

A reliable landlord

ANNUAL REPORT AND SUSTAINABILITY REPORT 2023

About Specialfastigheter

[A leader in secure facilities](#)

[Business idea, mission and vision](#)

[Significant events in 2023](#)

[2023 in figures](#)

[CEO's statement](#)

[Operating environment](#)

[The offering](#)

[Sustainable operations](#)

[The properties](#)

[Administration Report](#)

[Corporate governance](#)

[Financial statements and notes](#)

[Auditor's report](#)

[Sustainability Report](#)

[Other](#)

The 2023 Annual Report and Sustainability Report integrates financial, sustainability and corporate governance-related information to provide a comprehensive description of Specialfastigheter's operations.

The statutory Annual Report comprises the table of contents and pages 42–88.

The statutory Sustainability Report pursuant to the Annual Accounts Act can be found in this Annual Report on pages 1, 13, 15, 19–23, 25–29, 31–33, 94–102, 104 and 109.

The Sustainability Report is issued for the Group and Parent Company, and its scope is presented in the GRI list of contents on pages 105–108.

Specialfastigheter Sverige Aktiebolag (Publ)
Company registration number: 556537-5945

A leader in secure facilities



A secure landlord in an uncertain world

Specialfastigheter offers secure, functional, efficient and sustainable premises that actively contribute to our customers' societally vital operations. We have a strong local presence and financial stability.

Security has always been and continues to be one of our most important issues and we engage in close dialogue with our customers to define which level of security is relevant for them.

Our customers are able to manage their operations safely and securely, and rely on a high level of operational reliability around the clock. Taken together, this makes us a leading supplier of secure facilities in Sweden.



About Specialfastigheter

- A leader in secure facilities
- [Business idea, mission and vision](#)
- Significant events in 2023
- 2023 in figures

- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Business idea, mission and vision

Our business idea

Specialfastigheter owns, develops and manages secure facilities. We offer long-term, sustainable business propositions for customers with special security requirements.

Our mission

Specialfastigheter is to own, develop and manage functional properties in Sweden, with a focus on customers with special security requirements, and to pursue related business activities. Operations are to be conducted on a commercial basis and generate market returns by means of a rent setting that takes into account operational risks.

Our vision

Secure properties for a safe society.



About Specialfastigheter

- A leader in secure facilities
- Business idea, mission and vision
- [Significant events in 2023](#)
- 2023 in figures

- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Significant events in 2023

There is a great and rising demand for secure facilities, and Specialfastigheter's project volume grew significantly in 2023. Many new projects have been launched at the same time as we handed over a considerable number of completed premises to customers. Climate issues remain in focus and we are continuously seeking solutions to make our business even more sustainable.

SEK 29
billion in approved investment volume

8
first turf cuttings

12
openings of new buildings

AA+
credit rating by Standard & Poor's
in December 2023



>30,000
square metres in Kalmar

Go-ahead for large new correctional facility in Kalmar

In May, the Swedish Prison and Probation Service announced that Specialfastigheter had been awarded the tender for the construction of a completely new correctional facility in Kalmar. We have also been planning for the construction of a new correctional facility in Trelleborg, through a tender that Specialfastigheter won in December 2022. In Kalmar, our ambition is to build a correctional facility of more than 30,000 square metres. Since all new production will, in accordance with the customer's request, be prepared for two fixed accommodation places per room, the correctional facility's infrastructure will be dimensioned for operations for more than 400 clients.

New tool for measuring biodiversity

In May, the open-source tool developed in Sweden, CLIMB (Changing Land Use Impact on Biodiversity) was launched to measure biodiversity. The model is used to calculate the positive and negative impacts on biodiversity associated with changes in land use. The calculations are based on land data from inventories of nature conservation values, which we have performed on many of our properties. Specialfastigheter contributed as a project partner while the tool was under development and the aim is now to evaluate the tool in a pilot project.





About Specialfastigheter

- A leader in secure facilities
- Business idea, mission and vision
- [Significant events in 2023](#)
- 2023 in figures

- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

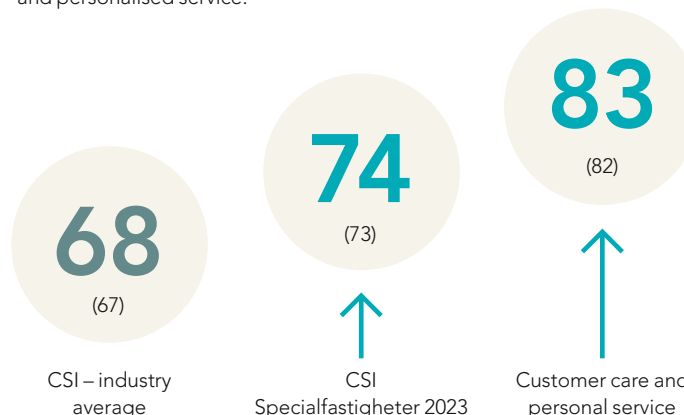


Several official openings for the Prison and Probation Service

Our high rate of investment continued into 2023 and during the year, we opened new premises at the correctional facilities in Skånninge, Hällby, Fosie, Luleå, Umeå, Beateberg, Hall, Åby, Ystad and Hinseberg.

Yet another improvement in CSI score

In September, we sent our annual customer satisfaction index (CSI) survey to our customers, comprising questions about the design of our premises, customer dialogue, personal service, safety and sustainability. This time, the survey was sent to a selection of some 400 individuals from among our customers, from a mix of professional groups. When the results were published in November, they indicated that we had once again raised our CSI, from 73 to 74 points – a figure that is well above the industry average. We had high scores in all areas, but the best score of 83 was achieved for customer care and personalised service.



First turf cut for the new police station in Malmö

In June, the first turf was cut for the new police station in Malmö, one of several police stations that Specialfastigheter will build over the next few years. The building will be located close to several of the Swedish Police's other operations in Malmö. Upon completion in 2027, the station will be a workplace for about 460 employees. The shovel was held by Local Police District Chief Åsa Nilsson, CEO of Peab Jesper Göransson, Chairperson of Malmö City Council Katrin Stjernfeldt Jammeh, and the then CEO of Specialfastigheter, Åsa Hedenberg. The Malmö police station will be built in accordance with the Sweden Green Building Council (SGBC) Gold level.

Three CEOs during the year

Åsa Hedenberg, CEO of Specialfastigheter since 2014, announced in 2022 that she planned to step down from her position. On 1 July 2023, Charlotte Hybinette took over as interim CEO. In October, Alexandra Laurén took up the position of permanent CEO.



Åsa Hedenberg, CEO 2014–2023



Charlotte Hybinette, Interim CEO Jul–Oct 2023



Alexandra Laurén, CEO as of Oct 2023



25% more employees in 2023

Expanding organisation

As a result of the high rate of investment, we strengthened the organisation in 2023, and we now have nearly 260 employees. All our departments have been reinforced to some extent, and we welcome all our new employees with a thorough introduction plan to ensure that everyone quickly gains a clear picture of the company as a whole, as well as our vision and preferred work methods. At the annual Employee Days event in November, our newest employees were presented on stage.

About Specialfastigheter

- A leader in secure facilities
- Business idea, mission and vision
- Significant events in 2023
- 2023 in figures

- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

2023 in figures

We are

100%

owned by the Swedish state

We have properties in more than

60

municipalities across the country

Approved investment volume

>29

SEK billion

Lettable area

1.2

million square metres

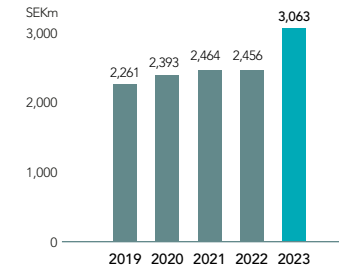
Five-year summary

	2023	2022	2021	2020	2019
Income from property management, SEK million	3,063	2,456	2,464	2,393	2,261
Profit from property management, SEK million	1,624	1,341	1,592	1,541	1,440
EBT, SEK million	1,296	-172	3,771	1,138	2,170
Net profit/loss for the year, SEK million	1,020	-143	2,999	888	1,717
Return on equity, %	7.0	-1.0	22.0	7.3	14.9
Adjusted return on equity, %	8.8	7.4	9.3	9.9	9.9
Yield, %	5.3	4.9	5.7	5.9	5.8
Rental income, SEK/sq m	2,359	1,999	1,976	1,953	1,882
Occupancy rate, %	97.3	97.5	97.6	98.5	98.5
Surplus ratio, %	66.9	70.5	72.7	72.5	72.1
Net floor area, sq m, thousand	1,158	1,102	1,099	1,093	1,090
Investments including property acquisitions, SEK million	5,733	4,173	1,996	1,044	1,029
Market value, investment properties, SEK million	41,740	36,210	33,761	29,618	29,037
Loan-to-value ratio, %	52.5	50.2	42.2	45.5	45.9
Equity/assets ratio, %	32.4	35.0	40.9	39.5	39.2
Share of green bonds, %	13.9	10.8	11.2	9.5	10.1

Income
compared with the preceding year

+25%

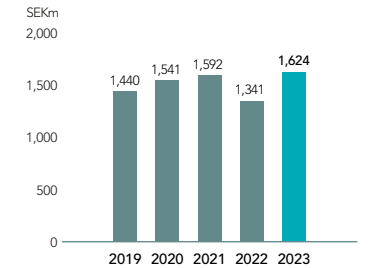
Income from property management



Profit from property management
compared with the preceding year

+21%

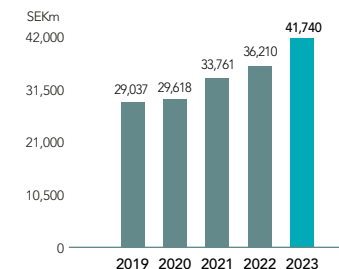
Profit from property management



Market value
compared with the preceding year

+15%

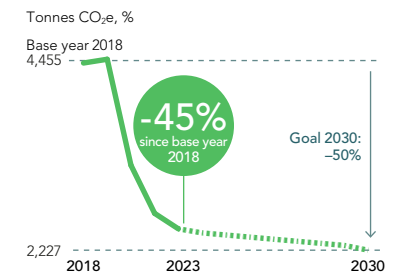
Market value



Carbon emissions
from purchased energy (scope 1 and 2) compared with the preceding year

+11%

CO₂ emissions





About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other



ALEXANDRA LAURÉN, CEO

2023 was characterised by continued strong demand for sustainable public sector properties in the security segment. The conditions are conducive to Specialfastigheter's continued development of its property portfolio in the coming years. Although the entire property market has been impacted by interest-rate conditions in the capital market, we have succeeded in financing our ongoing business operations, thanks to stable customers and underlying operational stability, and our secure owner, the Swedish state.

Strong demand, stable property operations and a growing property portfolio

Stable property operations and high demand enabling further development of the property portfolio

- Continuously growing investment volume during 2023.
- Higher rental income and strengthened profit from property management in comparison with the preceding year.
- The market value of our properties rose SEK 5.5 billion since the end of the preceding year.

In 2023, Specialfastigheter achieved its financial targets once again. The target for equity/assets ratio is 25–40%; this year it landed at 32%. Return on operating capital was 5% – we thereby achieved the owner's target of at least 5% over time. Investments, excluding maintenance, totalled SEK 5,488 million, which exceeded the set investment target of a minimum of SEK 4 billion.

Continued high demand

Demand for secure properties remained strong in 2023. We have a large number of redevelopment and extension projects in the planning and production phase, for which the approved investment volume at year end totalled approximately SEK 29 billion. Consequently, the year was characterised by major investments, both in our existing portfolio and in new locations. Among other achievements, we won the tender for a completely new correctional facility in Kalmar. We have also been planning for the construction of a new correctional facility in Trelleborg, and we are developing several of our existing facilities for the Swedish Prison and Probation Service located throughout the country. The National Board of Institutional Care is in urgent need of expansion, and we have launched several redevelopment, extension and new-construction projects for this customer. Over the next few years, we will be building completely new police stations at three locations in southern Sweden. In parallel with these projects, we have also completed and opened new premises at about ten correctional facilities. On the whole, we are experiencing sustained strong demand for secure facilities in the next few years.

Low credit risk despite changes in interest rates

After many years of historically low interest rates, we are facing new financial market conditions, in Sweden and globally. The change in interest rates has impacted Specialfastigheter – in the form of higher interest expenses compared with previous years, and a more restrictive credit market. During the year, the credit rating agency Standard & Poor's once again confirmed Specialfastigheter's AA+ rating, which we have been awarded since 2005. The combination of our high rating, stability and long-term presence in the capital market allows for Specialfastigheter to continue being attractive to investors. The company has succeeded in attracting the capital required to finance the ongoing and approved investments that lie ahead.

Development to meet customer needs

To meet our customers' large and often urgent volume requirements, we work continuously to streamline and develop our products, in order to optimise our time and save costs. For example, we have designed both modular buildings and standard buildings, which we are continuing to develop and refine. Our standard



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

buildings are modular buildings that must achieve at least SGBC Silver level certification. These products allow for faster planning, design and production, while retaining a high level of security features. In 2023, our customers took possession of six standard buildings and 14 modular buildings throughout the country.

Satisfied customers according to survey

We have a broad base of customers who often conduct operations around the clock. Consequently, high operational reliability is of particular importance. To create long-term value and maintain our customers' trust, we must also understand their needs, offer properties that allow for them to conduct their activities successfully, while providing property management services with a strong focus on delivery and security. Therefore, we are very pleased with the results of the latest CSI (Customer

Satisfaction Index) survey. The results indicate that our customers are satisfied with the service provided through our property organisation. Furthermore, the index improved slightly, with a score of 74 compared with 73 for the preceding year. We achieved the best possible score of 83 for customer care and personal service – areas that we focused on stringently during the year.

Prioritised sustainability work that adds value

Specialfastigheter has high sustainability ambitions. Making our operations sustainable is crucial to our business and adds value to our property portfolio. In our role as a property owner and purchaser, we can influence sustainability efforts as early as the design phase, and reduce emissions at the construction phase, which is when the heaviest emissions occur. With our large development volume, we have a particularly

serious responsibility to act sustainably, and we need to join forces with customers, contractors and suppliers to implement new climate-smart products. We already use climate-friendlier concrete in some projects and are also looking into ways to reduce or even replace concrete and steel in new constructions, or to reuse old asphalt when building new roads, for example. We have worked to reduce CO₂ emissions in the design of our standard buildings and calculations show that we have reduced our climate footprint by at least 15% for each of these building types (compared with 2018 baseline values).

We are working continuously to reduce greenhouse gas (GHG) emissions and to make our properties more energy efficient. However, we also need to work actively with preventive measures in climate adaptation to secure buildings against, for example, floods, heat, landslides and forest fires, in order to maintain our high operational reliability and the value of our properties. It is important to conduct our operations sustainably to ensure the long-term value of our business and portfolio, which is fully in line with the Global Compact's Ten Principles for sustainable business, which Specialfastigheter has been supporting since 2014.

Increased employee motivation according to a survey

In the expansive phase that we are in, we have had an urgent need for recruitment, which will continue into the next few years. In 2023, we grew from having about 200 to nearly 260 employees, and it is clear that we have a generally high level of employee satisfaction. In Specialfastigheter's annual eNPS (employee Net Promoter Score) survey on whether employees would recommend the company as an employer to others, we achieved a score of 16 in 2023, up from 3 points in the preceding year. Behind the positive results in the employee survey are, among other things, investments in a solid introductory programme, management and leadership training, as well as

skills development and training throughout the organisation.

An intensive period ahead

Specialfastigheter is undergoing a transition and has, in a short time, gone from being a property management company to a company that also actively invests and engages in a large volume of development – both planned and ongoing. In the next few years, we will continue to develop our properties and our business, which will bring our company to a new position.

I took on the role of CEO in October and have spent my first few months visiting the various parts of our company and meeting with customers in order to get to know the business and our employees. Specialfastigheter is a high-growth company with a stable underlying property business, and my impression from the onset, is that it has a strong culture of delivery. It is very clear that the organisation consists of incredibly committed employees with a capacity for change and a high level of competence.

