK 8. As of the balance-sheet date, the Group's interest-rate hedging was 77% and the average fixed-rate period was 3.1 years. Refer to the section "Financing" for more information.

The increased profit from property management compared with the preceding year was primarily attributable to strengthened net operating income. Profit from property management per ordinary share less dividends to preference shareholders increased by 34% to SEK 0.49 (0.37).

Unrealized changes in value of investment properties impacted earnings by MSEK 1 (-86). Unrealized changes in value of financial instruments totaled MSEK -88 (-3) and realized changes in value of financial instruments totaled MSEK -10 (0).

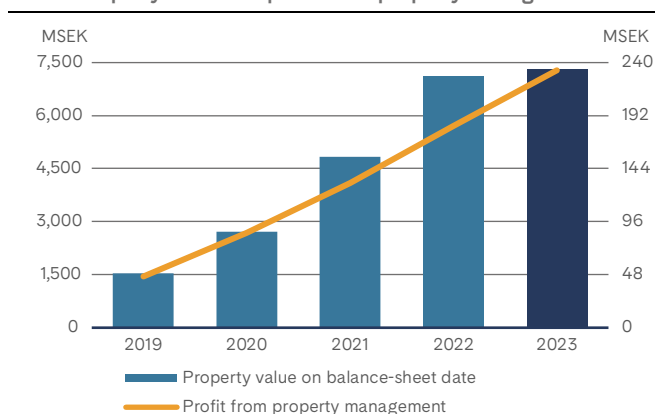
Loss after tax totaled MSEK -44 (-43). The average yield during the quarter was 6.3%.

Parent Company earnings and financial position

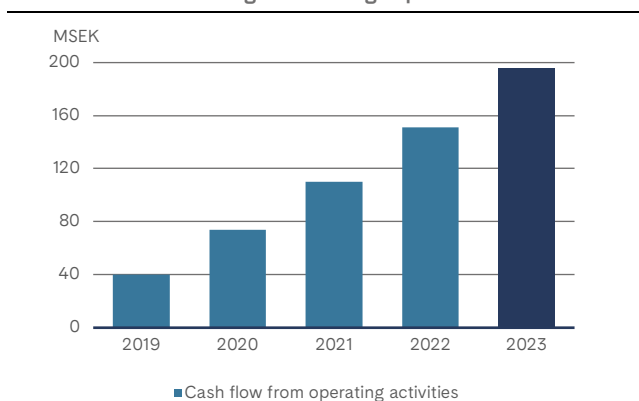
The Parent Company provides Group administrative functions pertaining to company management, accounting and property management. The Parent Company's income consists of costs that are re-invoiced to property-owning subsidiaries. The Parent Company's costs increased compared with last year, which was due to the growth of the Group. Interest income comprises interest received on the Parent Company's receivables in subsidiaries. The increased interest expenses were attributable to the increase in bond and bank loans raised. Net loss for the period totaled MSEK -11 (-10).

The Parent Company's holdings of participations in Group companies totaled MSEK 474 (473) at the end of the period. The Parent Company's receivables in Group companies amounted to MSEK 4,013 (4,125) and primarily comprised promissory note receivables that were established in conjunction with acquisitions. The Parent Company's equity was MSEK 2,060 (1,918) at the end of the period, corresponding to an equity/assets ratio of 44 % (41).

Property value and profit from property management



Cash flow from operating activities before change in working capital



Earnings capacity

Emilshus's earnings capacity is based on the property portfolio that was accessed at the beginning of the period, for a forthcoming period of twelve months.

This assessment is based on contractual income on an annual basis, taking supplements, rent discounts and rent guarantees into account.

The property costs are based on experience-based figures drawn from the operating costs and maintenance of a normal year. Operating costs include costs for property administration. Property tax was calculated on the basis of the current tax assessment values. The costs for central administration are based on current organization and scope of the operations. Net financial items are based on interest rates at the end of the period, as well as the indebtedness existing at the same point in time.

Current earnings capacity is not a forecast, but instead shows Emilshus's earnings capacity at the end of the period and does not take into account any future changes of variables such as rents, vacancies, property costs, interest rates and so on.

Earnings capacity at January 1, 2024

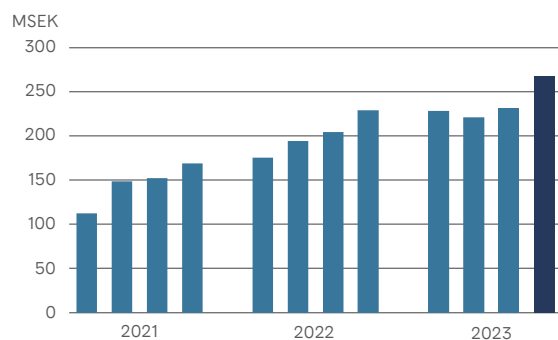
Based on the property portfolio that existed at the end of the period, income for the forthcoming twelve-month period totals MSEK 616 and it is estimated that the property costs will total MSEK 125, which means net operating income of MSEK 491. It is estimated that the surplus ratio will amount to 79.6% and the yield will be 6.7% based on a property value of MSEK 7,324. Based on the current scope of organization and operations, it is estimated that central administration expenses will total MSEK 31 and net financial items MSEK 192. It is estimated that profit from property management will amount to MSEK 268.

Emilshus's profit from property management per ordinary share is estimated to be SEK 2.26. When calculating profit from property management per ordinary share, future dividends on issued preference shares were deducted.

MSEK	Jan 1 2024	Oct 1 2023	Jul 1 2023	Apr 1 2023	Jan 1 2023	Oct 1 2022	Jul 1 2022	Apr 1 2022	Jan 1 2022	Oct 1 2021	Jul 1 2021	Apr 1 2021
Income	616	578	580	570	566	515	453	364	350	304	294	237
Property costs	-125	-120	-122	-117	-112	-99	-89	-69	-63	-55	-55	-46
Net operating income	491	458	458	454	454	416	364	296	287	248	240	191
Central administration	-31	-31	-31	-33	-33	-34	-32	-30	-29	-24	-21	-20
Net financial items	-192	-194	-207	-193	-191	-178	-137	-90	-89	-72	-69	-59
Profit from property management	268	234	221	228	230	205	195	176	170	153	149	113
Profit from property management per ordinary share, SEK ¹	2.26	2.07	1.94	2.01	2.03	1.76	1.70	2.07	2.13	2.13	2.24	1.69
Investment properties	7,324	7,208	7,169	7,095	7,111	7,146	6,303	5,103	4,827	4,014	3,706	2,798
Equity	3,194	3,043	3,003	2,992	3,007	3,050	2,909	2,159	1,848	1,484	1,296	1,059
Interest-bearing net debt	3,772	3,905	3,905	3,843	3,879	3,848	3,126	2,753	2,747	2,342	2,248	1,699
Surplus ratio, %	79.6	79.4	79.0	79.5	80.2	80.7	80.3	81.2	82.0	81.8	81.4	80.7
Interest-coverage ratio, multiple	2.4	2.2	2.1	2.2	2.2	2.2	2.4	3.0	2.9	3.1	3.1	2.9
Debt ratio, multiple	8.2	9.1	9.1	9.1	9.2	10.1	9.4	10.4	10.6	10.4	10.3	9.9
Yield, %	6.7	6.4	6.4	6.4	6.4	5.8	5.8	5.8	6.0	6.2	6.5	6.8

1. Profit from property management per ordinary share pertains to earnings less dividends to holders of preference shares as of the balance-sheet date.

Profit from property management according to earnings capacity



Our properties

RENTAL VALUE

MSEK **636**

ECONOMIC OCCUPANCY RATE

95 %

RENTAL VALUE/SQM

MSEK **790**

PROPERTY VALUE

MSEK **7,324**

Property portfolio

At December 31, Emilshus owned 130 properties (125) with a total leasable area of 805 ksqm (786) and a property value of MSEK 7,324 (7,111). The property value also includes the value of ongoing projects. The property value per sqm is SEK 9,096.

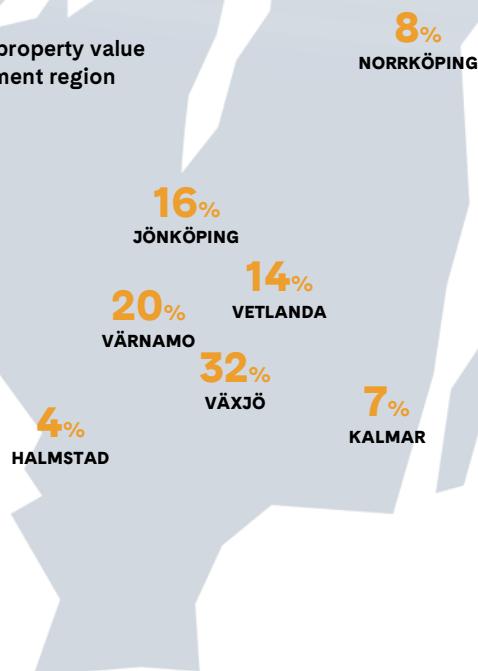
Emilshus's property portfolio is generally characterized by attractive premises with stable, long-term tenants, long-term leases and a high occupancy rate. The average rental level is SEK 790 per sqm.

Emilshus has a diversified property portfolio with commercial premises, with an emphasis on industry and industrial service/trade suppliers. Big-box and food retail are also priority types of premises. The category Other comprises primarily offices and community service properties.

Geographic orientation

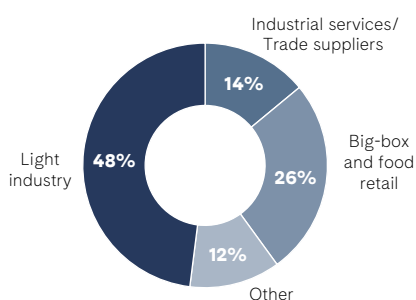
Emilshus's strategy involves a focus on high-growth regions in southern Sweden. At present, the portfolio is concentrated on the regions of Småland, Östergötland and Halland. These are key industrial regions in Sweden, known for active and successful businesses and short distances between attractive locations for establishing operations. There are several large listed companies here that are global leaders in their respective segments, as well as small industries that are thriving. In the company's largest property management region, Växjö and the surrounding areas, there is a highly diverse business sector with high-tech and knowledge-intensive companies, and the municipality has one of the highest densities of IT businesses in Sweden. There are universities and colleges in all three regions, and their presence benefits both businesses and development. In addition, the regions offer some of Sweden's foremost logistics locations.

Distribution of property value per management region

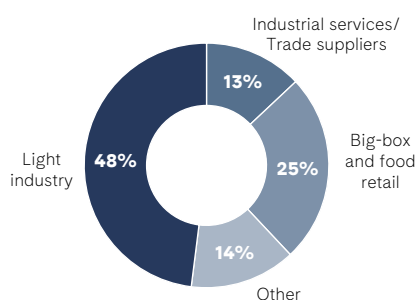


Total property value at December 31, 2023
MSEK 7,324

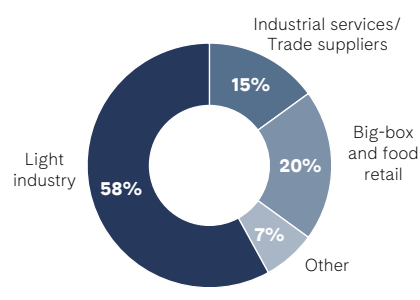
Property value by category Total MSEK 7,324



Rental value by category Total MSEK 636



Leasable area per category Total 805 ksqm



Our properties

Summary of property portfolio at January 1, 2024

Region	No. of properties	Leasable area, ksqm	Carrying amount, MSEK	Rental value, MSEK	Economic occupancy rate, %	Contractual annual rent, MSEK
Halmstad	7	20	269	21	95	20
Jönköping	18	109	1,139	91	98	89
Kalmar	20	59	534	46	97	44
Norrköping	7	62	573	48	89	42
Vetlanda	21	147	1,019	105	96	100
Värnamo	23	216	1,479	133	98	130
Växjö	34	192	2,312	193	93	180
Total	130	805	7,324	636	95	606

Region	Light industry, ksqm	Big-box and food retail, ksqm	Industrial service/ trade suppliers, ksqm	Other, ksqm	Total, ksqm	Share, %
Halmstad	5	—	14	1	20	2
Jönköping	77	7	14	10	109	14
Kalmar	14	21	24	—	59	7
Norrköping	26	25	11	—	62	8
Vetlanda	85	26	19	17	147	18
Värnamo	184	20	12	—	216	27
Växjö	72	65	22	32	192	24
Total	463	164	117	60	805	100
Share, %	58	20	15	7	100	

Property transactions

In March, an agreement was signed on the acquisition of a property in Linköping, in the category of big-box and food retail, for MSEK 72. The fully leased property encompasses 4,700 sqm of leasable area and has an annual rental value of MSEK 6. The property was accessed in April 2023.

In May, an agreement was signed on the acquisition of a new production located in the Lambohov district of Linköping for MSEK 67. The property comprises 4,000 sqm of light industry premises, with an annual rental value of MSEK 5. Accession will take place after completion, which is planned for mid-2024.

In June, an agreement was signed on the acquisition of a trade supplier property in Vaggeryd, south of Jönköping, for MSEK 32. The fully leased property encompasses 3,300 sqm of leasable area, with an annual rental value of MSEK 3. Accession took place in January 2023.

In October, an agreement was signed on the acquisition of two trade supplier properties with warehouses in Halmstad for MSEK 56. The fully leased properties encompass 5,625 sqm of leasable area, with a total annual rental value of MSEK 6. Accession took place in November 2023.

In November, an agreement was signed on the acquisition of one big-box retail property with warehouse in Falkenberg for MSEK 48. The property is fully leased and encompasses 4,947 sqm of leasable area, with a total annual rental value of MSEK 4. Accession took place in December 2023.

No properties were divested during the period.

Property transactions completed

Jan–Dec 2023

Property	Municipality	Leasable area, ksqm
Acquired properties		
Prisuppgiften 2	Linköping	5
Hovtången 11	Vaggeryd	3
Formen 2	Halmstad	5
Formen 4	Halmstad	1
Tröinge 6:96	Falkenberg	5
Total		19

Our properties

Projects

For Emilshus, projects in the form of reconstruction and extensions, modification of existing premises and new production are key elements in meeting tenant needs. The need for changes may arise in conjunction with an expansion or change of operations that requires greater space or utilizing the premises differently. As a rule, with a new lease the premises are adapted to some extent – and it is not uncommon that the premises undergo extensive modification – as part of the signing of the new lease. Investments in the premises are made at an attractive risk-adjusted return, and to minimize the risk in the project operations, projects commence when binding leases have been signed.

Emilshus also works actively to identify and carry out projects that reduce energy use and improve the indoor environment for tenants.

Ongoing projects

The largest ongoing projects are presented in the table below.

In the first quarter of 2023, a new ten-year lease was signed with Griffel, an IT company, pertaining to 1,400 sqm in central Växjö. The property is undergoing a full renovation that began in the third quarter of 2023, with completion and accession in the first quarter of 2024. A new lease was also signed with the company's existing tenant, the power tech company KraftPowercon, pertaining to an additional 2,500 sqm of premises in the Rättaren 8 property in Växjö, with the tenant-specific modifications completed in 2023. An energy efficiency project is being carried out in the Norra Delfin property in Vetlanda. An expansion of 2,000 sqm was completed during the third quarter for the company's tenant Addbrand in Bankeryd, outside Jönköping. In the third quarter, a new 15-year lease was signed with Clas Ohlsson pertaining to 1,400 sqm in the Kolmilan 1 property in Vetlanda, with tenant-specific modifications now under way and accession planned for the first quarter of 2024.

Total estimated investment volume for ongoing projects is MSEK 35, of which accrued costs at the end of the period totaled MSEK 10. The additional annual rent for signed supplements to existing leases as a result of investments made totals MSEK 4. Emilshus's projects are measured at fair value, taking into account external investment costs incurred, including interest expenses and project management costs that are attributable to the projects.



Growing with tenants in Växjö

In early 2023, Emilshus signed a new lease with the existing tenant, KraftPowercon, regarding an additional 2,500 sqm of premises in the Västra industrial zone of Växjö to house the growing operations. After tenant-specific modifications during the year, including new personnel spaces and modernized office spaces, KraftPowercon moved in during the fourth quarter. In conjunction with the reconstruction of the premises, all lighting in the building was replaced with energy-efficient LED lighting.

Rättaren 8

City: Växjö

Project type: Modification of premises

New lease signed: 2,500 sqm.

Property	Property category	Project type	Completion	Estimated investment, MSEK	Costs incurred at end of period, MSEK	Amended annual rent, MSEK	Change in lease
Ongoing projects							
Lågan 22, Växjö	Other	Modification of premises	Q1 2024	24.0	9.0	2.3	10-year lease
Kolmilan 1, Vetlanda	Big-box retail	Modification of premises	Q1 2024	7.5	0.1	2.0	15-year lease
Norra Delfin 4, Vetlanda	Other	Energy savings	Q1 2024	3.2	1.3		
Total				34.7	10.4	4.3	
Completed projects							
Skomakaren 5, Växjö	Other	Modification of premises	Q1 2023	7.0	6.7	0.3	5-year lease
Stödstorp 2:4, Värnamo	Light industry	Reconstruction	Q1 2023	2.0	1.5	0.2	5-year lease
Brudabäck 6, Vetlanda	Industrial serv./ trade suppliers	Modification of premises	Q1 2023	2.5	2.6	0.3	7-year lease
Hillerstorp 2:106, Värnamo	Light industry	Reconstruction	Q1 2023	11.0	11.6	1.5	8-year lease
Hamnaren 1, Gislaved	Light industry	Extensions	Q1 2023	12.0	11.6	0.9	Suppl. lease
Kronhjorten 3, Växjö	Light industry	Reconstruction	Q1 2023	2.5	2.4	0.5	Suppl. lease
Fabriken 1, Växjö	Other	Modification of premises	Q1 2023	5.4	5.0	1.2	Suppl. lease
Bankeryds-Nyarp 1:267, Jönköping	Light industry	Extensions,	Q3 2023	19.6	18.8	1.6	Suppl. lease
Tråden 11, Norrköping	Light industry	Reconstruction	Q2 2023	6.8	6.3	1.4	10-year lease
Rättaren 8, Växjö	Light industry	Modification of premises	Q4 2023	3.4	3.4	0.9	8-year lease
Total				72.2	69.9	8.8	

Our properties

Market value of the property portfolio

Emilshus's consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards. Emilshus has chosen to measure its holdings of investment properties at fair value in accordance with IAS 40. To establish the market value of its properties, Emilshus obtains independent external valuation statements for all of its properties. The valuations are prepared on a quarterly basis by Newsec.

The valuations were conducted in accordance with IFRS 13, Level 3. Fair value was estimated using a combination of the location-based method and a yield-based method drawn from discounting of future cash flows for each property, taking into account the terms of current leases, market situation, rental levels, operation, maintenance and property administration costs, and investment requirements. The value of building rights, if any, is added to the present value. As a rule, the calculation period is ten years, and the estimate of the cash flows is based on existing leases with the assumed terms adjusted to the market after the end of the lease.