Last autumn, I participated in a roundtable discussion organised by the Swedish government on the subject of how we and various market operators can contribute to the Swedish Prison and Probation Service's major expansion. The meeting included representatives of construction contractors, property owners and the Prison and Probation Service. I can conclude that there is considerable commitment and a willingness among all market operators to help to find solutions to the challenges, but that this requires collaboration, as no single operator can solve the challenges alone.

I am really looking forward to leading Specialfastigheter's journey in sustainable development – towards our vision of secure properties for a safe society – together with my colleagues!

Linköping, 13 March 2024

Alexandra Laurén,
CEO

“Making our operations sustainable is crucial to our business and adds value to our property portfolio.”





About Specialfastigheter

CEO's statement

Operating environment

High demand for secure facilities in troubled times

Case: Joint property development to meet changing needs

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other



Operating environment

[About Specialfastigheter](#)[CEO's statement](#)**Operating environment**[High demand for secure facilities in troubled times](#)[Case: Joint property development to meet changing needs](#)[The offering](#)[Sustainable operations](#)[The properties](#)[Administration Report](#)[Corporate governance](#)[Financial statements and notes](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

High demand for secure facilities in troubled times

In 2023, a growing need for secure facilities emerged in the market, driven by an unsettled world and subsequent political initiatives. However, macroeconomic conditions have continued to be challenging, and this has characterised the year as a whole.

For the past year, the Swedish property market has been cautious and severely impacted by high interest rates, rising inflation and an illiquid capital market. As a consequence, property values were adjusted downwards and several operators in the market were forced to take measures to strengthen their balance sheets. A historically low number of transactions were made in the market as a whole, and this restraint is expected to persist for some time into the new year.

However, the market for secure facilities continued to be characterised by strong demand from customers. It is expected to continue growing over the next few years, partly due to the challenging global situation. There is a growing need among Specialfastigheter's customers for secure premises adapted to modern operational requirements – a need that is expected to persist in the next few years.

The Swedish Prison and Probation Service deems that

27,000

spaces will be needed in remand centres and correctional facilities in 2033, compared with the current 9,000 spaces.¹

¹ "Swedish Prison and Probation Service capacity report 2024–2033" from 15 December 2023



About Specialfastigheter

CEO's statement

Operating environment

[High demand for secure facilities in troubled times](#)

Case: Joint property development to meet changing needs

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

Political reforms

In many respects, an unstable and challenging environment is impacting the market for secure facilities and thereby, Specialfastigheter's tenants.

The Swedish Prison and Probation Service's activities are strongly affected by the crime-policy reforms that were implemented during the most recent political terms of office. The flow of clients has increased significantly, as have remand and sentence times, and with the additional reforms of the Tidö Agreement, the agency is now facing a historic and challenging expansion of its operations.

Several of the crime policy reforms listed in the Tidö Agreement are still at the inquiry stage, but initial assessments made by the Prison and Probation Service indicate that the need for spaces will increase drastically over the next ten years. The agency estimates that the number of spaces in remand centres and correctional facilities will need to be tripled by 2033, from the current 9,000 spaces to around 27,000 spaces. This expansion has a direct impact on existing properties that house correctional facilities and remand centres, as it will largely be implemented by extending existing facilities and facilities under construction. The Prison and Probation Service is looking into densification through the introduction of two permanent accommodation places per room where possible, and it has decided that the housing environments of newly produced correctional facilities should be permanently adapted to accommodate two inmates per habitable space.

During the year, the government commissioned the Swedish Prison and Probation Service to prepare for the establishment of special units at existing correctional facilities for receiving young persons aged 15–17 who are to serve their sentences in prison instead of, as previously, through institutional juvenile care.

The expansion of correctional facility and remand centre spaces also requires that the agency implement a large number of new recruitments, which the agency has identified as a major challenge. In light of these challenges, the Prison and Probation Service has indicated that the expansion of existing correctional facilities and remand centres and the creation of new facilities should ideally occur where the conditions are conducive to new recruitment.

The reforms of the Tidö Agreement also impact other agencies operating within the judicial system that will need to prepare for the future. To meet the rising crime rate, the Swedish Police is expected to increase the number of employees to 36,000 in 2024, up from 33,700 (2021). Expanded operations will require new premises and market players are working intensively with planning and production to meet the increased requirement for premises adapted to the activities of the police, prosecutors, courts and other law-enforcement agencies.

The Swedish National Board of Institutional Care (SiS) is also in need of expansion. Premises are an issue of strategic importance to SiS, and during the year, the agency created a plan to achieve more appropriate premises for clients and staff. SiS's operations are under considerable strain and it has a pressing need for premises that will support the care provided by the agency.

Need for collaboration

The construction of correctional facilities and other secure facilities entails complex processes and requires a high degree of specialised expertise. To meet current and future needs and to shorten lead times, various market players will need to work together – property owners, construction companies, landowners and municipalities. On the initiative of the Government Offices of Sweden,



roundtable discussions were held during the year between market parties, government agencies and politicians to determine how they can work together to meet the increasing need for premises, primarily correctional facilities and remand centres, that current political reforms entail.

Climate and capital

The need for secure facilities is increasing and major investments in new construction and redevelopment will need to be made in the next few years. In addition to capital requirements, a stringent focus on sustainability is requisite to meeting future requirements on energy and climate performance. 2023 was the warmest year on record¹ and the construction and property sector accounts for a large share of global emissions. Decelerating the temperature increase to keep it below 2 degrees requires an acceleration of sustainability efforts and collaboration between various market players.

In December 2023, the EU reached a preliminary agreement on a directive on the energy performance of buildings aimed at reducing

energy use and climate impact.² Among other measures, energy efficiency requirements will be imposed on existing buildings. A survey will be conducted of Specialfastigheter's property holdings and measures will be taken to meet the new requirements.

Like the property market in general, the market for public sector properties has been impacted by inflation and higher interest rates, which has made financing more difficult and expensive. Companies in the market that have expanded significantly in recent years, with higher loan-to-value ratios as a consequence, have been faced with financial challenges in 2023. This has impacted the sector as a whole and led to a historic decline in market activity, with only a few completed property transactions.

¹ <https://climate.copernicus.eu/copernicus-2023-hottest-year-record>

² <https://www.regeringen.se/pressmeddelanden/2023/12/preliminar-overenskommelse-om-byggnaders-energianvandning-i-eu/>



About Specialfastigheter

CEO's statement

Operating environment

High demand for secure facilities in troubled times

[Case: Joint property development to meet changing needs](#)

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

CASE | SWEDISH NATIONAL BOARD OF INSTITUTIONAL CARE



Specialfastigheter owns the majority of the properties that the Swedish National Board of Institutional Care (SiS) rents for its operations. For the customer, changes in society have entailed a sharp increase in the number of clients, particularly in juvenile care homes, where the care requirements are changing and becoming increasingly complex, and for which additional security measures are also required.

Joint property development to meet changing needs

Jointly with the customer, Specialfastigheter plans and implements the extensive development of the properties to increase their functionality and security, which creates conditions conducive to providing good care, as well as more efficient operation and management.

Prioritised property development

Specialfastigheter's property holdings for the customer currently comprise more than 30 management units spread throughout Sweden. The buildings are of a varying nature, in terms of size and condition. Jointly with SiS, Specialfastigheter wants to improve the quality and safety of the 15 properties that have been assessed as being the organisation's most strategic long-term properties. Five of these are prioritised for property development in the near future – the Klarälvsgården, Ljungbacken, Nereby, Tysslinge and Folåsa juvenile care homes.

Redevelopment and new construction at several locations

A juvenile care home requires different types of premises that support the SiS's requirements for conducting its activities. In addition to accommodation, there is a need for, for example, school buildings with classrooms, sports and arts and crafts rooms, and administration buildings for the staff. In Nereby, near Kungälv, construction has already commenced for two residential sections and a new school building. In Långanäs, the first turf was cut in autumn for the construction of a new accommodation block and a school, while existing buildings in the area are under redevelopment. Work is also under way on renovations, redevelopment, detailed development plans, security-enhancing measures and feasibility studies for various buildings under several management units. Specialfastigheter has, jointly with SiS, developed standard accommodation buildings and schools in order to streamline the construction process.

In the image: Piling work for a new independent double-department and a new school building at SiS Långanäs.

“Specialfastigheter has, jointly with SiS, developed standard accommodation buildings and schools in order to speed up and streamline the construction process.”



About Specialfastigheter

CEO's statement

Operating environment

The offering

Offering of sustainable and secure properties

Four types of security for a safe society

More tools and processes to support security

Case: "Security culture must be continuously maintained"

Customers with societally vital operations that require secure premises

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

Download print-friendly PDF [↗](#)



The offering

About Specialfastigheter

CEO's statement

Operating environment

The offering

Offering of sustainable and secure properties

Four types of security for a safe society

More tools and processes to support security

Case: "Security culture must be continuously maintained"

Customers with societally vital operations that require secure premises

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

Offering of sustainable and secure properties

Specialfastigheter has a unique offering for customers with special requirements on security for their properties. We define current and future requirements in close collaboration with our customers. Specialfastigheter is an important player in society with the ambition to be exemplary in its efforts to achieve security and sustainable development.

Dialogue and collaboration

Specialfastigheter offers secure, functional and efficient premises that allow customers to focus on their societally vital tasks. Collaboration between property owners and tenants is the key to conducting and developing successful property operations. Specialfastigheter designs the secure facilities of today and tomorrow through a deep understanding of its customers' operations and through a proactive dialogue with them. In 2023, the company invested about SEK 5.5 billion in redevelopment, extensions and new construction projects, excluding maintenance. Demand for secure facilities continues to be high. To shorten lead times and streamline the construction process, Specialfastigheter has, jointly with its largest customers, developed several standard buildings – generally designed building models based on the requirement that they meet the lowest level, SGBC Silver – that are adapted to the customers' various operations. It is crucial for a successful business to collaborate closely both within the organisation and with partners. The company thus takes a proactive approach to sourcing and competence supply, with respect both to its own employees and to external business partners.

Safety in focus

What sets Specialfastigheter apart from most other property companies is the nature of its property

portfolio and the stringent security requirements of its customers. This security aspect permeates our entire business and has been part of it since the company was founded in 1997. Our ambition to be Sweden's leading property company in the field of security is reflected in our extensive investments and initiatives in four different areas of security – read more on pages 14–15.

Security-vetted personnel

For customer and security reasons, the properties are essentially managed with our own staff, and all employees undergo security vetting prior to employment. Employees also sign confidentiality and access agreements. Security is always a top priority with new builds, extensions and redevelopment – for example, those who work at the company's construction sites may, in addition to signing the confidentiality and access agreements, require security clearance.

Assets requiring protection

Protecting customers' and the company's own information assets is of the utmost importance. "Information assets requiring protection" not only refers to the information itself – such as drawings – but also to the IT resources required for managing it, such as databases, IT systems and computers.



Certification within the area of information security

Specialfastigheter is certified in accordance with the current information-security management system, ISO/IEC 27001:2013. Customers must always be able to rely on us and feel safe with Specialfastigheter as the property owner.

Climate and biodiversity

Specialfastigheter works proactively to make its operations sustainable from a social, environmental and governance perspective, and sustainability is naturally integrated into everything we do. The company's ambition is to be a model of sustainability and to be at the forefront of initiatives to reduce adverse climate impact and to protect and strengthen biodiversity at the company's properties. The climate transition involves both reducing greenhouse gas (GHG) emissions from the company's operations and adapting its buildings to a changing climate. Success within these two areas is contingent on consensus and dialogue with the company's stakeholders, primarily customers and suppliers, as the risks and opportunities in the value chain are greatly impacted by joint action.

Specialfastigheter offers, among other things:

- Operational reliability around the clock.
- Secure management of assets requiring protection (operations ISO certified in information security).
- Certification in accordance with ISO 14001 environmental management system and continuous improvement in the environmental field.
- Long-term planning through stable state ownership.
- Extensive experience in complex and secure property projects.
- Security-vetted employees who undergo continuous competence development.
- Extensive knowledge of protective security legislation and agreements.

[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)**The offering**[Offering of sustainable and secure properties](#)[Four types of security for a safe society](#)[More tools and processes to support security](#)[Case: "Security culture must be continuously maintained"](#)[Customers with societally vital operations that require secure premises](#)[Sustainable operations](#)[The properties](#)[Administration Report](#)[Corporate governance](#)[Financial statements and notes](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

Four types of security for a safe society

Specialfastigheter's vision is to offer secure properties for a safe society. In order to fulfil our mission and achieve our vision, our primary focus is on the safety and security of people, operational maintenance, information and physical activities.

**Personal security**

The area of personal security comprises the safety and security of our employees, partners and customers, with a focus on those who work in particularly vulnerable environments. Specialfastigheter continuously trains employees in dealing with threats and violence in the work environment. The company's incident-reporting system provides extensive knowledge of risks and promotes proactive work on preventive measures.

Personnel vetting is also managed in this area – loyalty and reliability among employees and suppliers' personnel are vetted from a security perspective before they are allowed to participate in the company's operations.

**Operational reliability**

Many of the company's properties fulfil important societal functions and require a high level of operational reliability around the clock. This imposes high demands on robust operating systems, good planning and conscientious employees, which we provide through our own staff who are not only well acquainted with the properties and the technical installations, but also our customers' needs. Within the property organisation, there is also ongoing improvement work to increase security. Another important aspect is backup power, which ensures customers' preparedness for managing power outages without any serious consequences.

**Physical security**

Physical security forms an important part of protecting the operations of the company and our customers. It primarily consists of technical and mechanical security solutions. Specialfastigheter works with security-enhancing measures at existing properties and develops general technical security solutions for future projects. Ensuring the right quality and function from a security perspective requires having the right competence, both internally and at the supplier level.

**Information security**

Protecting both our own and our customers' information assets is a high-priority issue for us. Specialfastigheter must be able to trust that all information — both our own and what we manage on behalf of customers — is accessible when needed, correct and protected against unauthorised access. We work systematically to ensure a high level of awareness and competence in the area of information security throughout the organisation, including through regular training and audits. Our entire operations are ISO certified in the area of information security.

About Specialfastigheter

CEO's statement

Operating environment

The offering

Offering of sustainable and secure properties

Four types of security for a safe society

[More tools and processes to support security](#)

Case: "Security culture must be continuously maintained"

Customers with societally vital operations that require secure premises

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

More tools and processes to support security

Knowledgeable staff who work on the basis of the company's values, systems for risk analyses, continuity planning and incident reporting are all necessary elements in the work of meeting customers' requirements to maintain the highest possible level of security.

Personnel – a success factor

The skills, awareness, interest and commitment of our employees are all factors for success that ensure we succeed in our security efforts. Continuous skills development in the area of security is therefore a natural part of all employees' work. Security is also a central part of the recruitment process. Specialfastigheter has a tried-and-tested concept using a special security assessment that covers all employees and reduces the risk of incorrect recruitment from a security perspective. Contracted external resources who work for the company are also security-vetted. During the year, the company's security unit was expanded with several new employees in order to meet the growing need for secure handling, as entailed by the large project portfolio.

Risk management

By systematically identifying, evaluating and managing operational risks, we gain an understanding of how we can effectively keep them under control. The most significant risks are followed up during the year through regular management reviews, as well as once a year or as needed, by the Board. The international risk management standard ISO 31000:2018 guides our work in this area. Read more about risk management on page 44.

Follow-up of incidents

Continually following up on reported incidents means we can create the right conditions for early follow-up of near-accidents, injuries and circumstances that may have a negative impact on assets requiring protection. Read more about incident reporting on pages 30, 46 and 101.

Ethics and values

Specialfastigheter's work is based on the company's values – Specialfastigheter must be a good and reliable business partner. Our sustainability policy, Code of Conduct and equal treatment plan provide the basis for how the company and its employees should act on ethical issues. To ensure that information and knowledge about business ethics is accessible in the organisation, we conduct training courses for employees. An external whistle-blower function is in place for anonymously reporting irregularities or improprieties within the company. A total of five cases were received in 2023, of which two met the criteria for whistleblowing. Both cases were handled in accordance with whistleblowing procedures.

Continuity planning

Continuity planning is based on the company's most important core processes and support processes. These are the processes that must be prioritised when returning to normal or other decided level of operation in the event of breakdowns or catastrophe.



Actions in the field of security during the year:

- In 2023, the security unit received increased resources and reinforced expertise.
- All employees are continuously trained in information security and during the year, targeted investments were made in internal training to further raise awareness about information security.
- Training in the prevention of threats and violence at the workplace was provided to employees who work in vulnerable environments.
- Training in project security was provided to project managers and other key functions, including any consultants concerned.
- Training in anti-corruption for all employees in connection with employee days.



About Specialfastigheter

CEO's statement

Operating environment

The offering

Offering of sustainable and secure properties

Four types of security for a safe society

More tools and processes to support security

Case: "Security culture must be continuously maintained"

Customers with societally vital operations that require secure premises

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other



CASE | SECURITY

Patrik Nyberg
Head of Security, Specialfastigheter

Patrik Nyberg joined Specialfastigheter as the Head of Security in early 2022. Previously, he had worked as a security specialist for, among others, the Riksdag Administration, the National Police Board and Svenska kraftnät. But his interest in security issues was sparked much earlier.

"Security culture must be continuously maintained"

Specialfastigheter has grown in 2023. How does that affect the work of the security unit?

"Numerous factors have an impact on how well an organisation's security work functions. One of the most important things, and perhaps also the most difficult thing, is to get all employees involved. It is one thing to set the organisation-wide requirements that shall apply, but another thing to ensure that each employee will take them to heart and abide by the requirements without perceiving it as adversely impacting their work performance. One of the objectives of our security efforts is for employees to incorporate security as a natural part of their day-to-day life and work methods, thereby nurturing a good security culture, which is easier to achieve if there is an understanding of why the security requirements are being imposed. This requires that employees receive training and information on the subject. Our greatest challenge at the moment is to maintain and develop the good security culture that we already have at Specialfastigheter, and we will be working extensively with this, going forward. Although the commitment and understanding of our employees is already in place, the security culture must be continuously maintained."

The company frequently talks about four types of security. Why is that?

"All four of our security areas – personal security, operational reliability, physical security and

information security – are of equal importance. In the security unit, our focus at the moment is on finding a common thread – how we work internally must be consistent with the requirements we set within projects or property management. Security must permeate all stages of our operations, from the start to the end of a project, for example, and particularly how we discuss these issues with customers."

Is your work as Head of Security here very different from your previous assignments?

"I benefit greatly from having previously worked with similar societally vital and security-sensitive organisations. The importance of having a high awareness of security and ensuring that we can conduct operations efficiently and also securely, is something I am familiar with, and which motivates me. What engages me is being able to work with societally vital and security-sensitive operations that help to keep Sweden safe. 'This is truly important,' as I often say. The high pace at which we now need to build imposes new demands on us, with respect to our risk-assessment work and the compensatory measures we need to take. It is important that the organisation is involved in discussing these issues, so my unit can contribute with the security perspective."

Why did you choose to work in the field of security?

"Actually, it all started back when I was working as a locksmith for a friend's grandfather in 1995. A few years later, I obtained a master locksmith certificate and then began studying computer science and systems science with a focus on security. Systematic security work has grown into

something I find very interesting – for example, performing analyses at customer sites to define what level of security they need, ensuring that our own systems are sufficiently secure, or figuring out how we can ensure that an operation has a sufficiently high level of security over time."

About Specialfastigheter

CEO's statement

Operating environment

The offering

Offering of sustainable and secure properties

Four types of security for a safe society

More tools and processes to support security

Case: "Security culture must be continuously maintained"

Customers with societally vital operations that require secure premises

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

Customers with societally vital operations that require secure premises

Specialfastigheter's customers are consistently government agencies with vital societal functions, whose operations impose special requirements on security. Many of them are secure sites.

Secure facilities – this is what Specialfastigheter has been working with daily, for more than 25 years. The company has built extensive expertise in this area – autonomously and in collaboration with suppliers and customers. Customers often need specially adapted, secure premises that will function today and in the future. Close, long-term partnerships ensure that the properties provide the best possible support for the customers'

work, so that their societally vital operations can be conducted safely and securely and with high operational reliability around the clock. Our customers are located throughout the country and some of the largest are the Swedish Prison and Probation Service, the Police, the National Board of Institutional Care, the Swedish Armed Forces and the Swedish Defence Materiel Administration.



Examples of our customers							
							



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

Our business – secure, sustainable properties

Long-term benchmarking

A strong position within secure facilities

Sustainable value creation through collaboration

Sustainable value chain

A property-management and property-development company

Sustainable properties and sustainable construction

Case: Opportunities to save both time and money through reuse

Clear action plan for the climate

Employees are vital to growth

Case: "I learn something new every day!"

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

Download print-friendly PDF [↗](#)



Sustainable operations

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering

Sustainable operations

Our business – secure, sustainable properties

Long-term benchmarking

A strong position within secure facilities

Sustainable value creation through collaboration

Sustainable value chain

A property-management and property-development company

Sustainable properties and sustainable construction

Case: Opportunities to save both time and money through reuse

Clear action plan for the climate

Employees are vital to growth

Case: "I learn something new every day!"

- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Our business – secure, sustainable properties

Our vision: Secure properties for a safe society.

Our business idea: Specialfastigheter owns, develops and manages secure facilities. We offer long-term, sustainable business propositions for customers with special security requirements.

Strategic target areas



Operations



Value created for stakeholders

- Customers**
Secure, efficient and sustainable properties and a high level of service
- Investors**
Stable and sustainable investment, and solid long-term yields
- Owner**
Long-term sustainable value growth
- Suppliers**
Strategic collaboration, human rights and sustainability development
- Employees**
Job opportunities, good work conditions, skills development and equal treatment
- Community**
A safer and more secure society for citizens and the protection of crucial societal functions

Impact on society and the climate

Our material sustainability areas



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering

Sustainable operations

Our business – secure, sustainable properties

Long-term benchmarking

A strong position within secure facilities

Sustainable value creation through collaboration

Sustainable value chain

A property-management and property-development company

Sustainable properties and sustainable construction

Case: Opportunities to save both time and money through reuse

Clear action plan for the climate

Employees are vital to growth

Case: "I learn something new every day!"

- The properties
- Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

Long-term benchmarking

Specialfastigheter's vision – secure properties for a safe society – is the basis of the company's strategic target areas and long-term benchmarking.

Strategic target areas	Overall targets	Target, 2023	Result, 2023	Target, 2024	Target, 2027
Best at secure facilities	<p>We meet the market's needs for secure facilities through growth, concept development and our expertise.</p> <p>Invest a significant portion of earnings in secure facilities.</p>	Invest at least SEK 4 billion	<p>Invested SEK 5,488 million²</p> <p>✓</p>	Invest at least SEK 4 billion	2024–2027 invest at least SEK 3 billion per year
Exemplary sustainability standards¹	<p>Specialfastigheter reduces climate emissions in line with the Paris Agreement and must achieve net-zero emissions by 2045.</p> <p>Reduce absolute emissions in scope 1 and 2 by 50% by 2030 (with 2018 as base year).</p>	Reduction to 2,450 tonnes	<p>2,456 tonnes³</p> <p>✗</p>	Reduction to 2,450 tonnes	Reduction to 2,350 tonnes
	<p>In our investments, we reduce scope 3 emissions per square metre GFA by 50% by 2030 (with 2018 as the base year).</p>	Reduce the CO _{2e} per square metre of GFA by 15% for our standard buildings	<p>Reduction of at least 15%⁴</p> <p>✓</p>	–	Reduce the CO _{2e} per square metre of GFA by 35% for our standard buildings
	<p>Specialfastigheter attracts and retains the right skills for the assignment.</p> <p>Elevated eNPS * (* eNPS, employee Net Promoter Score, indicates the willingness of employees to recommend their workplace to a friend or acquaintance).</p>	eNPS at least 11	<p>eNPS 16</p> <p>✓</p>	–	eNPS at least 15
Long-term profitability	<p>Our operations are managed commercially and generate market returns.</p> <p>The return on operating capital shall total at least 5% over time.</p>	At least 5% over time	<p>5%</p> <p>✓</p>	5%	5%
	Equity/assets ratio in the range of 25–40%.	25–40%	<p>32%</p> <p>✓</p>	25–40%	25–40%

¹ The previous target areas "Responsibility for the environment and climate" and "Proactive skills sourcing" have been consolidated into "Exemplary sustainability standards."

² Investments including maintenance totalled SEK 5,733 million.

³ The outcome for 2023 including emissions from refrigerants, as well as company cars and service vehicles, was 2,580 tonnes of CO_{2e}.

⁴ Based on the evaluation of the building type, Standard building B and planned actions, the total reduction is estimated to be at least 15%.

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering

Sustainable operations

- Our business – secure, sustainable properties
- Long-term benchmarking

A strong position within secure facilities

- Sustainable value creation through collaboration
- Sustainable value chain
- A property-management and property-development company
- Sustainable properties and sustainable construction
- Case: Opportunities to save both time and money through reuse
- Clear action plan for the climate
- Employees are vital to growth
- Case: "I learn something new every day!"

- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

A strong position within secure facilities

With stable customers and long leases, high creditworthiness and thereby a high credit rating, and with its well-managed property holdings and unique position in secure facilities, Specialfastigheter is attractive to investors.

Stable and long-term customers

Nearly all customers are government agencies with important societal functions. They constitute a stable customer base with low credit risk that provides secure cash flows.

Long leases

The majority of Specialfastigheter's leases are signed with public-sector operations and have long leases that can run for up to 25 years. The average remaining contract term in the rental portfolio is 10.5 years.

Low vacancy rate

There remains a strong and growing demand for the company's premises, which has contributed to a low vacancy rate. Specialfastigheter develops its property holdings in collaboration with its customers. Investment projects are implemented only after agreements have been signed with the customer.

High credit rating through state ownership

As one of the Swedish state's wholly owned companies, Specialfastigheter has a stable, long-term owner. The company is administrated by the Government Offices of Sweden, which pursues active corporate governance.

Highest credit rating of all Swedish property companies

Since 2005, Specialfastigheter has had a credit rating of AA+ with a stable outlook in the long term, and A-1+ in the short term, as well as a credit rating of K-1 in accordance with Standard & Poor's Nordic regional scale for short-term borrowing. The company had this rating reconfirmed in 2023. Specialfastigheter's highest credit rating among all Swedish property companies is based on the company's unique position as a landlord of secure facilities, our low business risk profile with a highly stable and predictable cash flow based on long-term leases to government agencies, as well as our strong liquidity and the fact that the Swedish state

is our owner. The loan-to-value ratio was 52.5% on 31 December.

Stable equity/assets ratio

The owner's equity/assets ratio target is expressed as an interval between 25% and 40%. The outcome as of 31 December was 32%. The equity/assets ratio decreased compared with the preceding year due to an increased investment volume, and consequently, the company's loan-to-value ratio also rose in 2023.

Sustainability and benefits to society

Sustainability matters are a natural part of the company's business model and long-term strategy. Specialfastigheter has signed up to the UN Global Compact and the company's core values and Code of Conduct are based on the Global Compact's Ten

Principles, and serve as guidelines in our day-to-day work. Specialfastigheter works consciously to contribute to the transformation required to achieve the 2030 Agenda for Sustainable Development in the areas where we have the greatest influence. We set requirements for our suppliers and collaborate with them to create cost-effective and sustainable supply chains. An obligatory Code of Conduct, assessments and audits, together with a strong dialogue, all form the basis of long-term, mutually beneficial supplier collaboration.

Greener loans

The company's green framework enables investments in projects with a clear environmental sustainability profile. During the year, Specialfastigheter issued SEK 1,126 million in new green bonds.

Property portfolio strategies

Specialfastigheter offers properties that feature high security and a clear focus on sustainability for societally vital operations. We own, manage and develop properties for operators with requirements on high security and confidentiality, and a need for specially adapted premises.

Our property portfolio

The long-term goal for Specialfastigheter's property portfolio is for the properties – which features premises for customers in long-term partnerships who require secure facilities – to generate sustainable long-term yields. The properties should be in locations deemed to be strategic and the buildings should be adaptable, efficient and sustainable over time.



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering

Sustainable operations

- Our business – secure, sustainable properties
- Long-term benchmarking
- A strong position within secure facilities
- [Sustainable value creation through collaboration](#)
- Sustainable value chain
- A property-management and property-development company
- Sustainable properties and sustainable construction
- Case: Opportunities to save both time and money through reuse
- Clear action plan for the climate
- Employees are vital to growth
- Case: "I learn something new every day!"

- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Sustainable value creation through collaboration

For Specialfastigheter, it is of utmost importance that all aspects of our operations are pursued and developed in a sustainable manner. The company's two sustainability areas of highest priority are Climate and Energy, and Biodiversity.

Sustainability areas	Why material?	Long-term target
Climate and energy	The production of materials, construction and energy use in the operation of properties results in considerable Greenhouse gas (GHG) emissions. The type of energy and efficiency of the energy we select, whether related to suppliers, projects and our properties, has an impact on GHG emissions. Extreme weather induced by climate change can adversely impact our properties and their value, as can energy performance, if it fails to meet customer requirements and general sustainability standards. Higher energy costs and potential electricity shortages can have financial consequences.	Absolute reduction of CO ₂ emissions in scope 1 and 2 by 50% between 2018 and 2030. Reduction of CO ₂ emissions in scope 3 by 50% per built square metre of GFA between 2018 and 2030, and overall net-zero emissions by 2045. Reduce purchased energy by 20% per square metre Atemp by 2030, compared with our base year of 2012.
Biodiversity	The company is a major land and forest owner. Land utilisation and property management has an impact on natural ecosystems and risk changing or destroying significant habitats. The destruction of nature-conservation values and ecosystem services can adversely impact our properties, such as through extreme weather.	Strong biodiversity at all of our properties.
Materials and waste	Large amounts of materials in the course of our operations. Our selection of materials is relevant to the environment, climate and people's health. There is a significant amount of waste, including hazardous waste, from construction and demolition. Fluctuations in material prices and disruptions to the supply chain can result in cost increases and project delays.	At least 80% of registered materials in SundaHus' environmental database must be rated A or B. Combustible waste must be minimised and constitute a maximum of 15% of construction waste.
Work environment	There is a considerable risk of work environment injuries in the supply chain. Health and safety are crucial to our ability to be an attractive employer and purchaser, and to deliver quality. Shortcomings in the work environment can impact Specialfastigheter's reputation as an employer and purchaser.	Elevated eNPS (employee Net Promoter Score). Zero accidents within our construction projects
Human rights	There is a risk of violations of human-rights, including equal treatment and sound working conditions, in the long and complex supply chains of the construction industry. Equal treatment and diversity make the industry and Specialfastigheter more attractive and sustainable. Human rights violations can impact the company's reputation as an employer and purchaser.	Increased share of employees with foreign backgrounds. The Supplier Code of Conduct constitutes the contractual terms and conditions of the central framework agreement.
Anti-corruption	The property sector entails risks as it involves major investments and complex transactions with many parties involved. As project volumes increase, so do the risks of irregularities. Incidents of corruption can impact Specialfastigheter's reputation as an employer and purchaser.	Zero cases of corruption.

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering

Sustainable operations

- Our business – secure, sustainable properties
- Long-term benchmarking
- A strong position within secure facilities
- Sustainable value creation through collaboration
- Sustainable value chain
- A property-management and property-development company
- Sustainable properties and sustainable construction
- Case: Opportunities to save both time and money through reuse
- Clear action plan for the climate
- Employees are vital to growth
- Case: "I learn something new every day!"

- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Sustainable value chain



Sustainability and influence in our value chain

Specialfastigheter's operations affect, and are affected by, a range of sustainability areas throughout the properties' lifecycle, from planning and construction to management, redevelopment and demolition. We therefore take active steps to reduce our negative impact and increase our positive impact, both in our operations and in other parts of the value chain. Strategic collaboration and dialogues with stakeholders, as well as requirements placed on our contracted suppliers, are important parts of these efforts. One major challenge is to increase our influence further down the supply chain. Collaboration with suppliers is vital in this regard.

Degree of influence: Small, medium, large

CONCEPT AND PLANNING

1 Requirements governing design, functionality and building materials – important factors for environmental impact – are defined here.

MATERIAL SUSTAINABILITY MATTERS

- Greenhouse gas emissions
- Energy use
- Biodiversity
- Materials and chemicals
- Work environment

INFLUENCE

Collaboration with customers and suppliers, as well as setting requirements specifications at the early stage, to enable influence.



PRODUCTION OF CHOSEN MATERIALS

2 Extraction of raw materials, transportation, processing and manufacture in the supply chain.

- Greenhouse gas emissions from extraction and production
- Resource usage
- Biodiversity when extracting raw materials
- Human rights
- Work environment

Requirements on and follow-up of the supply chain.



CONSTRUCTION

3 Transportation to building sites, establishment, construction and waste.

- Greenhouse gas (GHG) emissions from transportation and establishment
- Waste and reuse of materials
- Biodiversity
- Human rights
- Work environment
- Anti-corruption

Project-specific sustainability targets and collaboration with other parties throughout the construction phase. Requirements on and follow-up of the supply chain.



OPERATIONS AND PROPERTY MANAGEMENT

4 Use, maintenance, redevelopment and operation of the property.

- GHG emissions from energy use and redevelopment
- Energy optimisation
- Waste and reuse of materials
- Biodiversity
- Work environment

Collaboration with customers on green action plans and media dialogues. Requirements on and follow-up of the supply chain.



PHASE-OUT

5 Dismantling, demolition and transportation of building elements for reuse, recycling or landfill.

- GHG emissions from transportation and waste product management
- Waste and reuse of materials
- Materials hazardous to health and the environment
- Human rights

Requirements for reuse and disassembly.



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering

Sustainable operations

- Our business – secure, sustainable properties
- Long-term benchmarking
- A strong position within secure facilities
- Sustainable value creation through collaboration
- Sustainable value chain
- [A property-management and property-development company](#)

- Sustainable properties and sustainable construction
- Case: Opportunities to save both time and money through reuse
- Clear action plan for the climate
- Employees are vital to growth
- Case: "I learn something new every day!"

- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

A property-management and property-development company

Specialfastigheter owns, develops and manages secure facilities. The past few years have been characterised by large investment volumes and a change in the company's core activities, from being primarily a property-management company to being both a property management and development company. Given the significant impact of the construction and property sector on sustainability, the company is working systematically and proactively with measures to reduce emissions and secure property values.

Growing property portfolio

Since its inception in 1997, Specialfastigheter's operations have largely pertained to managing properties owned by the company. The company has designed its organisation, structure and work methods around these conditions. Demand for secure facilities – for additional and adaptable premises – rose sharply in 2022, mainly driven by the Prison and Probation Service's requirements. The demand has grown further in 2023. In this regard, Specialfastigheter has seen opportunities to meet demand by developing the property portfolio and creating greater value. Specialfastigheter has a large number of new construction, redevelopment and extension projects in the planning and production phase, for which the approved investment volume at year end totalled approximately SEK 29 billion. The large growth volume during the year has entailed a restructuring of the company and required structural measures such as a review of the organisation, streamlining work processes as well as securing skills and staffing. In conjunction with the increasing project volume, work is also underway to optimise operations at the properties, including through monitoring, quality assurance and harmonising work methods between the different property areas.

Intensified focus on skills sourcing

With the large volume of projects and growing property holdings, resourcing is critical to the success of the entire company. In areas that are critical to operations, Specialfastigheter strives to have its own staff in place, with the best expertise in secure properties and to collaborate closely with leading players in the market. The properties are located throughout the country and projects are ongoing simultaneously in many different locations in Sweden. Consequently the need for resource provision is also distributed across the country. During the year, all of the company's departments were developed and expanded – the number of employees increased 25% to a total of 258 employees. Specialfastigheter has specialists in numerous disciplines, such as product development, security, property operations and property management, as well as construction, electricity, the environment, energy and property automation.

Property management that provides customers with the best possible conditions

The goal of Specialfastigheter's operation and management is to provide customers with the best possible conditions to conduct their societally vital operations, and to manage the properties so that they retain their value. Specialfastigheter is noting a general trend of customers demanding



additional property services so that they can focus more on their core operations.

Property management and operations are planned in collaboration with the customer. Specialfastigheter's starting point is to manage properties using in-house staff – proceeding from a customer-security perspective. Many of our customers have security needs in several areas – people, operations, information and physical (read more on page 14) – which requires employees specialised in security, in addition to those required for regular property management and operations. Regardless of the geographical spread – with properties located from Ystad to Haparanda – and in some cases the small scale of the properties, Specialfastigheter's goal is to offer quality service close to the property, at all locations.

Maintenance secures property values

The most important aspect of property management work is to offer a high level of property service to customers in their operations. At the same time, Specialfastigheter, as the property owner, needs to create conditions conducive to efficient, sustainable and long-term property ownership. The maintenance of buildings is central to our success and in this regard, we work hard to have good short-term and long-term plans in place. Customers' operations require flexibility,

whether in the planning or implementation of property-management assignments.

Specialfastigheter has a strong focus on property maintenance, which is usually undertaken in connection with adaptations to the customer's operations or in major development projects. Planning is key to minimising disruptions to customer operations, which is why various measures for a property are often coordinated. Furthermore, good planning allows for minimising the impact on the land and on biodiversity.

High operational reliability around the clock

A high level of operational reliability around the clock is a prerequisite since many of the company's properties fulfil vital societal functions. The company meets these requirements by having its own personnel, who are not only well acquainted with the properties and the technical installations, but also with customers' needs. To ensure operational reliability, Specialfastigheter has processes and support in place for managing urgent matters around the clock. We have a uniform structure for supervision, management and systematic fire prevention at all of our properties to enhance efficiency, security and quality.

Improved Customer Satisfaction Index (CSI) – far above average

The most recent CSI survey was compiled in late 2023 and showed a score of 74, which is well above the industry average of 65 and an improvement over the 2021 survey. Specialfastigheter received the very best rating – a score 83 – in the areas of customer care and personal service. During the year, the property department continued to work on delivering effective property management services and maintaining good customer dialogues, with a special focus on modifications for customers.

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering

Sustainable operations

- Our business – secure, sustainable properties
- Long-term benchmarking
- A strong position within secure facilities
- Sustainable value creation through collaboration
- Sustainable value chain
- [A property-management and property-development company](#)
- Sustainable properties and sustainable construction
- Case: Opportunities to save both time and money through reuse
- Clear action plan for the climate
- Employees are vital to growth
- Case: "I learn something new every day!"

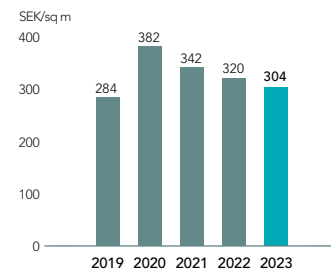
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Property automation and energy optimisation

Property automation, which controls ventilation and heating, has a crucial role in providing functional comfort in the buildings. Reliable digital technology that controls the properties' climate systems enables optimisation and energy-efficient operations. However, digitalisation also entails that the risk of intrusion must always be taken into account. Consequently, information security is one of the company's highest priority areas in terms of security (read more on pages 15, 46 and 52).

Our strategy for property automation includes the goal to create favourable conditions to control, monitor and to follow up areas such as energy use and related GHG emissions at our properties. Property automation allows for a considerable amount of work to be performed remotely, which in turn saves time and transportation, and provides superior operational reliability. In 2023, several pilot projects were launched, and the company-wide property-automation project that was launched in the preceding year entered its next phase. Its focus is to increase the opportunities for optimising control and enhancing energy efficiency, while improving operational reliability and helping to achieve the company's climate goals.

Maintenance expenses



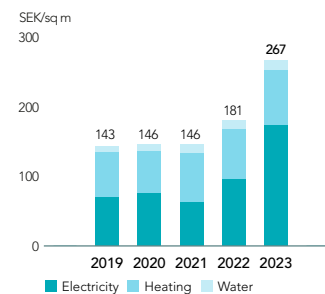
For the past few years, we have invested heavily in maintaining a high standard at our properties. Despite the ongoing high maintenance rate, we have also focused on modifications for customers in 2023.

Ultimately, the ambition is to work with a higher degree of digitalisation in property management. The project involves large parts of the business, including IT, Property, Projects and Technology. The pilot projects are aimed at highlighting areas such as processes and governing documents, delivery follow-up, digital inspections and local risk-and-vulnerability analyses.

We continued our systematic work to reduce energy use during the year. The target for 2023 was to either reduce or maintain the preceding year's use of electricity, heating, cooling and water. However, additional buildings, an increased need for heating due to a cold winter and double occupancy at many correctional facilities, have resulted in a greater need for purchased energy (electricity, cooling and heating) and the outcome for 2023 was 194.3 (190.6) kWh per sq m Atemp¹.

The continuing high occupancy rate for some of our customers has also resulted in an increase of 678.8 (611.8) l/sq m Atemp in water usage. Although energy efficiency measures and energy optimisation are important for reducing GHG emissions, an even greater effect would be gained from phasing out the fossil fuels used internally and by district-heating providers. With the base year

Media costs



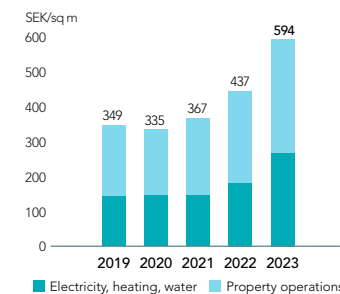
Media costs have increased due to higher energy prices and higher electricity usage in our operations.

of 2018 as a reference point, Specialfastigheter has reduced its GHG emissions from purchased energy by 45% under scope 1 and 2. However, the company's target of reducing scope 1 and 2 emissions in absolute terms to 2,450 tonnes CO₂e was not achieved in 2023. The outcome was 2,456 tonnes CO₂e, mainly due to an increase of floor space in our property holdings and a greater need for heating during the year.

Operation and maintenance expenses

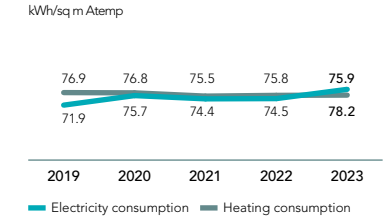
Working together with our customers to optimise energy efficiency and operations is crucial to retaining a low cost base, as electricity, heating and water account for most of our operating expenses. Specialfastigheter's maintenance expenses differ from many other property companies in that they frequently include internal maintenance and other security installations. Operating expenses for 2023 amounted to SEK 594 per square metre (437) and maintenance expenses to SEK 304 per square metre (320). Operating expenses rose mainly due to an increased need for snow removal, as well as some major damage that has resulted in higher costs for corrective maintenance. Energy prices have also risen.

Operating expenses



Operating expenses rose mainly due to an increased need for snow removal, as well as some major damage that has resulted in higher costs for corrective maintenance. Energy prices have also risen.

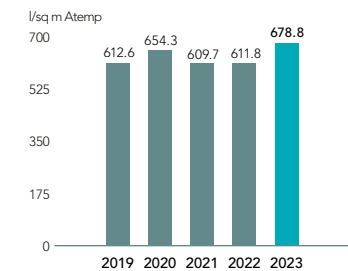
Electricity and heating consumption



Electricity use rose 3.1% year-on-year and was largely attributable to the higher electricity use among customers. Although electricity use decreased due to high electricity prices, it is now largely back to 2020 levels. The use of heating increased 0.6%, which is a relatively small increase, when considering that water consumption rose due to double occupancy in many correctional facilities.

¹ As a consequence of a change of energy-monitoring systems during the year and the fact that figures for energy use in properties where tenants have their own energy subscriptions are no longer included, the outcome for 2023 and the base year were adjusted both for energy and for energy-related emissions.

Water consumption



Water consumption rose 11%, mainly due to increased post-pandemic activity and double occupancy in many correctional facilities.

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering

Sustainable operations

- Our business – secure, sustainable properties
- Long-term benchmarking
- A strong position within secure facilities
- Sustainable value creation through collaboration
- Sustainable value chain
- [A property-management and property-development company](#)
- Sustainable properties and sustainable construction
- Case: Opportunities to save both time and money through reuse
- Clear action plan for the climate
- Employees are vital to growth
- Case: "I learn something new every day!"

- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Tougher requirements on the energy performance of buildings

The pressure for change has never been greater for the energy transition of buildings. Stringent EU regulations on energy and finance, changing views on energy use in Europe and high energy prices are creating risks for property owners. Both the EU Taxonomy Regulation and the proposed Energy Performance of Buildings Directive (EPBD) focus on the energy performance of buildings and link the value of the property to its energy performance in a new way. To meet the new and future requirements, the company has identified a range of measures that must be taken, including an evaluation of the current situation of the entire existing building stock, setting targets and action plans for achieving a reasonable level of energy performance, securing the energy-performance status of new productions, and ensuring that the company has sufficient resources and the right expertise in-house and in the supply chain for achieving the set targets.

Media monitoring utilises statistics that can provide comprehensive analyses for each property on an annual basis, and used for in-depth analyses per meter on an hourly basis. The media statistics are imported automatically, but can also be entered manually. Follow-up work may pertain to everything from one-off deviation analyses to comprehensive energy mapping, and is an important tool in the process of fulfilling the Taxonomy Regulation and the EPBD.