Input data for property valuation

	Dec 31	
	2023	2022
<i>Total weighted average</i>		
Yield requirement (exit), %	6.67	6.30
Operating expenses (SEK/sqm)	90	82
Maintenance costs (SEK/sqm)	38	36
Long-term vacancy rate, %	6.7	6.8
Income (SEK/sqm)	704	666

Change in value of the property portfolio

MSEK	Full-year	
	2023	2022
At the beginning of the period	7,111	4,827
Acquisitions	199	2,193
Investments	55	69
Divestments	0	-77
Unrealized changes in value	-43	99
At the end of the period	7,324	7,111

The weighted yield requirement (exit) for valuation of the property portfolio was 6.67%, with the yield requirement in the valuations, depending on category, ranging between 5.06 and 7.80%. The initial yield requirement in the valuations was 6.64%.

Emilshus's recognized yield requirement based on its estimated earnings capacity totals 6.7% for the forthcoming period, and is thus in line with the weighted yield requirement in the market valuations. The unrealized changes in value do not impact the cash flow. For a more detailed description of the measurement policies, refer to Emilshus's 2022 Annual Report.

The market value of the property portfolio at the end of the period was MSEK 7,324 (7,111). Properties at a value of MSEK 199 were accessed during the period. At the end of the period, Emilshus had signed agreements on investments in existing properties through tenant-specific modifications comprising expansion and reconstruction projects with accrued costs of MSEK 10 and a remaining investment commitment corresponding to MSEK 25. The projects entail an increased rental value of MSEK 4.

The unrealized changes in value of the properties for the period amounted to MSEK -43 (99). The changes in value were primarily attributable to the effect of changes in yield requirements that impacted the value by MSEK -462, which was offset to some extent by improved net operating income that impacted the value by MSEK 338, and other items that had an impact of MSEK 81.

Based on the average holding period of the investment properties during the period, the outcome for the yield during the period amounted to 6.6% (6.1).

Sensitivity analysis of property valuations

	Change	Earnings effect before tax, MSEK	
		Full-year	
		2023	2022
Yield requirement	+/- 0.25%	277	296
Income	+/- SEK 50/sqm	40	39
Property costs	+/- SEK 10/sqm	8	8
Vacancy rate	+/- 1%	6	6



Katten 18, Norrköping

Category: Light industry

Leasable area: 7,300 sqm

Our tenants

Emilshus's tenants mostly comprise large, stable companies with long-term operations and a high level of solvency. This is reflected in the company's long-term average remaining lease terms and low vacancy rates. With its local orientation, Emilshus is a reliable player and partner in supplying premises to its tenants, ensuring their continued development.

Tenants

At the end of the period, Emilshus had 519 tenants (531) distributed across 609 leases (618) and the average remaining lease term was 5.3 years (5.8). The ten largest tenants represented 29% (29) of income.

The economic occupancy rate at the end of the period was 95% (96). The number of leases, in combination with the lease terms, means that Emilshus's exposure to individual tenants is limited.

Emilshus has signed "triple net" contracts for a significant portion of its leases, which means that the tenants commit to pay for costs such as insurance, property tax and utilities as well as maintenance and operations. At the end of the period, 46% (47) of the leases, corresponding to 370 ksqm, were triple net.

The primary share of Emilshus's leases is indexed annually at a level corresponding to the consumer price index (CPI), and a smaller share has fixed annual indexation. At the end of the period, these leases comprised 97% of Emilshus's contractual annual rent, with other leases pertaining to objects such as parking lots and leases with terms less than a year, which are indexed using another method or not at all.

Light industry

The tenants in the largest property category, light industry, typically comprise manufacturing companies that make use of the premises for production, warehousing and offices. The tenants have, and continually make, significant investments in machinery and other equipment in their premises, which generates a long-term perspective and motivates the tenants to extend their leases. The largest tenants in light industry are Bufab, which operates in the engineering industry with facilities in Värnamo, and Spaljisten, which is a sub-supplier for IKEA with operations outside Växjö. Investments in reconstruction and extensions are frequent for tenants in this category.

Industrial services/trade suppliers

Industrial services/trade suppliers comprise properties with tenants that provide services and retail primarily for industry and other companies. The largest tenant in Industrial services/trade suppliers is Optimera, which conducts construction retail for professional customers nationwide. Emilshus's tenants are normally large companies that have a long-term perspective in their operations, with their premises located in carefully selected strategic locations. As with the light industry category, investments in reconstruction and extensions for these tenants are often made when leases are renegotiated.

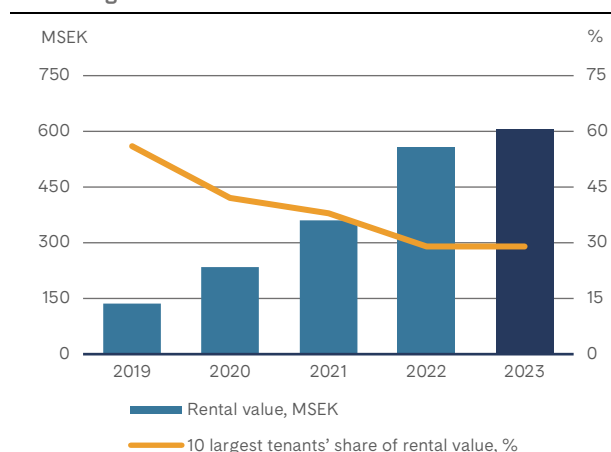
Big-box and food retail

Big-box and food retail have tenants primarily in foodstuffs and discount chains, and other robust retail including automobile sales in highly trafficked big-box retail areas with good public transportation. Dollarstore, Coop Väst and Holmgrens Bil the largest tenants in this category.

Other

Large tenants in other properties include operators in community service, for example, Jönköping County.

The 10 largest tenants' share of the rental value



Emilshus's 10 largest tenants

Tenants	Contract value, MSEK	Contractual annual rent, MSEK	Average lease term, years
Bufab Sweden AB	106	20	5.3
Spaljisten AB	409	20	20.8
Ahlberg Dollarstore AB	69	19	3.6
Hilding Anders Sweden AB	282	19	15.0
Holmgrens Bil AB	112	18	6.2
Trivselhus AB	90	18	5.2
Coop Väst AB	64	17	3.8
Optimera Svenska AB	37	16	2.3
ROL AB	111	15	7.3
Proton Lighting AB	28	14	2.0
Subtotal, 10 largest:	1,309	175	7.5
Other	1,934	430	4.5
Total	3,243	606	5.3

Our tenants

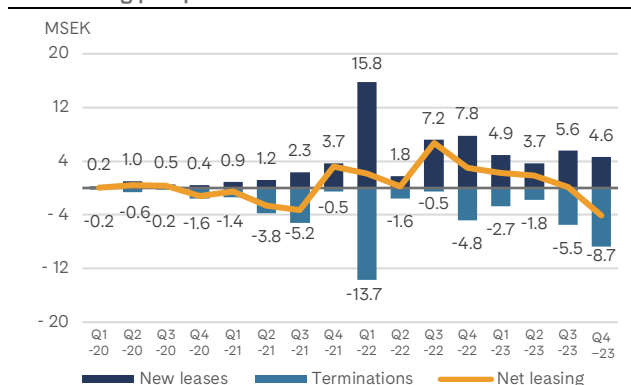
Net leasing

Emilshus's net leasing during the period remained unchanged at MSEK 0 (12). During the period, Emilshus signed leases with an increased annual rental value of MSEK 19, of which MSEK 17 (32) pertains to leases with new tenants and MSEK 2 (1) pertains to renegotiated leases with existing tenants. Terminations of leases received totaled MSEK 19 (21) including bankruptcies with a rental value of MSEK 1. The economic occupancy rate at the end of the period was 95% (96).

Net leasing

MSEK	Full-year	
	2023	2022
New leases	17	32
Renegotiations	2	1
Terminations	-19	-21
Net leasing	0	12

Net leasing per quarter



Leases and lease terms

Year of maturity	Contract value, MSEK	Share of Total, %
2024	50	1.5
2025	191	5.9
2026	268	8.3
2027	199	6.1
2028	97	3.0
2029	339	10.5
2030	330	10.2
2031	389	12.0
2032+	1,379	42.5
Total	3,243	100.0

Lease maturity structure

Year of expiry	No. of leases	Annual rent, MSEK	Share, %	Area, ksqm	Share, %
2024	289	50	8	85	11
2025	96	113	19	129	16
2026	95	100	16	115	14
2027	45	56	9	54	7
2028	12	21	3	24	3
2029+	72	267	44	399	50
Total	609	606	100	805	100

Maturity structure

Emilshus's property management is characterized by close long-term relationships with its tenants, which is reflected in a high proportion of leases with long lease terms. At the end of the period, the average lease term was 5.3 years (5.8), and 65% of the contract value had a maturity in 2030 or later. The contract value has limited-time deductions such as rent discounts of MSEK 7 that have not been deducted, which have an average remaining term of 3.9 years and have an impact of MSEK 2 per year on contractual annual rent.

Sustainability activities

Emilshus has set stringent sustainability requirements for its operations. Sustainability activities are based on the sustainability strategy adopted by the Board of Directors, and on the need for wise and responsible economizing with limited resources. Emilshus's local presence, with committed and skilled employees, provides the company with good conditions for creating value and sustainable property ownership. In its environmental activities, Emilshus is actively engaged in enhancing the efficiency of its property portfolio using effective system support.