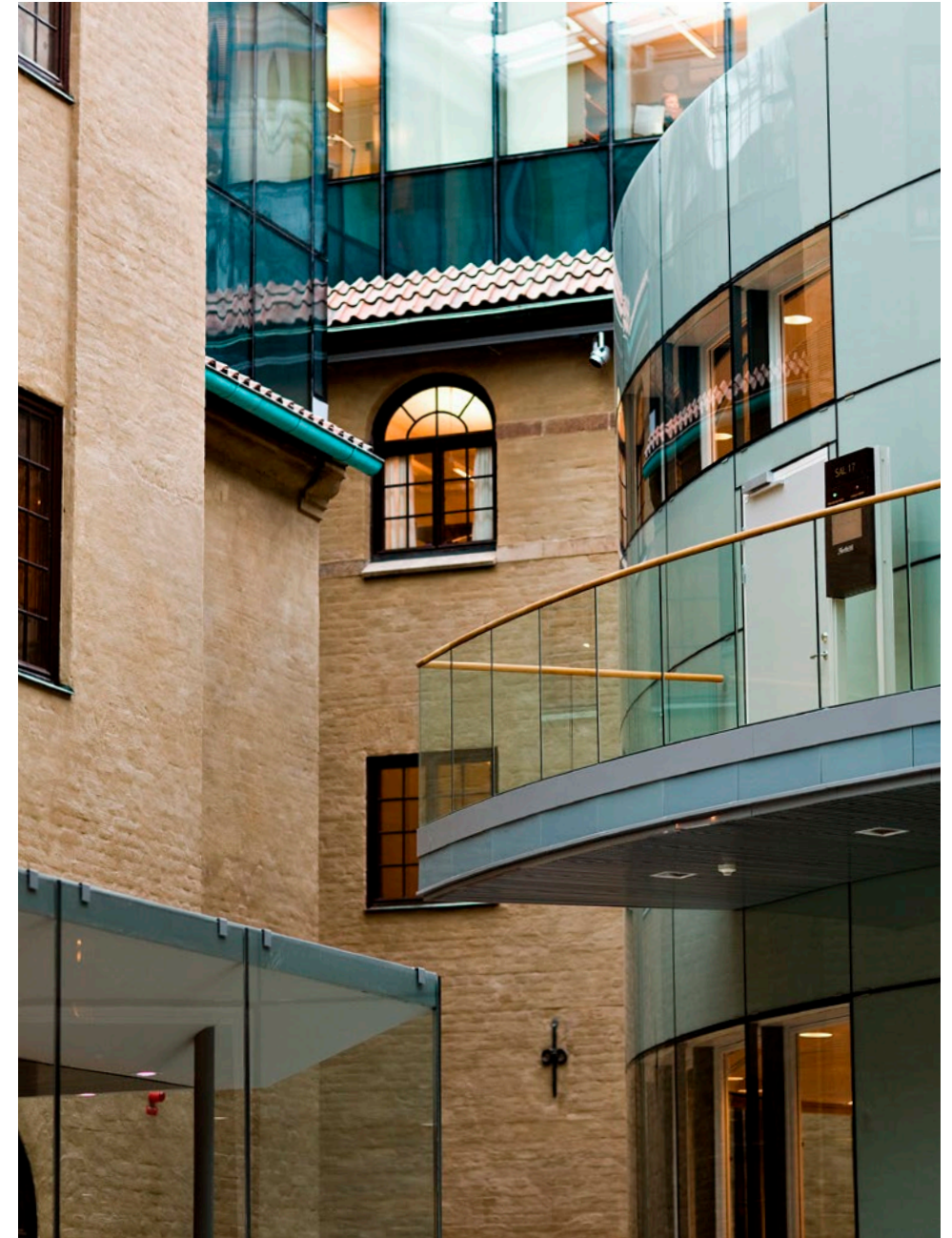
Climate adaptation of properties

Specialfastigheter works continuously with preventive climate-adaptation measures to secure buildings against floods, heat, landslides, forest fires and other events that could have serious consequences for the properties, such as operational disruptions and reduced property values over time. A climate-risk analysis of our entire property holdings has been performed at the per-building level.

Specialfastigheter deems the most potentially damaging climate aspects for the company to be torrential rain, rising water levels in lakes and watercourses, landslides and erosion. The analyses have identified several properties and buildings that should be prioritised in its ongoing efforts with mitigating climate risks and with climate adaptation. In addition, the climate-risk analysis has provided a valuable basis for maintenance plans, property development plans and ongoing projects.

Property department active in projects

Specialfastigheter's large volume of projects, which comprises new construction and redevelopments, requires considerable resources from the company as a whole and particularly the property department. A new building is expected to be used for many years and the longer the lifespan, the more important it is to consider its operation and management during its life cycle. The property department actively participates in the creation of property-development plans as well as project implementation. The amount of customisation has also increased during the year, which imposes new demands on the property department.



[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)

Sustainable operations

[Our business – secure, sustainable properties](#)[Long-term benchmarking](#)[A strong position within secure facilities](#)[Sustainable value creation through collaboration](#)[Sustainable value chain](#)[A property-management and property-development company](#)[Sustainable properties and sustainable construction](#)[Case: Opportunities to save both time and money through reuse](#)[Clear action plan for the climate](#)[Employees are vital to growth](#)[Case: "I learn something new every day!"](#)[The properties](#)[Administration Report](#)[Corporate governance](#)[Financial statements and notes](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

Sustainable properties and sustainable construction

The construction and property sector accounts for approximately 21% of Sweden's GHG emissions, 34% of energy use and 40% of waste.¹ Property operations also utilise land, which impacts natural environments and biodiversity. Consequently, the sector has a considerable impact on the environment. There are also other aspects of sustainability, such as the work environment, human rights in the supply chain and anti-corruption, which are important to Specialfastigheter's operations.

Although Specialfastigheter works proactively with all aspects of sustainability that are significant to the company, due to the urgency of the situation with the climate and biodiversity, it maintains a special focus on these two areas.

Many of Specialfastigheter's suppliers possess valuable knowledge and experience of processes, solutions and materials that contribute to the property's sustainability and lifecycle. By setting clearer requirements, engaging in closer collaboration and investing more in monitoring, we put this knowledge and experience to better use.

Sweden Green Building Council

All new constructions, including the standard buildings developed together with the Swedish Prison and Probation Service and SiS, as well as major renovations, are implemented in accordance with the SGBC certification system, with the goal of attaining at the minimum, the lowest level, Silver. By building according to the requirements of the SGBC, Specialfastigheter can provide buildings with a good energy performance, controlled and approved materials, as well as conditions for thermal climate, good sound environment and air quality – simply put, buildings that are good to stay in and good for the environment. Specialfastigheter takes precautions and measures to prevent, hinder and counteract damage or other setbacks to the environment or health.

Materials and waste

About 8% of health-hazardous chemical products (excluding cement) and about 5% of environmentally hazardous chemical products in Sweden originate from the construction and property sector.¹ The substances can affect both the people in the buildings and the external environment through, for example, emissions from the building materials.

To ensure that Specialfastigheter creates the healthiest living and working environments possible, we utilise SundaHus's environmental database, in which input materials are registered and classified. SundaHus's assessments are based on chemical properties and are divided into classes A–D, where A is the best. Specialfastigheter's goal is for 80% of registered materials to be classified A or B in accordance with SundaHus and that they should meet SGBC's requirements on materials. In 2023, the figure was 81% (77).

Of the total emissions (domestic and imported) from the construction and property management sector, new construction and property management (including renovation, redevelopment and extension and other property-management operations) account for about 75% of emissions, while heating accounts for 25%, assuming that the building lasts 50 years.¹ Therefore, it is important to make climate-smart design and choices of materials early on in the project. Grants from the company's internal climate fund can be applied for to

engender commitment and aid projects in making such choices, and where such choices would entail additional costs that cannot be accommodated in the project budget. Specialfastigheter has established that the climate fund has had a potent catalytic effect on climate-improvement measures in the projects.

To reduce mixed waste from construction projects, the projects have requirements on the maximum permissible percentage of mixed

waste (5%), landfill (5%) and combustible waste (15%). Efforts to reduce the volume of waste in our projects include ordering materials to measure and reusing materials. Materials reuse is a crucial area of development for reducing waste, climate impact and resource utilisation. In autumn, a pilot project was launched with the aim of establishing systematic recycling operations at Specialfastigheter.

¹ Source: The Swedish National Board of Housing, Building and Planning



Three examples of climate-smart construction and material choices during the year

Switching from a steel frame to a wooden frame during the design of a carpentry workshop, which resulted in a saving of 184 tonnes CO₂e (but an additional cost of about SEK 1 million).

In another project, the steel frame was redesigned, resulting in a saving of about 58 tons of steel, which entails about 158 tonnes CO₂e.

Other examples include the use of climate-friendlier concrete, climate-improved asphalt and the reuse of ceilings, bicycle racks and doors.

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering

Sustainable operations

- Our business – secure, sustainable properties
- Long-term benchmarking
- A strong position within secure facilities
- Sustainable value creation through collaboration
- Sustainable value chain
- A property-management and property-development company
- Sustainable properties and sustainable construction
- Case: Opportunities to save both time and money through reuse
- Clear action plan for the climate
- Employees are vital to growth
- Case: "I learn something new every day!"

- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other



Image: The Prison and Probation Service

Åby – reusing an entire correctional facility

Following the fastest-on-record renovation and rebuilding of the former Åby correctional facility southeast of Uppsala, the class 3 facility reopened in September 2023. The facility, which closed in 2013 at a time when the Prison and Probation Service's need for spaces had been declining for several years, was resurrected with redeveloped premises optimised for operations.

The project's renovation and redevelopment activities were distinguished by reuse, and an inventory of everything that could be reused was carried out early on. From the onset, there was a clear ambition in the

project to "reuse everything possible," which also allowed for adhering to the very tight schedule while reducing costs.

Examples of reuse at the Åby correctional facility:

- Windows, outer and interior doors, ceilings.
- Kitchen and wet area fittings: Toilets, sinks, shower panels, mixers, stainless steel worktops.
- Installations: heat pumps, ventilation pipes, circuit breakers, electrical outlets, cabling, distribution boards, cable ducts, evacuation materials.

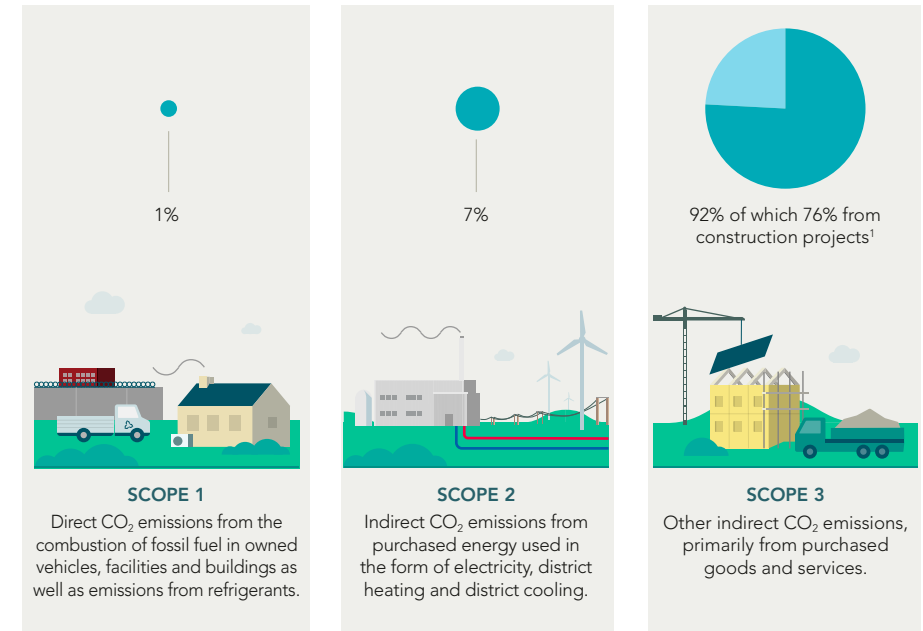
Biodiversity

Biodiversity is under serious threat throughout the world and is closely linked to climate change. Therefore, as a major owner of land and forests, it is important for Specialfastigheter to keep biological diversity in mind when utilising land for new construction and redevelopment and when managing the company's properties. Specialfastigheter works with inventories of nature conservation values and by year-end 2023, 52 such inventories had been performed and 48 nature conservation plans created. With the additional inventories planned for 2024, more than half of the company's property holdings will be itemised, as well as all of the properties that Specialfastigheter currently deems to

be appropriate for such an inventory. Inner-city properties and properties without natural grounds are not deemed to be of interest from a nature-conservation perspective. The nature conservation plans create excellent conditions for the company to safeguard and strengthen biodiversity at the properties.

In 2023, the Swedish-developed measurement tool CLIMB was launched – Specialfastigheter contributed as a project partner. The model is used to calculate the positive and negative impacts on biodiversity primarily associated with changes in land use, which are important to consider in connection with construction projects. The measurement tool will be used in an internal pilot project in 2024.

Highest emission levels in the construction phase



¹ Based on an analysis of Specialfastigheter's total GHG emissions performed by the consultancy Tricorona in 2020.

[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)

Sustainable operations

[Our business – secure, sustainable properties](#)[Long-term benchmarking](#)[A strong position within secure facilities](#)[Sustainable value creation through collaboration](#)[Sustainable value chain](#)[A property-management and property-development company](#)[Sustainable properties and sustainable construction](#)[Case: Opportunities to save both time and money through reuse](#)[Clear action plan for the climate](#)[Employees are vital to growth](#)[Case: "I learn something new every day!"](#)[The properties](#)[Administration Report](#)[Corporate governance](#)[Financial statements and notes](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

Safety in the construction process

The greatest challenge in building secure facilities is the complexity of making all aspects of security work together in the properties, while trying to stay one step ahead of those who would want to exploit any security deficiencies. In many cases, construction is also conducted alongside ongoing operations at the property. The foundation is laid for a property to be secure as early as during the construction stage, which means that everyone who is involved in construction projects needs to understand the importance of adhering to existing plans and instructions. Consultants and contractors who will be working with Specialfastigheters projects are required to undergo various security checks before they are engaged, and they are trained in the relevant security procedures. Specialfastigheter also tries to create awareness, interest and commitment to security issues and the need for protective measures, in order to minimise exposure to risks. Depending on the project's security level, we also perform daily security checks at our company's construction sites.

Work environment and risks

The construction and property sector is an accident-prone sector. This is partly because projects involve the simultaneous implementation of several different tasks by several different contractors, which requires considerable coordination. Furthermore, a large number of people are often carrying out their work at the same time, and the workforce is constantly being replaced, and the risk profile may change from day to day. The risks include falling, collapse, demolition, detonation, hazardous substances and heavy lifting. Specialfastigheter is part of the *Håll nollan* initiative, a membership association comprising organisations from the entire chain within construction and civil engineering, which work together to reduce the number of accidents in the industry. As a member, Specialfastigheter shares the vision that everyone

who works at construction and civil engineering sites must get home safely at the end of each workday. The company works systematically to improve the work environment and regularly monitors project environments through, for example, worksite inspections. Read more on page 101.

Human rights

In the construction and property sector, there are risks of human rights breaches linked to complex global supply chains for building and construction materials, and to construction sites here in Sweden, where it can be difficult to check that these rights are respected. There are regular reports about financial crime and illegal labour within the construction industry. Specialfastigheter conducts specific checks of all contracted suppliers in terms of their finances and company structure, and whether there are any legal judgments linked to the company or to individuals in the company's management. The Code of Conduct for Suppliers includes clear requirements related to discrimination, freedom of association, child labour and forced labour. The Code is followed up through supplier dialogues and audits. In 2023, Specialfastigheter hired *Rättvist byggande* to check the occurrence of, among other things, workplace crime in three of the company's ongoing projects. The results showed one of the three audited projects was completely free of misconduct. This is the result of close collaboration between the tenant, developer and contractor in the project. Specialfastigheter has acquired crucial knowledge about what it can do better, and has been working proactively with the contractors of the two projects where misconduct was detected.

Read more about human rights on page 101.

Focusing on anti-corruption

The project-based structure of the construction and property sector, long supply chains with numerous participants and the large sums of

money involved, make the public-sector construction industry particularly vulnerable to corruption.¹ Preventing and counteracting corruption in all its forms is crucial for the trust of Specialfastigheters customers, suppliers and other stakeholders. Specialfastigheter has several governing documents, including an internal Code of Conduct and instructions on hospitality, which clearly state that the company does not tolerate corruption in any form. Specialfastigheter also has a supplier code of conduct, which forms the contractual content of central framework agreements. Any suspected irregularities can be reported through Specialfastigheter's incident-reporting system or through an externally accessible whistle-blower function. Due to the increased project volume, the Specialfastigheter has decided to accelerate its anti-corruption work. In late 2023, work began on analysing the operations from an anti-corruption perspective, evaluating existing anti-corruption efforts and establishing an anti-corruption programme that will be implemented to improve preventive efforts.

In 2023, a whistleblowing case concerning suspected corruption was submitted to Specialfastigheter's whistle-blower function. The case was handled by the Head of Security and the Chief Legal Officer (CLO), with the assistance of an independent external investigator. Following an exhaustive investigation, it was found that the alleged misconduct could not be substantiated.

Supply chain facts

- Highest purchasing volume (measured in SEK) in the areas of construction contracts, specialist skills and energy.
- About 1,170 suppliers (950 suppliers in 2021, 1,600 suppliers in 2013, 2,000 suppliers in 2008).
- Total purchasing value in 2023: SEK 6,959 million (SEK 4,684 million in 2022).
- The majority of suppliers are domiciled in Sweden
- 92% of our purchasing is covered by our Supplier Code of Conduct.