Focus areas and sustainability targets

Emilshus's efforts are built on an internal framework consisting of a sustainability strategy, action plans and policies. On the basis of this framework, Emilshus has identified four focus areas in its operations that are particularly important, and for which targets have been established: Properties, Employees, Tenants and External partners.

Significant events in 2023

- Emilshus's continued its efforts to map and monitor energy consumption in its property portfolio, which subsequently governed the company's actions and investments. In 2023, Emilshus reduced its energy consumption per sqm in the like-for-like portfolio by 5.8%, corresponding to a total of 998,000 kWh.
- During the period, Emilshus conducted a Customer Satisfaction Index survey with the company's tenants and an Employee Commitment Index survey for employees. The surveys are a part of Emilshus's efforts at improving its offering to tenants and developing the company.
- A significant energy project began during the third quarter at the Norra Delfin 4 property in Vetlanda. The property's ventilation is being upgraded to modern, energy-efficient equipment with heat reclamation while the control systems for heating and ventilation are being replaced. The project is expected to result in annual energy savings of 392,000 kWh, and the return on the project is 9.2%.

Energy consumption – like-for-like portfolio

kWh per sqm	Full-year		Change %
	2023	2022	
Property energy¹	112	119	-5.8
Of which, electricity	33	37	-9.0
Of which, heating	79	82	-4.4

¹ Pertains to GFA in properties where Emilshus has a subscription, and thus control over energy consumption.

Follow-up of green finance framework

In September 2021, a green finance framework was established that gives Emilshus the opportunity to issue green bonds and other financial instruments to finance properties and property projects. The company's green framework has been reviewed by Cicero Shades of Green, which awarded the classification Light Green (strong) with a governance rating of Good (Bra).

At December 31, Emilshus had green assets at a total value of MSEK 2,183, with established green financing of MSEK 769 in existing properties. The unutilized amount in the green financial framework amounted to MSEK 1,414.

Financing

AVERAGE
LOAN INTEREST RATE

4.7 %

AVERAGE
FIXED-RATE PERIOD

3.1 years

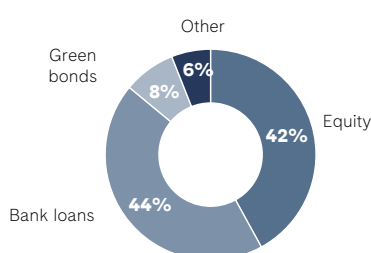
INTEREST-COVERAGE
RATIO

2.1

NET LOAN-TO-VALUE
RATIO

52 %

Sources of financing



Capital structure

Emilshus's capital structure at the end of the period meant that 42% (40) of the balance sheet total were financed with equity, 52% (54) with interest-bearing liabilities and 6% (6) with other items.

Emilshus's creditors comprise four banks in the Nordic countries, with financing consisting of secured bank loans. The bonds comprise a supplementary source of financing.

Equity

The equity/assets ratio totaled 42% (40) and equity amounted to MSEK 3,194 (3,007) at the end of the period. Equity per ordinary share amounted to SEK 25.26 (25.27) and net asset value per ordinary share to SEK 27.32 (26.34).

Interest-bearing liabilities

Emilshus's interest-bearing liabilities totaled MSEK 3,984 (4,103) at the end of the period. Less cash and cash equivalents of MSEK 212 (224), net debt amounted to MSEK 3,772 (3,879), which resulted in a net loan-to-value ratio of 52% (55). The interest-bearing liabilities consist of secured loans in banks of MSEK 3,408 (3,397), which comprised 86% (82) of the total interest-bearing liabilities. Interest-bearing bonds amounted to MSEK 576 (642) and comprised 14% (16) of the interest-bearing liabilities.

The debt ratio calculated as net debt in relation to forward-looking adjusted net operating income less costs for central administration amounted to a multiple of 8.2 (9.2) on the balance-sheet date.

Loan maturity

The loan maturity period for Emilshus's interest-bearing liabilities was 1.8 years (2.9) at the end of the period. Last year, the terms of Emilshus's bank loans were renegotiated and extended, after which – apart from scheduled regular repayments – no interest-bearing liabilities matured during 2024.

Liquidity

Cash and cash equivalents amounted to MSEK 212 (224) in addition to unutilized overdraft facilities of MSEK 80 (0).

Cash and cash equivalents and unutilized credit facilities totaled MSEK 292 (224) at the end of the period.

Interest-bearing liabilities, MSEK

	Dec 31	
	2023	2022
Group		
Bank loans	3,408	3,397
Overdraft facility	—	—
Vendor's mortgages	—	65
Bonds	576	642
Total	3,984	4,103

Loan maturity, MSEK

Fixed-rate period	Volume	Share, %
2024	101	3
2025	2,863	72
2026	1,020	26
2027	—	—
>2027	—	—
Total	3,984	100

Bonds, MSEK

Year of maturity	Volume	Interest rate, %
Apr 2025	369	Stibor 3M+5.25
Sep 2025	208	Stibor 3M+7.25

Average interest rate and fixed-rate period

The average interest rate on interest-bearing liabilities, including derivatives, amounted to 4.7% (4.6) at the end of the period.

In December 2023, new interest-rate swap contracts were signed for a total nominal amount of MSEK 1,000, with an average interest rate of 2.66% and an average maturity of 6.0 years. Additionally, an existing rate swap of MSEK 500 was extended for another two years.

The Group's average fixed-rate period, including derivatives, was 3.1 years (1.9) at the end of the period, and the share of interest-bearing liabilities that had hedged rates through derivatives was 77% (45). At the end of the period the Group had signed interest-rate hedges for a total nominal amount of MSEK 3,840 (1,850), of which MSEK 2,770 (1,550) pertained to active interest-rate swaps with an average remaining term of 3.5 years (4.9); MSEK 770 (0) pertained to forward starting interest-rate swaps with an average remaining term of 2.7 years; and MSEK 300 (300) pertained to interest-rate caps (Stibor 3M to 1.0%) with a remaining term of 1.9 years (2.9). The derivatives limit the effect of future changes to interest rates on the Group's earnings.

The market value for the derivatives at the end of the period was MSEK 35 (137). The derivatives have been measured at fair value, and the changes in value have been recognized in profit or loss.

Fixed rate, MSEK			
Fixed-rate period	Volume	Average interest rate, %	Share, %
2024	144	6.8	4
2025	1,435	3.0	36
2026	705	3.1	18
2027	300	5.5	8
>2027	1,400	5.4	35
Total	3,984	4.7	100

Interest-rate sensitivity

Emilshus's sensitivity to the effect of higher market interest rates on profit from property management is limited, since a high proportion of Emilshus's leases have index clauses. Over the long term the negative earnings effect of higher market interest rates for Emilshus are expected to be offset by the rent adjustments achieved through indexation.

Impact on profit from property management, MSEK			
	2025	2026	2027
CPI, %	2.0	2.0	2.0
Stibor 3M, %			
3.50	25.9	12.5	12.2
3.75	22.9	7.7	6.8
4.00	20.0	2.9	1.4
4.25	17.0	-1.9	-4.0

Assuming a Stibor 3M of 3.50/3.75/4.00/4.25% alongside an assumption of an upward adjustment of the rental level as a result of index clauses of 2.0/2.0/2.0% implemented in 2025–2026, a change in Emilshus's profit from property management is calculated in accordance with the table above. This calculation is based on current profit from property management based on Emilshus's earnings capacity at January 1, 2024 and interest-bearing liabilities at the end of the period, in addition to the derivatives that Emilshus has entered into, which limit the effect of future changes in interest rates on profit from property management. Furthermore, Emilshus's property costs have been adjusted upward, with a corresponding assumption regarding price development. The estimation is not a forecast, but instead describes the effect on Emilshus's profit from property management in the event of the given assumption.

Tråden 11, Norrköping

Category: Light industry
Leasable area: 19,722 sqm



The shares and shareholders

Shares

Emilshus has three classes of shares: unlisted Series A ordinary shares and Series B ordinary shares, as well as preference shares that have been listed on Nasdaq Stockholm Mid Cap since June 13, 2022.

The last price paid on December 29, 2023 was SEK 31.80 for Series B ordinary shares and SEK 26.10 for the preference shares, corresponding to a total market value of MSEK 3,727. The volume-weighted average price of the B share during the period was SEK 26.10. Based on the closing price for the B share on the balance-sheet date, the price of the Emilshus share had a positive development of 15% during the year, compared with Nasdaq's real estate index that had a development corresponding to 13% during the same period.

After the new share issue in November 2023 of 7,407,408 Series B ordinary shares, the number of shares in Emilshus at the end of the period was 11,527,890 Series A ordinary shares and 88,753,717 Series B ordinary shares, as well as 20,628,625 preference shares.

Shareholders

At the end of the period, Emilshus had 5,281 shareholders. 97% of these comprised Swedish institutions and private owners. All together, the ten largest owners held 74% of the capital and 83% of votes outstanding.

Warrants

Emilshus has 1,872,660 warrants outstanding, with one warrant conveying the right to subscribe for one Series B ordinary share for SEK 22.60 per ordinary share up through June 30, 2024.

439,000 warrants have been issued in the 2023/2026 warrant program for company employees that was introduced during the second quarter. One warrant conveys the right to subscription for one new Series B ordinary share on April 15, 2026 at the earliest and June 1, 2026 at the latest.

Liquidity guarantee

In February 2023, Emilshus signed an agreement with Carnegie Investment Bank AB to act as liquidity guarantor for the Emilshus Series B ordinary share in order to promote the liquidity of the share. This commitment means that the liquidity guarantor allocates a quota

Share information

Trading venue	Nasdaq Stockholm, Mid Cap
Symbol (ticker)	EMIL B and EMIL PREF, resp.
ISIN, B shares	SE0016785786
ISIN, preference shares	SE0016785794
Segment	Real Estate
Total no. of ordinary shares outstanding	100,281,607
Total no. of listed Series B shares	88,753,717
Total no. of preference shares outstanding and listed	20,628,625
Closing price, EMIL B, SEK ¹	31.80
Closing price, EMIL PREF, SEK ¹	26.10
Total market value, MSEK ¹	3,727

1. The market value of all shares in the company is based on the latest price paid for the Series B share and the preference share at December 31, 2023.

of buy and sell volumes corresponding to at least SEK 100,000, with a maximum spread of 2% between the buy and sell price.

Price performance, Series B ordinary share



Owner	Class A shares	Class B shares	Total number of ordinary shares	Preference shares	Capital, %	Votes, %
AB Sagax	3,033,550	18,130,980	21,164,530	5,633,320	22.2	24.1
Aptare Holding AB ¹	4,440,000	20,480,010	24,920,010	—	20.6	28.9
NP3 Fastigheter AB	2,421,120	13,456,350	15,877,470	—	13.1	16.7
Länsförsäkringar Fonder	—	5,432,348	5,432,348	—	4.5	2.4
Third Swedish National Pension Fund	—	4,491,400	4,491,400	—	3.7	2.0
ODIN Fonder	—	3,328,000	3,328,000	—	2.8	1.5
Fourth Swedish National Pension Fund	—	—	—	2,393,749	2.0	1.1
Castar Europe AB ²	380,000	1,725,980	2,105,980	225,000	1.9	2.6
Thureda Gruppen AB ³	412,020	1,854,070	2,266,090	—	1.9	2.7
Lannebo Fonder	—	2,075,203	2,075,203	—	1.7	0.9
Other shareholders	841,200	17,779,376	18,620,576	12,376,556	25.6	17.2
Total	11,527,890	88,753,717	100,281,607	20,628,625	100.0	100.0

1. Company owned by Jakob Fyrberg and Pierre Folkesson, senior executives of Emilshus, and Tomas Carlström.

2. Company owned by Johan Ericsson, Chairman of the Board of Emilshus.

3. Company owned by Elisabeth Thuresson, Board Member of Emilshus, and her family.

Consolidated statement of comprehensive income

MSEK	Full-year		Oct-Dec	
	2023	2022	2023	2022
Rental income	588.4	454.0	146.6	131.6
Other income	4.6	—	—	—
Income	593.1	454.0	146.6	131.6
Property costs	-122.5	-91.4	-32.2	-28.3
Net operating income	470.5	362.6	114.4	103.3
Central administration	-31.8	-37.4	-10.0	-12.2
Net financial items	-205.3	-142.9	-47.4	-46.6
Profit from property management	233.4	182.4	57.0	44.4
Realized changes in value, investment properties	—	2.7	—	2.1
Unrealized changes in value, investment properties	-42.6	99.3	0.6	-86.4
Realized changes in value, financial instruments	-9.8	—	-9.8	—
Unrealized changes in value, financial instruments	-102.2	125.3	-87.9	-2.7
Profit/loss before tax	78.9	409.7	-40.1	-42.6
Current tax	-41.6	-33.4	-7.8	-6.7
Deferred tax	-4.0	-65.4	3.9	6.9
Net profit/loss for the year	33.2	310.9	-44.0	-42.5
Other comprehensive income	—	—	—	—
Comprehensive income for the year	33.2	310.9	-44.0	-42.5
Net profit/loss for the year and comprehensive income attributable to:				
Parent Company shareholders	33.2	310.9	-44.0	-42.5
Non-controlling interests	—	—	—	—
	33.2	310.9	-44.0	-42.5
Earnings per ordinary share before dilution, SEK	-0.09	3.36	-0.57	-0.57
Earnings per ordinary share after dilution, SEK	-0.09	3.35	-0.57	-0.57
Average number of ordinary shares	93,779,549	80,559,130	94,684,899	92,469,563
Number of ordinary shares at the end of the period	100,281,607	92,874,199	100,281,607	92,874,199
Average number of preference shares	20,628,625	20,252,401	20,628,625	20,628,625
Number of preference shares at the end of the period	20,628,625	20,628,625	20,628,625	20,628,625

Consolidated statement of financial position

MSEK	Dec 31	
	2023	2022
ASSETS		
Non-current assets		
Investment properties	7,323.5	7,111.4
Capitalized expenditure for IT systems	0.1	0.2
Equipment	1.1	1.4
Derivatives	34.9	137.1
Total non-current assets	7,359.7	7,250.1
Current assets		
Rent receivables	5.6	1.8
Other receivables	19.7	17.2
Prepaid expenses and accrued income	24.5	31.1
Cash and cash equivalents	212.0	224.3
Total current assets	261.8	274.4
TOTAL ASSETS	7,621.5	7,524.5
EQUITY AND LIABILITIES		
Equity		
Share capital	241.8	227.0
Contributed capital	1,921.7	1,742.2
Retained earnings incl. net profit for the year	1,030.0	1,037.8
Total equity attributable to Parent Company shareholders	3,193.5	3,007.0
Non-current liabilities		
Liabilities to credit institutions	3,306.3	3,308.9
Bonds	576.1	641.5
Deferred tax liabilities	241.0	237.0
Other liabilities	1.3	1.0
Total non-current liabilities	4,124.7	4,188.5
Current liabilities		
Liabilities to credit institutions	101.3	87.8
Notes payable	—	65.0
Accounts payable	14.1	17.6
Tax liabilities	14.6	14.4
Other liabilities	34.0	25.5
Accrued expenses and prepaid income	139.2	118.7
Total current liabilities	303.3	329.0
TOTAL EQUITY AND LIABILITIES	7,621.5	7,524.5

Condensed consolidated statement of changes in equity

MSEK	No. of ordinary shares	No. of preference shares	Share capital	Other contributed capital	Retained earnings including net profit for the period ¹	Total equity ¹
Equity, Jan 1, 2022	66,446,380	13,951,313	160.8	916.1	770.7	1,847.6
New ordinary share issue	26,427,819	—	52.9	687.7	—	740.6
New preference share issue	—	6,677,312	13.4	182.3	—	195.6
New issue expenses	—	—	—	-54.5	—	-54.5
Tax effect of new issue expenses	—	—	—	11.2	—	11.2
Dividend on preference shares	—	—	—	—	-43.8	-43.8
Net profit/loss for the year and comprehensive income for 2022	—	—	—	—	353.4	353.4
Other changes in equity	—	—	—	-0.6	—	-0.6
Equity, Dec 31, 2022	92,874,199	20,628,625	227.0	1,742.2	1,037.7	3,007.0
Equity, Jan 1, 2023	92,874,199	20,628,625	227.0	1,742.2	1,037.7	3,007.0
New ordinary share issue	7,407,408	—	14.8	185.2	—	200.0
New warrant issue	—	—	—	0.2	—	0.2
New issue expenses	—	—	—	-5.6	—	-5.6
Dividend on preference shares	—	—	—	—	-41.3	-41.3
Net profit/loss for the year and comprehensive income for 2023	—	—	—	—	33.2	33.2
Equity, Dec 31, 2023	100,281,607	20,628,625	241.8	1,921.7	1,030.0	3,193.5

1. Total equity, Net profit/loss for the year and Comprehensive income for the year are attributable in their entirety to the Parent Company shareholders.



Consolidated statement of cash flows

MSEK	Full-year		Oct-Dec	
	2023	2022	2023	2022
Operating activities				
Profit from property management	233.4	182.4	57.0	44.4
Income tax paid	-41.6	-33.4	-7.8	-6.7
Adjustments for non-cash items	4.0	1.8	3.7	-0.6
Cash flow from operating activities before changes in working capital	195.8	150.7	52.9	37.1
Cash flow from changes in working capital				
Increase (-)/decrease (+) in operating receivables	0.4	4.0	18.5	15.0
Increase (+)/decrease (-) in operating liabilities	25.7	47.2	6.2	-19.7
Cash flow from operating activities	221.9	202.0	77.7	32.3
Investing activities				
Acquisition of investment properties	-199.1	-2,192.9	-96.5	-38.5
Investments in investment properties	-55.5	-68.6	-19.3	-35.3
Acquisition of equipment	-0.3	-0.4	0.1	-0.5
Divestment of investment properties	—	76.6	—	21.6
Cash flow from investing activities	-254.8	-2,185.3	-115.7	-52.7
Financing activities				
Bank loans raised	390.1	1,810.3	48.2	31.7
Other loans raised	—	65.0	—	—
New ordinary share capital issue	194.6	699.5	194.4	—
New preference share capital issue	—	147.6	—	—
Dividend on preference shares	-41.3	-41.3	-10.3	-10.3
Repayment of bank loans	-379.3	-711.8	-25.0	-32.6
Repayment of other loans	-65.0	—	—	—
Repayment of bonds	-68.8	-495.9	-68.8	-309.8
Bonds raised	—	641.5	-2.5	0.3
Realized value effects, financial instruments	-9.8	—	-9.8	—
Cash flow from financing activities	20.6	2,115.0	126.2	-320.7
Cash flow for the year	-12.3	131.7	88.2	-341.0
Cash and cash equivalents at the beginning of the period	224.3	92.6	123.8	565.3
Cash and cash equivalents at the end of the period	212.0	224.3	212.0	224.3