Strategic purchasing crucial to delivery

Having a well-planned and well-rooted purchasing strategy in place is a prerequisite for the efficient, qualitative and sustainable delivery of our large project volume. Specialfastigheter has a purchasing organisation that is responsible for strategic purchasing and which supports other operations with procurement and the signing of agreements. Utilising framework-agreement suppliers within various purchasing areas, the company creates supplier structures for each contract area. This is conducive to long-term collaborations with experience feedback and skills development between the parties, which leads to improved continuity and quality in our deliveries. This also creates conditions conducive to efficient sustainability work in the supply chain.

To minimise supplier-related risks, we maintain an ongoing dialogue with first line suppliers. Specialfastigheter checks, sets requirements for suppliers and follows up on them through a documented purchasing process. In addition to general and product-specific requirements regarding economy, environment, work environment and safety that are set when signing contracts, signing the Specialfastigheter's Code of Conduct is mandatory for central framework agreements.

¹ Byggcheferna's report, "The blind business culture."



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

Our business – secure, sustainable properties

Long-term benchmarking

A strong position within secure facilities

Sustainable value creation through collaboration

Sustainable value chain

A property-management and property-development company

Sustainable properties and sustainable construction

Case: Opportunities to save both time and money through reuse

Clear action plan for the climate

Employees are vital to growth

Case: "I learn something new every day!"

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

CASE | REUSE



With Specialfastigheter's numerous ongoing new constructions, it is essential that the company analyses existing properties and the building stock from an environmental, social and governance perspective in order to achieve sustainable property development and sustainable property holdings.

Opportunities to save both time and money through reuse

For the Sörbyn property south of Umeå, the plan was to demolish an old building dating back to the 1800s called Herrgården, to make room for a new activity building. The construction of a new administration building has resulted in empty and unrented premises being added to the property – in this case, the existing administration building, which was built in 1985. However, Specialfastigheter's property developer Pernilla Svensson saw the true potential of the existing buildings and commissioned a study of their condition and redevelopment requirements.

The study included an in-depth assessment of the structures, comparisons of schedules and the timescales of the different options, as well as cost comparisons. They developed a strategic plan for the property and utilised key performance indicators to compare the impact on sustainability and the climate impact of the various options.

"I saw an opportunity to retain viable buildings that could meet the customer's requirements on suitable features. By opting not to demolish, we could generate savings in terms of cost and time.

The project would also far more sustainable – both environmentally and socially. The old manor house that has now been preserved adds to social sustainability, because we are retaining positive cultural values in a correctional facility environment," Pernilla Svensson explains.

Time and money saved

On the whole, the results of the study provided a clear and comprehensive picture of the various options, as well as supporting data indicating the advantages of retaining the buildings at Sörbyn instead of demolishing them to build a new activity building. Some examples:

- Future proofing through larger premises with greater flexibility/convertible space
- Cutting climate impact (CO₂e) by nearly 50%
- Continued use of the administration building (since its technical service life has not been reached), which also means that we avoid incurring climate debt
- Higher social sustainability levels with the preservation of cultural values on the property
- Preservation of biodiversity where the new activity building would have been built
- Savings in time
- Savings in money

Based on the decision data, Specialfastigheter and the customer, the Swedish Prison and Probation Service, have agreed to preserve and renovate Herrgården and the administration building in Sörbyn. This is an excellent example of adopting a more sustainable approach to property development.



Pernilla Svensson
Property Developer
at Specialfastigheter

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering

Sustainable operations

- Our business – secure, sustainable properties
- Long-term benchmarking
- A strong position within secure facilities
- Sustainable value creation through collaboration
- Sustainable value chain
- A property-management and property-development company
- Sustainable properties and sustainable construction
- Case: Opportunities to save both time and money through reuse
- [Clear action plan for the climate](#)
- Employees are vital to growth
- Case: "I learn something new every day!"

- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Clear action plan for the climate

To achieve the company's overall climate goals, vigorous efforts and clear governance are required. In 2023, there were clear shifts in climate targets and the climate calculations of the projects.



The route to net-zero emissions

2023

- Property automation project to reduce energy use
- Ongoing efforts to reduce the climate footprint of standard buildings
- Target limit values developed for GHG emissions from different building types.

2030

- Greenhouse gas emissions from scope 1 and 2 halved¹
- Greenhouse gas emissions from construction cut in half per built square metre of GFA¹
- All purchased energy 100% fossil-free

2045

- Net-zero emissions throughout the value chain
- Innovations enable carbon capturing from the atmosphere
- Shifts in technology and new business models make net-zero emissions cost-effective and vital for business

Specialfastigheter's climate calculations show that the materials used in construction account for most of the climate impact, with concrete and steel accounting for the highest emissions today. Specialfastigheter has an unprecedented project volume, both in terms of redevelopment and new construction. The construction must have short lead times and frequently includes standard buildings. Efforts are ongoing with climate-reducing measures in the design of standard buildings, and

will receive further focus in the future; read more on pages 95 and 98.

There are good examples where Specialfastigheter has succeeded in saving the climate, time and money by preserving, developing and utilising existing premises more efficiently, instead of building new ones. At the Sörbyn property, instead of demolishing two buildings and building a new one, the project was able to preserve two older buildings that will now undergo renovation. Read

more on page 30. The company has also breathed new life into the existing Åby correctional facility, which was abandoned for ten years, by renovating it and creating 60 spaces in record time, thanks to our active-reuse approach – read more on page 28. The need for new correctional facilities and premises entails that Specialfastigheter must have a clear focus on reducing climate impact throughout the lifecycle of the property, both when developing properties and managing properties. Considerable

climate savings can be made by influencing the construction process and material choices, and by considering the building's entire lifespan and choosing optimised energy-efficient systems.

New way of thinking required

Customers' needs for high security, robustness and specific material choices can sometimes make it more challenging to find building solutions with a small climate footprint. In order to succeed,

¹ Compared with base year 2018

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering

Sustainable operations

- Our business – secure, sustainable properties
- Long-term benchmarking
- A strong position within secure facilities
- Sustainable value creation through collaboration
- Sustainable value chain
- A property-management and property-development company
- Sustainable properties and sustainable construction
- Case: Opportunities to save both time and money through reuse
- [Clear action plan for the climate](#)
- Employees are vital to growth
- Case: "I learn something new every day!"

- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Specialfastigheter must use an innovative approach jointly with customers and suppliers. Jointly with architects, designers, planners and contractors, we investigated opportunities to optimise construction, to use the right concrete in the right place, and in some cases to look into whether we can build with more wood, order materials to measure and to use recycled materials. During the year, the company began work jointly with the Swedish Prison and Probation Service to identify climate-reducing measures for standard buildings, and initiated a study to identify opportunities to reduce the climate impact of concrete, and assessed design solutions for replacing concrete and steel with bio-based materials. A feasibility study aimed at determining how load-bearing elements in security buildings can be substituted with bio-based materials while achieving high

security requirements was completed in spring 2023. The study is now being continued jointly by Specialfastigheter and the Prison and Probation Service, with the aim of developing and testing alternative wall types that reduce climate impact while saving on time and cost – naturally, these must meet all of Specialfastigheter's and the Prison and Probation Service's requirements.

Climate budget at the building level

During the year, Specialfastigheter finalised base values for the most common building types, with the aim of setting climate footprint targets for new production. This effectively illustrates the sharp reduction in GHG emissions that the company must achieve in order to reach its scope 3 climate targets by 2030.

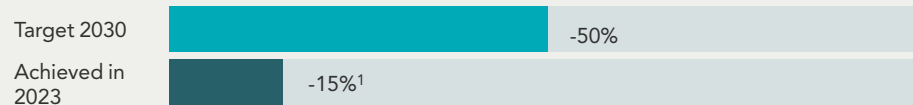
Specialfastigheter's science-based emissions target (base year 2018)

- Net-zero emissions by 2045.
- Reduce emissions in scope 1 and 2 by 50% in absolute terms by 2030.
- Reduce emissions in scope 3 by 50% per square metre of GFA (relative target) by 2030.
- Base year 2018, pursuant to SBTi's recommendation

Scope 1 & 2

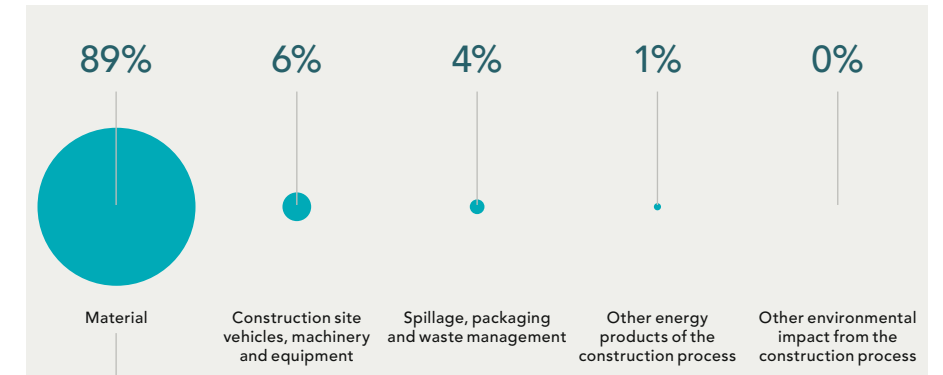


Scope 3



¹ Based on the evaluation of the building type, Standard building B and planned actions, the total reduction is estimated to be at least 15%.

Distribution of climate impact during the construction process for a standard building



Building components with the greatest climate impact	kg CO ₂ e, %	Building components with the greatest climate impact	kg CO ₂ e, %
Prefabricated concrete elements	40.7	Sanitation, heating	2.6
Slab foundation	11.8	Cooling, air	2.4
Windows, doors, partitions, gates	10.9	Roof trusses	2.1
Roof, ceiling	6.2	Fixings	1.9
Interior walls	4.3	Other	14.7
Plumbing Room formation, composite	2.6		

Building type	Baseline kg CO ₂ e/sq m GFA		Target limit value kg CO ₂ e/sq m GFA								
	2018	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Standard building A	453	453	385	358	331	308	285	263	245	227	
Standard building B	525	525	446	415	383	357	331	305	284	263	
Standard building C	504	504	428	398	368	343	318	292	272	252	
Standard building D	345	345	293	273	252	235	217	200	186	173	
Standard building F ¹	434	434	369	343	316	295	273	251	234	217	
Standard school, SIS	439	439	373	347	320	299	277	255	237	220	
Standard accommodation unit, SIS	337	337	286	266	246	229	212	195	182	169	
Detention centre ²	603	603	512	476	440	410	380	350	325	301	
Offices	460	460	391	363	336	313	290	267	248	230	
Technical building	490	490	417	387	358	333	309	284	265	245	
Workshop building	537	537	456	424	392	365	338	311	290	269	

¹ Baseline obtained from Standard building F, HD8 in Tidaholm. ² Borås detention centre, calculated with 90% coverage

For a standard building A to be built and completed in 2026, the target according to the table above is a carbon footprint of 308 kg CO₂e/sq m GFA. The target for 2024 is for all projects with a budget of over SEK 40 million to have a climate budget.

[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)

Sustainable operations

[Our business – secure, sustainable properties](#)[Long-term benchmarking](#)[A strong position within secure facilities](#)[Sustainable value creation through collaboration](#)[Sustainable value chain](#)[A property-management and property-development company](#)[Sustainable properties and sustainable construction](#)[Case: Opportunities to save both time and money through reuse](#)[Clear action plan for the climate](#)[Employees are vital to growth](#)[Case: "I learn something new every day!"](#)[The properties](#)[Administration Report](#)[Corporate governance](#)[Financial statements and notes](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

Employees are vital to growth

Specialfastigheter is in the midst of a change journey. Our business has shifted from mainly comprising investment properties to now largely consisting of redevelopment, extension and new build projects. This affects the company as a whole and imposes new and changed requirements on skills, staffing, work methods and procedures.

Employees are our main ambassadors

The geographical distribution of our properties in more than 60 municipalities requires competent, diligent, independent and committed employees who take considerable personal responsibility. This geography also entails extensive efforts to spread knowledge by drumming in our work method, values and positive examples. Specialfastigheter's main ambassadors are the employees, and new employees must be introduced so that they understand the company as a whole, and their own personal role. The company's focus on security, as well as its long-term and strategic sustainability work, appeals to both existing and future employees.

Major growth requires additional resources

Specialfastigheter is constantly developing its operations and existing property holdings. With a sharply growing investment volume, additional resources and strengthened competence in specific areas are required. The company has grown from 207 to 258 employees and a total of 81 new individuals commenced work during the year. The growth requires considerable investment in recruiting and introducing new employees.

The fulfilment of our assignment requires well-functioning leadership. All managers undergo a combination of customised programmes and career-development strategies. Specialfastigheter invests heavily in skills development and learning within the organisation. It is also important to have the right employees in the right positions – individ-

uals who contribute with their expertise, while having access to opportunities to develop together with the company. Therefore, diversity and equal treatment are priority areas aimed at attracting the right competence and creating equal conditions for all employees in terms of work, employment and work conditions, as well as opportunities for development within the company.

Attractive employer

The sharp increase in investment volume has resulted in new career opportunities and interesting assignments, as well as a higher workload for many employees. Annual employee surveys are conducted to have a closer look at how employees experience their work from various perspectives and to gauge Specialfastigheter's attractiveness as an employer. These include questions about job satisfaction, leadership, collaboration and health. Results from the annual employee surveys are followed up in the business plan, where the key metric eNPS is the measure of the company's attractiveness as an employer. In this year's survey, eNPS rose from 3 to 16, thereby achieving our set target of "at least 11." This is a good score that the company is proud of. The Motivated Employee Index (MMI) also improved this year. These surveys show that efforts to motivate and engage employees have yielded results.

The construction and property sector has a relatively high proportion of injuries and accidents, and as a responsible company in the sector, the



Employee facts

- During the year, the number of female managers increased to 47% (46). On the Board, 50% (45) were women, while in management that figure was 86% (75). The total percentage of women at the company was 34.5% (29) at year end.
- Personnel turnover was 12.0% (14.6).
- Specialfastigheter has 258 (207) employees distributed across six local offices in

Linköping, Stockholm, Sundsvall, Örebro, Gothenburg and Lund.

- The geographical spread is large. Our properties are located in more than 60 municipalities and the company's service technicians work at these properties on a daily basis.
- The eNPS (employee Net Promoter Score) for 2023 rose to 16 (3).

work environment is taken very seriously. Read more about the work environment and risks on page 100. All employees are offered extensive healthcare insurance and a benefits package that includes a wellness contribution, among other things. We conduct work environment inspections regularly, hold appraisals, and have a work environment committee that ensures we continuously maintain a dialogue and make improvements. In 2023, special focus was placed on the area of

health, and all employees were offered a health examination, among other things. One reason for the relatively low sickness absence for many years, 2.09% (2.02), is our many years of proactive work with health promotion measures. It is gratifying that the area of health and work-life balance in this year's employee survey has improved slightly (the average score rose from 3.4 to 3.6), but it remains an area that the company needs to work further on improving.



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

Our business – secure, sustainable properties

Long-term benchmarking

A strong position within secure facilities

Sustainable value creation through collaboration

Sustainable value chain

A property-management and property-development company

Sustainable properties and sustainable construction

Case: Opportunities to save both time and money through reuse

Clear action plan for the climate

Employees are vital to growth

Case: ["I learn something new every day!"](#)

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other



"Right now, we are in the midst of an exciting journey of expansion and it feels great to have the privilege of being part of it."

now, we are in the midst of an exciting journey of expansion and it feels great to have the privilege of being part of it," Kajsa says.

In the eastern property area, the organisation has also been strengthened with several new employees. Two of them are the operations manager Johan Andersson and the service technician Nike Junell. Nike reflects on her beginnings at the company:

"When I started at Specialfastigheter, my time was filled with new impressions, new information and nice colleagues. We are facing a major challenge that will be interesting to follow and contribute to. Together, I have no doubt that we will be able to achieve new heights."