Parent Company income statement

MSEK	Full-year		Oct-Dec	
	2023	2022	2023	2022
Income				
Net sales	21.4	11.7	5.3	3.7
Operating expenses				
Other external costs	-53.1	-49.4	-15.4	-16.1
Operating loss	-31.7	-37.7	-10.0	-12.4
Profit/loss after financial items				
Interest income and similar income items	173.6	59.6	76.8	24.0
Interest expenses and similar expense items	-192.6	-110.6	-82.5	-38.1
Loss after financial items	-50.8	-88.7	-15.7	-26.6
Appropriations				
Group contributions	39.4	89.5	39.4	89.5
Profit/loss before tax	-11.4	0.7	23.7	62.9
Deferred tax	0.5	—	—	—
Current tax	—	-11.2	—	0.6
Net profit/loss for the year	-10.9	-10.4	23.7	63.5

Parent Company comprehensive income

MSEK	Full-year		Oct-Dec	
	2023	2022	2023	2022
Net profit/loss for the year according to income statement				
Other comprehensive income	—	—	—	—
Comprehensive income for the year	-10.9	-10.4	-15.7	63.5

Parent Company balance sheet

MSEK	Dec 31	
	2023	2022
ASSETS		
Non-current assets		
Capitalized expenditure for IT systems	0.1	0.2
Equipment	1.1	1.3
Derivatives	1.2	1.5
Participations in Group companies	473.9	473.3
Deferred tax assets	3.2	2.7
Total non-current assets	479.5	479.0
Current assets		
Receivables from Group companies	4,012.8	4,124.7
Tax assets	3.3	—
Other receivables	—	7.1
Prepaid expenses and accrued income	11.1	10.1
Cash and bank balances	186.3	71.9
Total current assets	4,213.5	4,213.9
TOTAL ASSETS	4,693.0	4,692.9
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	241.8	227.0
Unrestricted equity		
Share premium reserve	1,921.9	1,742.5
Retained earnings or losses	-92.6	-40.9
Net loss for the year	-10.9	-10.4
Total equity	2,060.2	1,918.1
Non-current liabilities		
Bonds	576.1	641.5
Liabilities to credit institutions	1,960.6	1,983.3
Total non-current liabilities	2,536.7	2,624.7
Current liabilities		
Liabilities to credit institutions	53.5	42.7
Overdraft facility	—	—
Bonds	—	—
Vendor's mortgages	—	65.0
Accounts payable	2.1	1.6
Other liabilities	21.9	21.7
Accrued expenses and prepaid income	18.7	19.1
Total current liabilities	96.1	150.1
TOTAL EQUITY AND LIABILITIES	4,693.0	4,692.9

Parent Company

statement of changes in equity

MSEK	No. of ordinary shares	No. of preference shares	Share capital	Share pre- mium re- serve	Retained earnings including net profit for the year	Total equity
Equity, Jan 1, 2022	66,446,380	13,951,313	160.8	916.3	2.9	1,080.0
New ordinary share issue	26,427,819	—	52.9	687.7	—	740.6
New preference share issue	—	6,677,312	13.4	182.3	—	195.6
New issue expenses	—	—	—	-54.5	—	-54.5
Tax effect of new issue expenses	—	—	—	11.2	—	11.2
Dividend on preference shares	—	—	—	—	-43.8	-43.8
Net profit/loss for the year and comprehensive income for 2022	—	—	—	—	-10.4	-10.4
Other changes in equity	—	—	—	-0.6	—	-0.6
Equity, Dec 31, 2022	92,874,199	20,628,625	227.0	1,742.5	-51.4	1,918.1
Equity, Jan 1, 2023	92,874,199	20,628,625	227.0	1,742.5	-51.4	1,918.1
New ordinary share issue	7,407,408	—	14.8	185.2	—	200.0
New warrant issue	—	—	—	0.2	—	0.2
New issue expenses	—	—	—	-5.6	—	-5.6
Dividend on preference shares	—	—	—	—	-41.3	-41.3
Net profit/loss for the year and comprehensive income for 2023	—	—	—	—	-10.9	-10.9
Other changes in equity	—	—	—	-0.3	—	-0.3
Equity, Dec 31, 2023	100,281,607	20,628,625	241.8	1,921.9	-103.6	2,060.2



Other information

Personnel

At the end of the period, the number of employees was 20 (19).

Risks and uncertainties

The Board of Directors and company management work continuously to achieve the desired risk profile on the basis of policies established by the Board. Emilshus's risk management is described in more detail on pages 44–46 in the 2022 Annual Report.

Emilshus is exposed to various risks that could be significant to the company's future operations, earnings and financial position. Risk pertains to an uncertainty that could impact the company's ability to achieve the targets it has set. Risk management pertains to creating a balance between the intent to limit risk and achieving targets at the same time. Emilshus's property portfolio comprises high-yield commercial properties, with Småland as its core market.

Risk management activities pertain to systematic application of policies, procedures and practices regarding identification, assessment, control and monitoring of risks in Emilshus's operations. The best available information must be used in risk management, and it must be supplemented as needed with additional investigations.

Emilshus's activities regarding risk management follow a defined procedure that includes the following four areas: risk identification, risk assessment, risk measures, and self-assessment and reporting. These activities must be conducted at least once yearly. Monitoring and separate evaluations are continuously carried out at various levels within the Group. Emilshus's risks are identified and evaluated in five categories.

- Strategic risks
- Operational risks
- Financial risks
- Sustainability risks
- Business environment risks

Risk measures are routinely taken in line with Emilshus's guidelines.

Estimates and assessments, and rounding

In order to prepare the reports in accordance with generally accepted accounting principles, company management must make assessments and assumptions that impact the asset and liability items and income and costs reported in the annual accounts, as well as other information submitted. Actual outcomes may differ from these assessments. Accounting is particularly sensitive to the assessments and assumptions that form the basis of the evaluation of the investment properties.

As a result of rounding, figures presented in this year-end report may in some cases not add up exactly to the total, and percentage figures may differ from the exact percentages.

Related-party transactions

Chairman of the Board Johan Ericsson invoiced Emilshus for consulting fees of MSEK 0.6 (0.5) during the period, through a wholly owned company. Senior executives of Emilshus acquired warrants when Emilshus's warrant program was introduced.

New issue of Series B ordinary shares

On November 17, 2023, the Board of Directors decided – by virtue of the authorization granted at the Annual General Meeting – on a private placement of 7,407,408 Series B ordinary shares. Emilshus

raised a total of MSEK 200 before issue costs through the issue. The subscription price was set at SEK 27 per share through an accelerated bookbuilding procedure. The subscription price corresponded to a premium of 1.3% in relation to the volume-weighted average share price over the last 10 trading days and a discount of 3.9% in relation to the closing price. The issue was subscribed by Swedish and international professional and institutional investors including AB Sagax, Länsförsäkringar Fonder, the Third Swedish National Pension Fund and Nordea Fonder.

Share information

At December 31, 2023, there were 120,910,232 shares and 224,661,242 votes in Emilshus, distributed as follows:

- Series A ordinary shares: 11,527,890 shares and 115,278,900 votes.
- Series B ordinary shares: 88,753,717 shares and 88,753,717 votes.
- Preference shares: 20,628,625 shares and 20,628,625 votes.

The quotient value per share is SEK 2.

The Annual General Meeting on April 27, 2023 resolved on a dividend on the preference shares, up until the next Annual General Meeting, totaling SEK 2 per preference share, to be paid on four occasions, each at SEK 0.50 per preference share, with record dates in accordance with the stipulations in the company's Articles of Association. The Annual General Meeting resolved that no dividend would be paid for Series A and Series B ordinary shares.

Emilshus has 1,872,660 outstanding warrants held by AB Sagax (1,248,440 warrants) and NP3 Fastigheter AB (624,220 warrants). These warrants convey the right to subscribe for one Series B ordinary share for SEK 22.60 up until June 30, 2024. The warrants were issued in the second quarter of 2021.

Warrant program

The Annual General Meeting in April 2023 resolved to introduce a 2023/2026 warrant program through an issue of a maximum of 439,000 warrants and approval of a transfer of warrants to the participants of the warrant program. The program is intended for the company's personnel. Further information on the terms and conditions of the program are available on the company's website, www.emilshus.com.

Accounting policies

This year-end report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The year-end report for the Parent Company was prepared in accordance with Chapter 9 Interim Reports of the Annual Accounts Act. Other disclosures under IAS 34.16A are submitted elsewhere than notes in the year-end report. Comparative figures presented in parentheses refer to amounts for the fourth quarter of 2022 and the end of 2022. Other amended and new IFRSs as approved by the IASB that enter force during the year or future periods are deemed not to have any material impact on the Group's reporting or financial statements.

Investment properties are measured at fair value in accordance with Level 3 of the fair value hierarchy. Derivatives are measured at fair value in the balance sheet in accordance with Level 2 in the fair value hierarchy, and other financial instruments are recognized at amortized cost. Differences between cost and fair value for other financial instruments have been deemed immaterial. Emilshus's operations consist of one operating segment, for which reporting takes place.

Business environment factors

Trends concerning market interest rates have an impact on Emilshus's operations. Emilshus has not noted any material impact on the company's operations from the results of the war in Ukraine. The Group's project operations have been impacted, however, which is why several projects have been postponed. However, there is a risk that any price increases, delivery problems and a weaker economic climate could adversely impact the company or the company's tenants.

Nomination Committee

Under the resolution passed at Fastighetsbolaget Emilshus AB's 2023 Annual General Meeting, the Chairman of the Board convened a Nomination Committee ahead of the 2024 Annual General Meeting in accordance with the instructions for the Nomination Committee.

The members of the Nomination Committee are Erik Borgblad, appointed by Aptare Holding AB (chair of the Nomination Committee); David Mindus, appointed by AB Sagax; Andreas Wahlén, appointed by NP3 Fastigheter AB; and Johan Ericsson, Chairman of the Board of Fastighetsbolaget Emilshus AB.

Proposal for dividend

Emilshus's objective is to re-invest the company's profits, which it was resolved are to be paid out to holders of preference shares, into the operations so as to capitalize on business opportunities, create growth and achieve Emilshus's financial and operational targets.

The Board proposes a dividend of SEK 2.00 per preference share, with a quarterly payment of SEK 0.50 per preference share. The Board proposes that no dividend on ordinary shares be paid for the financial year, which is in line with Emilshus's dividend policy.

Annual General Meeting

Emilshus's 2024 Annual General Meeting (AGM) will be held in Växjö on April 25, 2024. For more information about the AGM, visit www.emilshus.com.



Signing of the report

The Board of Directors and the CEO give their assurance that this year-end report provides a fair review of the company's and the Group's operations, financial position and earnings, and describes the material risks and uncertainties facing the company and the companies included in the Group.

Växjö, February 14, 2024

Björn Garat
Board member

Johan Ericsson
Chairman of the Board

Jakob Fyrberg
Board member and CEO

Elisabeth Thureson
Board member

Rutger Källén
Board member

Summary of property portfolio

January 1, 2024

MSEK	No. of properties	Leasable area, ksqm	Carrying amount, MSEK	Rental value, MSEK	Rental value, SEK/sqm	Economic occupancy rate, %	Contractual annual rent, MSEK
Halmstad							
Light industry	1	5	55	4	—	100	4
Big-box and food retail	—	—	—	—	—	—	—
Industrial services/trade suppliers	5	14	202	16	1,141	94	15
Other	1	1	12	1	—	—	1
Total Halmstad	7	20	269	21	1,074	95	20
Jönköping							
Light industry	10	77	785	61	790	97	59
Big-box and food retail	3	7	99	8	1,048	100	8
Industrial services/trade suppliers	3	14	57	4	282	100	4
Other	2	10	198	19	1,791	100	19
Total Jönköping	18	109	1,139	91	836	98	89
Kalmar							
Light industry	3	14	119	12	861	98	12
Big-box and food retail	10	21	243	20	962	100	20
Industrial services/trade suppliers	7	24	173	13	555	93	12
Other	—	—	—	—	—	—	—
Total Kalmar	20	59	534	46	772	97	44
Norrköping							
Light industry	4	26	391	34	1,287	84	28
Big-box and food retail	1	25	74	6	244	100	6
Industrial services/trade suppliers	2	11	108	8	696	100	8
Other	—	—	—	—	—	—	—
Total Norrköping	7	62	573	48	766	89	42
Vetlanda							
Light industry	5	85	382	42	495	100	42
Big-box and food retail	7	26	328	27	1,028	96	26
Industrial services/trade suppliers	4	19	110	11	605	95	11
Other	5	17	199	24	1,439	90	22
Total Vetlanda	21	147	1,019	105	713	96	100
Värnamo							
Light industry	17	184	1,226	106	576	100	106
Big-box and food retail	3	20	178	22	1,090	87	19
Industrial services/trade suppliers	3	12	75	5	405	100	5
Other	—	—	—	—	—	—	—
Total Värnamo	23	216	1,479	133	614	98	130
Växjö							
Light industry	7	72	560	48	656	100	47
Big-box and food retail	10	65	956	72	1,113	98	71
Industrial services/trade suppliers	8	22	305	26	1,164	98	26
Other	9	32	491	47	1,470	77	37
Total Växjö	34	192	2,312	193	1,007	93	180
Total Emilshus							
Light industry	47	463	3,518	306	661	97	298
Big-box and food retail	34	164	1,877	155	944	96	149
Industrial services/trade suppliers	32	117	1,029	84	714	96	81
Other	17	60	900	92	1,514	85	78
Total	130	805	7,324	636	790	95	606

Key figures

MSEK	Full-year			
	2023	2022	2021	2020
PROPERTY-RELATED				
No. of properties	130	125	97	69
Leasable area, ksqm	805.1	786.1	580.7	360.4
Fair value of properties, MSEK	7,323.5	7,111.4	4,827.2	2,714.7
Fair value of properties, SEK/sqm	9,096	9,047	8,312	7,532
NAV, MSEK	2,739.5	2,446.7	2,006.5	1,002.9
Rental value, MSEK	636.4	580.7	360.7	234.6
Rental value, SEK/sqm	790	739	621	651
Remaining lease term, years	5.3	5.8	6.5	5.0
Net leasing, MSEK	0.0	12.0	-2.9	-0.4
Economic occupancy rate, %	95.3	95.9	97.1	96.9
Area occupancy rate, %	96.6	96.8	97.9	98.0
Yield, %	6.6	6.1	6.4	7.0
Surplus ratio, %	79.3	79.9	81.5	81.2
SHARE-BASED, ORDINARY SHARES				
Number of ordinary shares at the end of the period	100,281,607	92,874,199	66,446,380	60,405,800
Average number of ordinary shares	93,779,549	80,559,130	64,936,235	60,405,800
Profit from property management per ordinary share, SEK	2.05	1.76	1.87	1.42
Net profit/loss for the period per ordinary share, SEK	-0.09	3.36	7.07	2.91
Equity per ordinary share, SEK	25.26	25.27	21.09	15.00
Cash flow from operating activities for the period before change in working capital, MSEK	195.8	150.7	109.9	74.3
NAV per ordinary share, SEK	27.32	26.34	23.48	16.60
Return on equity per ordinary share, %	-0.3%	12.8	37.1	20.9
SHARE-RELATED, PREFERENCE SHARES				
Number of preference shares at the end of the period	20,628,625	20,628,625	13,951,313	—
Average number of preference shares	20,628,625	20,252,401	6,296,818	—
Equity per preference share, SEK	32.0	32.0	32.0	—
Net profit for the period per preference share, SEK	2.0	2.0	0.9	—
Profit for the period per preference share, SEK	2.0	2.0	0.9	—
FINANCIAL				
Equity/assets ratio, %	41.9	40.0	37.0	33.6
Return on equity, %	1.1	12.8	33.6	20.9
Net loan-to-value ratio, %	51.5	54.5	56.9	60.8
Net loan-to-value ratio, properties, %	43.6	44.6	45.7	50.0
Loan-to-value ratio, %	54.4	57.7	48.5	63.8
Loan-to-value ratio, properties, %	46.5	48.7	47.6	52.9
Average loan interest at the end of the period, %	4.7	4.6	3.0	2.8
Average loan maturity at the end of the period, years	1.8	2.9	2.6	2.2
Interest-coverage ratio, multiple	2.1	2.3	2.8	2.9
Interest-bearing net debt, MSEK	3,771.7	3,814.0	2,746.6	1,730.8
Debt ratio, multiple	8.2	9.7	10.6	9.9
Cash flow from operating activities before change in working capital, MSEK	195.8	150.7	110.5	74.3

Comparison figures are adjusted after August 2021 split of each share in the company into ten shares (10:1) of the same type as previously.

Comments on the key figures

Emilshus presents certain financial measures in its report that are not defined according to IFRS. The company believes that these measurements provide valuable supplementary information to investors and company management since they facilitate the evaluation of relevant trends and performances.

Since not all companies calculate financial measurements in the same way, these are not always comparable with measurements that are used by other companies. These financial measurements should not be regarded as a replacement for measures that are defined according to IFRS. For detailed information on calculations of alternative performance measures (APM), refer to page 32.

Definitions

Return on equity	Net profit for the period, restated to 12 months, in relation to average equity (OB+CB)/2 for the period.
Return on equity, ordinary shares	Profit after tax, MSEK restated to 12 months, reduced by the preferential rights of the preference shares to a dividend for the period and the share in profit for non-controlling interests, as a percentage of average equity after deduction of preference share capital and non-controlling interests.
Loan-to-value ratio	Interest-bearing liabilities as a percentage of the fair value of investment properties.
Loan-to-value ratio, properties	Interest-bearing liabilities with collateral in properties as a percentage of fair value.
Yield	Net operating income restated to 12 months, as a percentage of property portfolio value at the end of the period, adjusted for holding period. This performance measure indicates the yield from operational activities in relation to the value of the property.
Net operating income	Income for the period minus property costs.
Equity per preference share	Equity per preference share corresponds to the strike price of the share at liquidation (SEK 32 per preference share) in addition to accrued dividend.
Equity per ordinary share	Equity, attributable to the Parent Company shareholders after deduction of preference share capital in relation to the number of ordinary shares outstanding at the end of the period.
Profit from property management	Calculated as the sum of net operating income, selling and administration costs and net financial items.
Profit from property management per ordinary share	Profit before tax for the period and changes in value less the preferential rights of the preference shares to a dividend in relation to the weighted average number of ordinary shares.
Average lending rate	Weighted interest rate on interest-bearing loans, taking into account fixed-income derivatives on the balance-sheet date.
Lease term	The weighted average remaining lease term of the leases.
Rental value	Contractual annual rent that runs immediately after the end of the period, with the addition of assessed market rent for vacant premises.
Income	Rent charged, plus supplements charged such as heating, electricity, property tax and so on.
NAV	Recognized equity after taking into account preference share capital and non-controlling interests, with reversal of derivatives and deferred tax.
NAV per ordinary share	Recognized equity after taking into account preference share capital and non-controlling interests, with reversal of derivatives and deferred tax, in relation to the number of ordinary shares at the end of the period.
Net loan-to-value ratio	Interest-bearing net debt as a percentage of the fair value of investment properties.
Net loan-to-value ratio, properties	Interest-bearing net debt with collateral in properties as a percentage of the fair value of investment properties.
Net leasing	New leases signed during the period, plus or minus effects of renegotiated leases less terminations for vacating premises (including bankruptcies).
Preference share capital	Number of preference shares multiplied by equity per preference share.