For his part, Johan emphasises the importance of operations and management taking an active role in the planning of all new construction projects:

"Since projects are carried out at more or less all properties, things are constantly happening that impact operations one way or another. Therefore, it is important that we are involved from the onset, so that the challenges can be identified early on, which then create opportunities for us at Specialfastigheter and our customers."

Financial control within various areas

New projects and existing properties both impose considerable demands, particularly on gaining solid ground in sustainability work, an area where Specialfastigheter should be a role model. Consequently, a completely new environmental unit was established in 2022, and several new employees recruited in 2023. One of them is Jesper Helander, who is employed as an environmental controller. His job entails the follow-up and strategic planning of measured data and environmental analyses:

"As an environmental controller, I think I have the most exciting job in the entire company. I get

to be at the centre of environmental reporting and to develop methods for obtaining reliable data, which is the basis for achieving our environmental goals and contributing to a better future. I am still in the process of understanding what the challenges are and what may still need to be put in place. I learn something new every day!"

Susanne Engborg is a different type of controller. She joined the company as a project controller in March.

"My job is to maintain healthy finances at all stages of the project and ensure that we have competent financial management and control in our projects. I work collaborate with project managers, project owners and business directors and I am familiar with our projects in projects in progress and those that are further ahead, at the planning stage. As a project controller, it is important to understand all aspects of the company – it is about the entire process, the business, the projects and the properties," Susanne explains.

"Early on, I was given the opportunity to get involved with the day-to-day work. I think this was partly because I was assigned a mentor from the start, and also because Specialfastigheter's internal training platform features an orientation programme, and the company holds two-day events every quarter, through which you are introduced to the different parts of the organisation and learn more about the company. These introduction days were invaluable for me as a new employee!"

With several major construction projects underway, a growing property portfolio and increasing demands from both society and customers, Specialfastigheter's employees are central to and a critical part of the company's success. The high rate of recruitment continued into 2023, with some 50 new employees starting work during the year, some in completely new roles.

"I learn something new every day!"

Change and development at both new and existing properties

In the company's property area South, several major construction projects were recently launched or ready for launch, and one of the individuals who will take these projects to the finish line is Kajsa Löf, who joined the company in August:

"In my role as Project Unit Manager, I am responsible for the project units in the south, from Trelleborg up to Mariestad. I work with personnel, resourcing, budgets and the work environment, and support project managers and hired consultants. In addition, I am involved in strategic project management and business planning – an interesting and varied role! Right



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Property holdings

Some of our secure facilities

Case: Malmö – first to feature
the new police stations

Investments during the year

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

The properties



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations

The properties

- [Property holdings](#)
- Some of our secure facilities
- Case: Malmö – first to feature the new police stations
- Investments during the year

- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Property holdings

Many of Specialfastigheter's customers and their operations fulfil vital societal functions and are spread across the country, from Ystad in the south to Haparanda in the north.

Owens and manages, number of properties

177

Floor space, million sq m

1.2

We are located in

>60

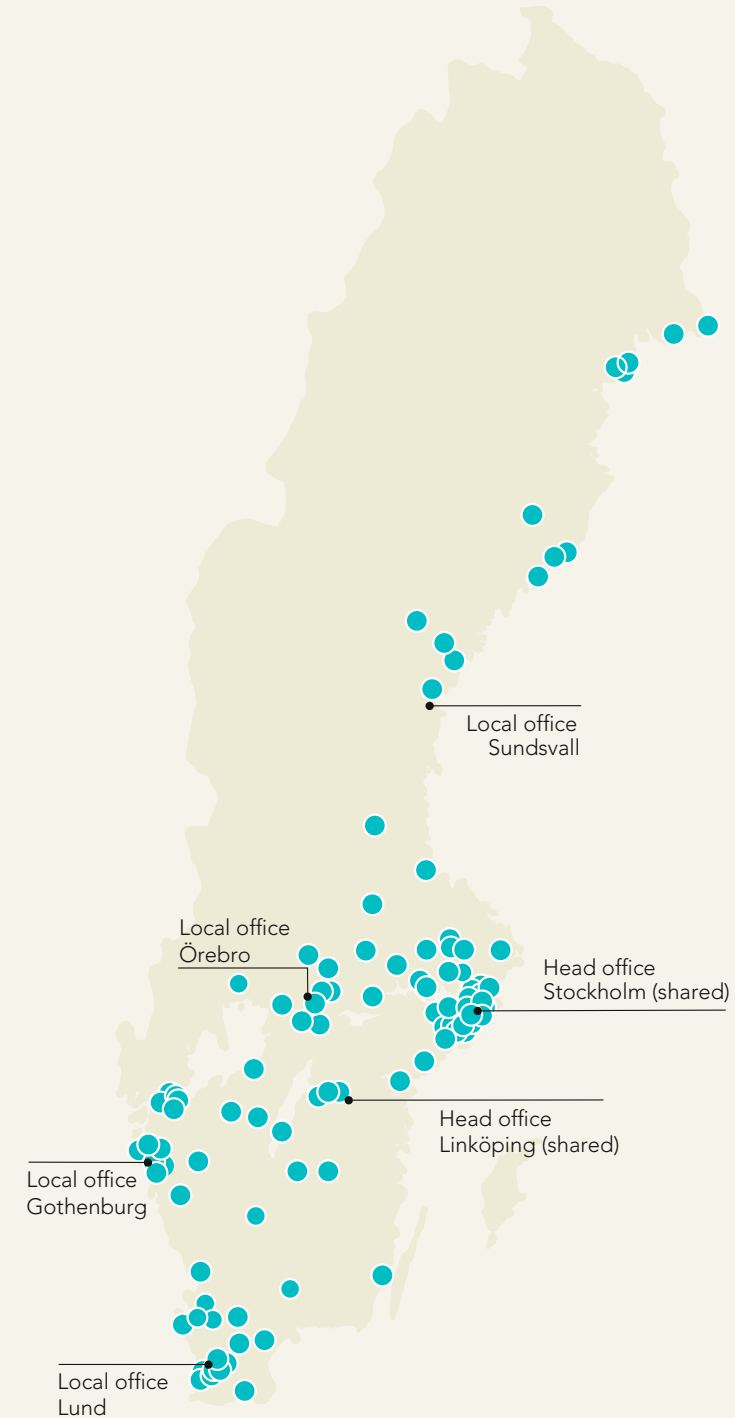
municipalities

Market value, SEK billion

41.7

The ten municipalities in Sweden where we have the largest property holdings are:

Municipality	Total net floor area (NFA) owned, sq m	No. of properties per municipality
STOCKHOLM	332,692	6
SÖDERTÄLJE	51,577	13
KUMLA	48,595	2
LUND	36,725	3
SOLNA	34,967	2
LULEÅ	32,033	4
GOTHENBURG	31,352	4
KRAMFORS	30,805	3
UMEÅ	29,208	3
LINKÖPING	25,807	2



[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)[Sustainable operations](#)**The properties**[Property holdings](#)[Some of our secure facilities](#)[Case: Malmö – first to feature the new police stations](#)[Investments during the year](#)[Administration Report](#)[Corporate governance](#)[Financial statements and notes](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

Some of our secure facilities

Specialfastigheter owns and manages high-security properties throughout the country, including courthouses, police stations, correctional facilities and juvenile care homes. A selection of our property holdings is presented here.

District court – a landmark in Lund

Innovative architecture and functional solutions make the district court one of Sweden's most modern courts and an important landmark in Lund. The building was completed in 2018 and is spread on seven floors, of which one is underground. A court is a public institution that should be open and inviting, but also command respect and feel safe and secure. The district court's activities impose high demands, such as in terms of openness and access to natural light versus secrecy and perimeter protection. The building is made of sustainable materials that are durable, age beautifully and give the building authority and strength. Moreover, the building is certified in accordance with SGBC Gold.

**A police station known from film and television**

Specialfastigheter is at the planning phase for the construction of several police stations; read more on page 39. Perhaps the country's most famous police station, the Kronoberg complex in Kungsholmen, Stockholm, is owned by Specialfastigheter.

The building houses the Police Authority and the Police Region Stockholm, Norrmalm Police Station and a remand centre operated by the Swedish Prison and Probation Service. A few years ago, the Kronoberg complex was extensively renovated. In addition to refreshing the facades, security was enhanced with upgraded technology and monitoring. The renovation was carried out in two stages so that half of the remand centre would be in operation at all times. The Stockholm district court also has courtrooms in the complex. The police building and rest of the Kronoberg complex form a classic landmark that has appeared in many Swedish films and TV series over the years, and is connected to the district court through a tunnel "Suckarnas gång," through which detainees are transported to and from court proceedings.



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Property holdings

Some of our secure facilities

Case: Malmö – first to feature the new police stations

Investments during the year

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

Standard buildings that can be built all over the country

To shorten lead times and optimise the construction process, Specialfastigheter has been working for the past few years on developing standard buildings – building models that at a minimum fulfil the lowest SGBC level of Silver, and which can be built at several properties across the country. Together with customers, several standard buildings have been developed and customised to customers' different activities. Standardised construction, where all of the customer's requests are taken into account before the start of construction, allows for more accurate calculations and streamlining production while avoiding last-minute changes. With standard buildings, you do not have to start from scratch for every new construction. One of many factors for success in this efficient process was the collaborative culture developed during the project between the developer, planners, contractors and customers.



Juvenile care homes that require a higher level of security

The Swedish National Board of Institutional Care (SiS) runs individually tailored compulsory care and institutional juvenile care. Specialfastigheter owns the properties at approximately 30 SiS facilities spread throughout Sweden, of which just over 20 are juvenile care homes. In recent years, Specialfastigheter has built new residential sections at several of these properties, and as space capacity increases, there is also a need for additional places in schools. Several standard schools have thus been developed and built in collaboration with SiS – standard buildings for school activities that can easily be built in many locations. Serious crime among inmates and an increased risk of escapes have led to a greater need for perimeter protection and other security measures at SiS homes. The highest security institutions are technically and physically equipped to incorporate the security required for the SiS to operate safely.

From open correctional facilities to the highest security class

Swedish prisons are divided into three security classes. At the highest level, security class 1, Specialfastigheter owns nearly all of the country's correctional facilities. The security class of a correctional facility is determined by its ability to prevent escapes and attempted jailbreaks. The correctional facilities Hall, Kumla and Saltvik, have high-security sections that are designed as a prison within a prison, and are specially adapted for inmates who are deemed to be at particularly high risk of escape or jail-breaking. The Saltvik facility near Härnösand is often referred to as Sweden's most secure and modern prison. It was inaugurated in 2009 and at the time, was the first correctional facility to be built in about 20 years.





About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Property holdings

Some of our secure facilities

[Case: Malmö – first to feature the new police stations](#)

Investments during the year

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

CASE | NEW POLICE STATION IN MALMÖ



Over the next few years, Specialfastigheter will be building completely new police stations at three locations in southern Sweden. First up is Malmö, where the first turf was cut for the police station project in June.

Malmö – first to feature the new police stations

The Swedish Police is Sweden's largest government agency, with some 35,000 employees – a number that will increase in the next few years. Consequently, they need more and larger premises, including the three new police stations, which Specialfastigheter has just started the construction of. These are in Borås and Härryda (near Gothenburg), as well as Malmö, which is furthest along in the planning process.

One of the larger police stations in Malmö

The building, which is being constructed in Vintrie in southwest Malmö, will have a net floor area of just over 15,000 square metres and will include offices, changing rooms and training areas. The idea is for the building to be home to two of the four local police districts that will exist in the city following the planned reorganisation of the Malmö police district in 2024. A total of 460 employees will be based in the building.

Specialfastigheter will own the building and lease it to the Swedish Police for an initial 15-year period starting in 2026, when the building is completed.

Safe, secure and sustainable

The new police station will feature a reception that citizens can come to for various matters, which will complement the police receptions at Rättscentrum and Rosengård. The City of Malmö and the Swedish Police Authority are both experiencing sharp growth, and the hope is that the new police station will create the right conditions for improved safety and security for the people of Malmö.

The police station will be built in accordance with the Gold level under SGBC's certification system, which entails good energy performance, controlled and approved materials, as well as conditions for good daylight access, thermal climate, sound environment and air quality.

"We are looking forward to handing over the completed premises to the Police Authority. The new police station will not only support its operations, but will also be a positive addition to the district and to Malmö," says Christian Wallenborg, Business Director at Specialfastigheter.



From illustration application, AG Arkitekter



Christian Wallenborg, Business Director



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations

The properties

- Property holdings
- Some of our secure facilities
- Case: Malmö – first to feature the new police stations
- [Investments during the year](#)

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

Investments during the year

During the year, Specialfastigheter launched a large number of investment projects and conducted a series of major new builds, redevelopments and extensions on behalf of customers – these were completed during the year or will be completed next year.

Investments/Divestments during the year

Specialfastigheter has a large number of new construction, redevelopment and extension projects in the planning and production phase, for which the approved investment volume at year end totalled approximately SEK 29 billion. These investment projects are in various phases: from the planning phase and early phase to the design phase (ready for entering the production phase within a year or two), or the production phase.

Project investments for the year totalled SEK 5.5 billion (3.9). During the year, a large number of rent-based projects or subprojects with a total value of SEK 3.2 billion were completed on behalf of Prison and Probation Service and SiS, including the Hall, Skenäs and Skänninge correctional facilities, and several temporary buildings. New construction has commenced at the Berga, Mariestad, Österåker and Sörbyn correctional facilities. In addition, Specialfastigheter commenced the construction of a brand-new building in Härnösand for the Swedish National Archives. Prior to any major investments in a project, the risks are reduced by signing planning agreements or leases with the tenant.

Acquisitions

In the first half of the year, five new land parcels were acquired and totalled 60,716 square metres. The land parcels comprise 14,000 square metres at Luleå Porsön 1:405, 5,202 square metres at Borås Horngäddan 13, 8,056 square metres at Borås Horngäddan 14, 20,361 square metres at Härryda Bårhult 1:128 and 13,097 square metres at Malmö Enerda 1. Two additional properties were acquired in the fourth quarter, 945 square metres

at Kalix Filipborg 1:4 and 1,335 square metres at Fagersta Sundbo 7:66.

Divestments

No divestments were carried out during the period. However, an agreement was signed in the fourth quarter for the sale of 8,940 square metres at Trosa Lövsta 1:33, with a closing date in the first quarter of 2024. This land has been reclassified as a current asset.

Properties for nearly SEK 42 billion

At year end, the estimated value amounted to SEK 41,740 million, an increase of SEK 5,530 million year-on-year. This was primarily due to increased investments in ongoing projects. Unrealised changes in value for the period amounted to a decline of SEK 188 million (decline: 1,723) and mainly stemmed from higher yield requirements, which negatively impacted property values. The value decline was mitigated by the positive impact of new and renegotiated leases together with higher rental income as a result of index adjustment against the CPI. The estimated values of Specialfastigheter's investment properties are determined by means of an internal valuation based on actual data in respect of rents and operating expenses. Information concerning cost of capital, required yield and current market rents has been cross-checked with external appraisers. To assure the quality of the internal evaluation, it was cross-checked against an external evaluation of 12 (18) objects, equivalent to 56% (71) of the total value on 31 December 2023. The average remaining contract term in the rental portfolio is 10.5 years (10.5). The vacancy rate was low, at 2.7% (2.5) on 31 December 2023.