Definitions

Earnings per preference share	Preference shareholders' proportion of earnings, which corresponds to the annual dividend per preference share.
Earnings per ordinary share	Net profit for the period attributable to Parent Company shareholders, less the preferential rights of the preference shares to a dividend for the period in relation to the average number of ordinary shares.
Interest-bearing net debt	Interest-bearing liabilities less cash and cash equivalents.
Interest-coverage ratio	Profit from property management plus net financial items as a percentage of net financial items.
Debt ratio	Net debt as a percentage of 12-month forward-looking adjusted net operating income, including costs pertaining to central administration.
Equity/assets ratio	Equity as a percentage of the balance sheet total.
Occupancy rate, economic	Contractual annual rent as a percentage of the rental value.
Occupancy rate, area	Leased area as a percentage of leasable area.
Surplus ratio	Net operating income as a percentage of income.

For purpose of use of each performance measure, refer to Emilshus's 2022 Annual Report.

Reconciliation of key figures

MSEK	Full-year			
	2023	2022	2021	2020
NAV				
Equity, MSEK	3,193.5	3,007.0	1,847.8	942.6
Equity pertaining to preference shares, MSEK	-660.1	-660.1	-446.4	—
Reversal of derivatives, MSEK	-34.9	-137.1	-11.8	0.7
Reversal of deferred tax, MSEK	241.0	237.0	170.5	59.6
NAV, MSEK	2,739.5	2,446.7	1,560.1	1,002.9
Economic occupancy rate				
Contractual annual rent, MSEK	606.2	557.1	350.3	227.4
Rental value, MSEK	636.4	580.7	360.7	234.6
Economic occupancy rate, %	95.3	95.9	97.1	96.9
Area occupancy rate				
Total leasable area, sqm	805,124	786,094	580,732	360,427
Contractual area, sqm	777,945	760,599	568,504	353,269
Area occupancy rate, %	96.6	96.8	97.9	98.0
Surplus ratio				
Net operating income, MSEK	470.5	362.6	228.4	148.3
Income, MSEK	593.1	454.0	280.4	182.6
Surplus ratio, %	79.3	79.9	81.5	81.2
Profit from property management per ordinary share				
Profit from property management, MSEK	233.4	182.4	131.0	85.6
Dividends for preference shares, MSEK	41.3	40.5	9.8	—
Average number of ordinary shares	93,779,549	80,559,130	64,936,235	60,405,800
Profit from property management per ordinary share, SEK	2.05	1.76	1.87	1.42
Net profit for the period per ordinary share				
Net profit for the period, MSEK	33.2	310.9	468.9	175.9
Preference shares' proportion of earnings, MSEK	41.3	40.5	9.8	—
Average number of ordinary shares	93,779,549	80,559,130	64,936,235	60,405,800
Net profit/loss for the period per ordinary share, SEK	-0.09	3.36	7.07	2.91
Equity per ordinary share				
Equity, MSEK	3,193.5	3,007.0	1,847.8	942.6
Equity attributable to preference shares, MSEK	-660.1	-660.1	-446.4	0.0
Number of ordinary shares at the end of the period	100,281,607	92,874,199	66,446,380	60,405,800
Equity per ordinary share, SEK	25.26	25.27	21.09	15.60
NAV per ordinary share				
Equity, MSEK	3,193.5	3,007.0	1,847.8	942.6
Equity pertaining to preference shares, MSEK	-660.1	-660.1	-446.4	—
Reversal of derivatives, MSEK	-34.9	-137.1	-11.8	0.7
Reversal of deferred tax, temporary differences, MSEK	241.0	237.0	170.5	59.6
NAV, MSEK	2,739.5	2,446.7	1,560.1	1,002.9
Number of ordinary shares at the end of the period	100,281,607	92,874,199	66,446,380	60,405,800
NAV per ordinary share, SEK	27.32	26.34	23.48	16.60
Equity/assets ratio				
Equity, MSEK	3,193.5	3,007.0	1,847.8	942.6
Total assets, MSEK	7,621.5	7,524.5	4,987.4	2,806.2
Equity/assets ratio, %	41.9	40.0	37.0	33.6

Reconciliation of key figures

MSEK	Full-year			
	2023	2022	2021	2020
Return on equity				
Net profit for the period, MSEK	33.2	310.9	468.9	175.9
Addition for remeasurement of annual value, MSEK	0.0	—	—	—
Average equity, MSEK	3,100.3	2,427.4	1,395.2	841.1
Return on equity, %	1.1	12.8	33.6	20.9
Net loan-to-value ratio				
Interest-bearing liabilities, MSEK	3,983.7	4,103.3	2,839.2	1,730.8
Cash and cash equivalents, MSEK	-212.0	-224.3	-92.6	-79.0
Interest-bearing net debt, MSEK	3,771.7	3,879.0	2,746.6	1,651.8
Fair value of investment properties, MSEK	7,323.5	7,111.4	4,827.2	2,714.7
Net loan-to-value ratio, %	51.5	54.5	56.9	60.8
Net loan-to-value ratio, properties				
Interest-bearing liabilities, MSEK	3,983.7	4,103.3	2,839.2	1,730.8
Interest-bearing liabilities without collateral in properties, MSEK	-576.1	-706.5	-540.9	-294.7
Cash and cash equivalents, MSEK	-212.0	-224.3	-92.6	-79.0
Interest-bearing net debt with collateral in properties, MSEK	3,195.6	3,172.5	2,205.7	1,357.0
Fair value of investment properties, MSEK	7,323.5	7,111.4	4,827.2	2,714.7
Net loan-to-value ratio, properties, %	43.6	44.6	45.7	50.0
Interest-coverage ratio				
Profit from property management, MSEK	233.4	182.4	131.0	85.6
Net financial items, MSEK	-205.3	-142.9	-74.2	-44.1
Profit from property management before net financial items, MSEK	438.8	325.3	205.3	129.6
Interest-coverage ratio, multiple	2.1	2.3	2.8	2.9
Debt ratio				
Interest-bearing net debt, MSEK	3,771.7	3,879.0	2,746.6	1,651.8
Net operating income according to earnings capacity, MSEK	491	453.6	287.4	185.7
Central administration according to earnings capacity, MSEK	-31	-32.9	-28.8	-18.9
Forward-looking adjusted net operating income, MSEK	460	420.7	258.6	166.8
Debt ratio, multiple	8.2	9.2	10.6	9.9
Interest-bearing net debt				
Interest-bearing liabilities, MSEK	3,983.7	4,103.3	2,839.2	1,730.8
Cash and cash equivalents, MSEK	-212.0	-224.3	-92.6	-79.0
Interest-bearing net debt, MSEK	3,771.7	3,879.0	2,746.6	1,651.8
Return on equity per ordinary share				
Net profit for the period, MSEK	33.2	310.9	468.9	175.9
Addition for remeasurement of annual value, MSEK	—	—	—	—
Net profit for the period attributable to preference shares, MSEK	41.3	41.3	9.8	—
Average equity, MSEK	3,100.3	2,427.4	1,395.2	841.1
Average preference share capital, MSEK	660.1	553.3	156.6	—
Return on equity per ordinary share, %	-0.3	14.4	37.1	20.9
Equity per preference share				
Preference shareholders' preferential rights upon liquidation, MSEK	660.1	660.1	446.4	—
Accrued dividends attributable to preference shares, MSEK	20.6	20.6	14.0	—
Number of preference shares outstanding	20,628,625	20,628,625	13,951,313	—
Equity per preference share, SEK	32.0	32.0	32.0	—
Yield				
Net operating income, MSEK	470.5	362.6	228.4	148.3
Addition for remeasurement of annual value, MSEK	—	—	—	—
Adjusted net operating income, MSEK	470.5	362.6	228.4	148.3
Average property value adjusted for holding period, MSEK	7,176.6	5,991.2	3,760.6	2,123.4
Yield, %	6.6	6.1	6.1	7.0

Calendar

Calendar for 2024

2023 Annual Report	March 27, 2024
Record date for dividend to preference shareholders	March 28, 2024
Interim report January–March 2024	April 25, 2024
2024 Annual General Meeting	April 25, 2024
Record date for dividend to preference shareholders	June 28, 2024
Interim report January–June 2024	July 11, 2024
Record date for dividend to preference shareholders	September 30, 2024
Interim report January–September 2024	October 16, 2024
Record date for dividend to preference shareholders	December 30, 2024
Year-end report January–December 2024	February 12, 2025

This information is information that Emilshus is obligated to disclose in accordance with the EU Market Abuse Regulation. This information was submitted for publication through the agency of the contact persons below on February 14, 2024 at 7:30 a.m. CET.

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About Emilshus

Emilshus is a property company rooted in the business culture of Småland that acquires, develops and manages high-yield commercial properties, with southern Sweden as its core market. The company's property portfolio at December 31, 2023 totaled 805 ksqm of leasable area distributed among 130 properties with an emphasis on light industry, industrial services/trade suppliers and big-box and food retail. Emilshus's ordinary share and preference share are listed on Nasdaq Stockholm.

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