Major investment projects in progress, square metres, on 31 December 2023

Property name	Location	Customer	Project description	Additional area, sq m
KV Trelleborg	Trelleborg	The Prison and Probation Service	New construction of correctional facility	53,500
KV Tidaholm	Tidaholm	The Prison and Probation Service	New construction of standard buildings, ancillary buildings and infrastructure	38,790
KV Kalmar Syd	Kalmar	The Prison and Probation Service	New construction of correctional facility	36,000
Central Archive	Härnösand	Swedish National Archives	New construction of archive premises	30,580
KV Skogome	Gothenburg	The Prison and Probation Service	New construction of standard buildings, administration buildings, ancillary buildings and infrastructure	27,760
KV Österåker	Österåker	The Prison and Probation Service	New construction of standard buildings, ancillary buildings and infrastructure	22,230
KV Rödjan	Mariestad	The Prison and Probation Service	New construction of four standard buildings, entrance building, ancillary buildings and infrastructure	20,600
New Borås police station	Borås	The Swedish Police	New construction of police station	17,900
KV Norrtälje	Norrtälje	The Prison and Probation Service	New construction of correctional facility	17,000
New Malmö police station	Malmö	The Swedish Police	New construction of police station	15,400
KV Häkte Borås	Borås	The Prison and Probation Service	New construction of remand centre	13,000
KV Skenäs	Norrköping	The Prison and Probation Service	New construction of two standard buildings, entrance building, main kitchen, activity building and infrastructure	11,990
KV Halmstad	Halmstad	The Prison and Probation Service	New construction of remand centre	11,909
KV Sörbyn	Umeå	The Prison and Probation Service	New construction of standard buildings, ancillary buildings and infrastructure	9,400
KV Mariestad	Mariestad	The Prison and Probation Service	New construction of standard buildings, administration building, activity building, industrial building and creation of parking spaces	6,940

Investment projects in progress on 31 December 2023

Specialfastigheter has a large number of new construction, redevelopment and extension projects in the planning and production phase, for which the approved investment volume totalled approximately SEK 29 billion.



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Financial management

Balanced risk-taking

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

Administration Report

Download print-friendly PDF [↗](#)

[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)[Sustainable operations](#)[The properties](#)

Administration Report

[Financial management](#)[Balanced risk-taking](#)[Corporate governance](#)[Financial statements and notes](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

Administration Report

The Board of Directors and the Chief Executive Officer of Specialfastigheter Sverige Aktiebolag, company registration number 556537-5945, hereby present the annual accounts for the Group and the Parent Company for 2023.

The Group's five limited companies are registered in Linköping (Sweden). The Parent Company is called Specialfastigheter Sverige Aktiebolag (company registration number 556537-5945). Specialfastigheter has a joint head office with offices located in Linköping at the following visiting address: Gamla Tanneforsvägen 92, SE-582 54 Linköping and in Stockholm, with the visiting address: Torsgatan 21, SE-102 32 Stockholm.

The annual accounts and consolidated accounts were approved by the Board for publication on 13 March 2024 and will be submitted to the Annual General Meeting for adoption on 18 April 2024.

Activities and assignments

Specialfastigheter is to own, develop and manage functional properties in Sweden, with a focus on customers with special security requirements, and to pursue related business activities. Operations are to be conducted on a commercial basis and generate market returns by means of a rent setting that takes into account operational risks.

Market and market developments

The demand for secure facilities is high and is largely driven by the development of society, where the entire law enforcement chain has received increased resources to cope with increased criminality. Specialfastigheter's customers, such as the Swedish Prison and Probation Service and the Swedish National Board of Institutional Care (SIS), have a considerable and urgent need for spaces, which is resulting in major demand for new builds, redevelopments and extensions throughout the country. Other customer groups, such as the Police, are also requesting secure facilities. To meet these needs, Specialfastigheter is actively developing its property holdings through the largest project volume in the company's history.

Operations during the year

The year was characterised by strong growth to meet our customers' needs and demand. The

result is summarised by a stable rental income of SEK 2,650 million (2,205) and a profit from property management of SEK 1,624 million (1,341). The target for equity/assets ratio is 25–40%; this year it landed at 32%. Return on operating capital was 5% – we thereby achieved the owner's target of at least 5% over time. Specialfastigheter has a large number of new construction, redevelopment and extension projects in the planning and production phase, where the approved investment volume amounted to approximately SEK 29 billion. Invested volume in 2023, excluding maintenance, totalled SEK 5,488 million, which exceeded the set investment target of a minimum of SEK 4 billion. Several projects were completed and our customers took possession of six standard buildings and 14 modular buildings at properties throughout the country.

Further information regarding operations during the year is available in the comments to the consolidated income statement and balance sheet. Refer to pages 59 and 60.

Significant events during the year

In May, we received the news that we had been awarded the contract in a landlord-procurement process, for a brand-new correctional facility in Kalmar. In June Åsa Hedenberg stepped down from her role as CEO. Alexandra Laurén was appointed as the new CEO and took over the role as of 23 October 2023. Board of Directors appointed Charlotte Hybinette as the interim CEO as of 1 July 2023, until Alexandra Laurén takes up her position. In conjunction with the departure of the company's former CFO Claes Rasmuson on November 7, Eva Bång was appointed interim CFO. She subsequently took on the role as permanent CFO on 1 January 2024.

Property holdings

Specialfastigheter owns and manages property holdings comprising 177 (174) properties divided across 103 (98) management units. Our property holdings

comprise approximately 1.2 million square metres of floor space. These properties are located in just over 60 municipalities across the country. The average remaining contract term in the rental portfolio is 10.5 years (10.5). The company's customers are the Swedish Prison and Probation Service, the Swedish Police, SIS, the Swedish Armed Forces and the Swedish Defence Materiel Administration. The vacancy rate was low, totalling 2.7% (2.5) on 31 December 2023. Specialfastigheter actively monitors the market and evaluates relevant acquisition opportunities to meet the increasing demand for properties that meet security requirements.

Property valuation

The market value of Specialfastigheter's investment properties has increased in recent years and amounted to SEK 41,740 million (36,210) at year end. The growth in value was mainly due to investments of SEK 5,522 million (4,157). The unrealised changes in value recognised for the period amounted to negative SEK 188 million (negative 1,723). The estimated values were determined by means of an internal valuation based on actual lease income and operating expenses data. Information concerning cost of capital, required yield and current market rents is cross-checked with external appraisers. To assure the quality of the internal evaluation, it was cross-checked against an external evaluation of 12 (18) objects, equivalent to 56% (71) of the total value on 31 December 2023. The difference between external and internal valuation amounts to just under 0.3 (2) percent, where Specialfastigheter's valuation is lower than the external one.

Financing

Information about Specialfastigheter's financing can be found in the next section, Financial Management. Results of sensitivity analysis. See page 46.

Sustainability Report

Specialfastigheter develops and manages properties that must be sustainable from a social, environmental and governance perspective, and the company is to be a role model in this regard. Specialfastigheter creates safe and sustainable values for customers, investors, owners, suppliers, employees and society, and the company is aware that its properties and operations have an impact on society and the climate. The statutory Sustainability Report pursuant to

the Annual Accounts Act can be found in this Annual Report on pages 1, 13, 15, 19–23, 25–29, 31–33, 94–102, 104 and 109.

The Sustainability Report is issued for the Group and Parent Company, and its scope is presented in the GRI list of contents on page 105–108.

Reporting pursuant to the CSRD and Taxonomy reporting

The CSRD (Corporate Sustainability Reporting Directive) will have a major impact on the company's annual report and sustainability report, and the process of producing them. Specialfastigheter will be subject to the CSRD as of the 2025 financial year. The company has begun adapting with a double materiality assessment and is following the development of the ESRS (European Sustainability Reporting Standards) and the implementation of the CSRD in Swedish law.

Specialfastigheter will not be subject to EU Taxonomy reporting requirements until the 2025 financial year. However, for this report, the company has chosen to include information on how it is subject to the EU Taxonomy Regulation; refer to page 103.

Employees

With a large and growing project volume comes the need to ensure resource allocation, to ensure that the company has the competence and capacity to perform its assignment. Specialfastigheter works proactively with skills sourcing and on being an attractive employer. Special information about employees, salaries and remuneration are disclosed in Note 7.

Future

Specialfastigheter is in a strong growth phase that is expected to continue for several years. New establishments are under way in new and existing locations where we have operations. In its growth, the company is continuing to work actively to ensure sustainability and deliver good quality to customers.

Dividend and profit distribution

Taking into account the company's future investment needs and the resulting financial position, it is proposed that the 2024 Annual General Meeting of Specialfastigheter Sverige AB resolve that SEK 0 million, or SEK 0 per share, be distributed to the owner. See page 62, Consolidated changes in equity.

[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)[Sustainable operations](#)[The properties](#)[Administration Report](#)[Financial management](#)[Balanced risk-taking](#)[Corporate governance](#)[Financial statements and notes](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

Financial management

Growing property company with high credit ratings

Specialfastigheter is a company in the property sector that enjoys a stable financial position and low credit risk. The company monitors economic trends carefully to safeguard its position moving forward.

Specialfastigheter is owned by the Swedish state and finances operations through borrowing, primarily in the Swedish market, but also in international capital markets, through bond and commercial paper programmes. Borrowing is conducted without pledging properties as collateral. The loan agreements include ownership clauses that reinforce the lenders' position, by entitling them to call in a loan early if the state's ownership level falls below 100%.

Specialfastigheter's financial operations

Trends in the financial market have a significant impact on the company's borrowing costs. Financial management must reflect and support the operations' business objectives. Specialfastigheter's financial risks are to be limited while active financial management is to ensure low net financial items linked to the operations' targets and conditions. This is achieved by identifying risks and managing them within set frameworks. Financing risk is reduced by spreading loan-to-maturity periods over different years and via loan commitments and investments in covered bonds, which include maturing commercial paper and bonds for the years immediately ahead. The volume of unutilised loan commitments and overdrafts as of 31 December amounted to SEK 7,750 million.

Commercial paper and bond programmes

Specialfastigheter has had a commercial paper programme in the Swedish market since 1999 with a limit of SEK 5 billion. A total of SEK 2.3 billion of the programme had been utilised on 31 December 2023.

The company issues bonds denominated in SEK in the Swedish capital market, or in EUR under an MTN programme with a maturity of one year or longer. The programme has a total limit of SEK 25 billion or equivalent value in EUR. A total of SEK 22 billion had been utilised at year end. During the year, Specialfastigheter issued two bonds in the Norwegian market valued at NOK 1,380 million, corresponding to SEK 1,399 million. The bonds were issued under our Swedish MTN programme. Fixed-income derivatives and currency derivatives were also entered into, meaning currency risk has been neutralised.

The past year

In 2023, interest-bearing liabilities rose SEK 4.6 billion, primarily due to a higher investment volume. At year end, the loan-to-maturity period was 5.7 years (5.8), taking into account unutilised loan commitments, and the fixed-interest period was 3.7 years (4.2). The level of corporate bond issues increased, while the volume in the commercial paper market has declined.

During the year, Specialfastigheter invested SEK 3,000 million in Swedish covered bonds and used these as collateral for bank loans in the repo market. Access to several facilities means we have the ability to utilise the most advantageous ones at any time.

The company has issued twelve bonds during the year, including two green bonds. Specialfastigheter's green framework enables continued issuance of green bonds. In September, Specialfastigheter issued a green bond of SEK 600 million with a maturity of just under five years, at an interest rate of 4.25%, to finance standard buildings for the Prison and Probation Service at the Skenås and Skänninge correctional facilities. In December, we issued SEK 526 million in a five-year green bond at an interest rate of 3.415% to finance temporary buildings for the Prison and Probation Service.



Due to the issuing of corporate bonds at a fixed interest rate and reduced borrowing in commercial paper, the loan-to-maturity period was unchanged, while the fixed-interest period was reduced compared with preceding years. Specialfastigheter's interest-rate risk has risen slightly, because the Riksbank will probably lower its key interest rate in the next few years.

Recognised net financial items amounted to an expense of SEK 328 million (318). Changes in derivative values and currency changes in investments amounted to negative SEK 140 million (positive: 210).

Outlook for 2024

Specialfastigheter's external debt financing is expected to increase over the coming years as a result of the planned increase in project volume. Most of this financing will take place through the issue of corporate bonds in Swedish and foreign capital markets. During ongoing projects, the interest expense is capitalized to the investment, but due to increased debt and a higher average interest rate, the recognised net financial items will probably increase in the next few years.

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report**
 - Financial management
 - Balanced risk-taking
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

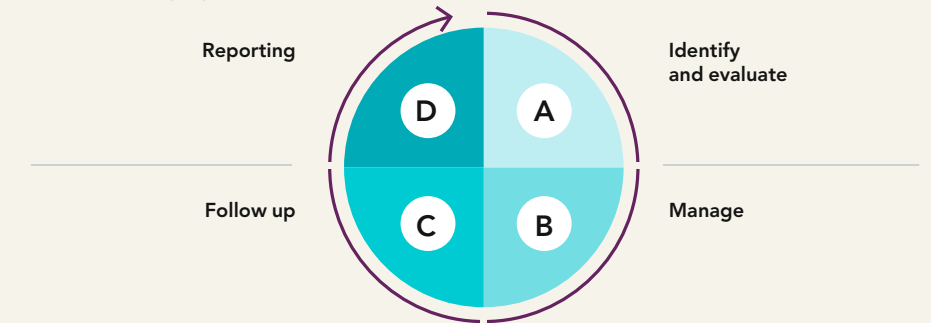
Balanced risk-taking

All business operations entail risks. However, when handled properly, balanced risk-taking promotes long-term value creation that considers both opportunities and risks. Identifying, analysing, managing and following up on risks are therefore priority issues.

Area	Risk	Risk level	Change
Operative risks	1. Loss of confidential information	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #f4a460; width: 20px;"></div></div>	→
	2. Physical and/or psychosocial injury to employees	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #f4a460; width: 20px;"></div></div>	→
Business-related risks	3. Inadequate or non-secure digital transformation	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #fff9c4; width: 20px;"></div></div>	↗
	4. Our credibility in question	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #f4a460; width: 20px;"></div></div>	↗
	5. Skills and staffing shortage	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #f4a460; width: 20px;"></div></div>	→
	6. Falling market value of properties	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #fff9c4; width: 20px;"></div></div>	New risk
	7. Our operations are not sufficiently sustainable	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #fff9c4; width: 20px;"></div></div>	↘
	8. Project delivery failure	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #f4a460; width: 20px;"></div></div>	↗
	9. Irregularities in the supply chain in terms of human rights, work conditions and work environment	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #f4a460; width: 20px;"></div></div>	→
	10. Political risk – political decisions change the conditions of the business.	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #fff9c4; width: 20px;"></div></div>	New risk
Financial risks	11. Lack of financing	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #fff9c4; width: 20px;"></div></div>	→
	12. Financial injury attributable to climate change	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #fff9c4; width: 20px;"></div></div>	→
	13. Interest-rate risk	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #f4a460; width: 20px;"></div></div>	↗
	14. Credit and counterparty risk	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #4caf50; width: 20px;"></div></div>	→
	15. Loss in terms of price of purchased covered bonds	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #fff9c4; width: 20px;"></div></div>	→
Legal risks	16. Deficiencies in property owner responsibilities	<div style="width: 100%; height: 10px; background-color: #ccc; position: relative;"><div style="position: absolute; right: 0; top: 0; bottom: 0; background-color: #fff9c4; width: 20px;"></div></div>	↘

Risk level
■ Low ■ Moderate ■ High ■ Critical

Process for managing risks



Systematic and effective risk management can create new business opportunities for the company. However, there are also risks that, if not managed correctly, can jeopardise creditworthiness, credibility and competitiveness, and result in negative consequences for the company's stakeholders and operating environment.

Systematic risk analysis is performed in all critical processes, guided by the international risk-management standard, ISO 31000:2018. Company-wide risks are determined on the basis of the company's overall mission, objectives and business, as well as on the short and long-term development goals adopted by the business plan. In the company-wide risk analysis, risks are analysed in terms of the consequences they may have for Specialfastigheter, and the consequences the risks may cause to our stakeholders and the operating environment in general. The company-wide risk analyses, in combination with the company's other risk analyses, form the basis for annual action plans for internal control and operational audits. Risks are not static but variable. The risks that are currently considered to be of greatest significance to stakeholders are reported in the annual report and sustainability report.

For each identified risk, an assessment is made of the probability and consequence of the risk, which is then weighted together to produce an overall risk value for the risk. If necessary, action plans are created and control activities developed. The company-wide risks are categorised based on risk areas (operative, business-related, financial and legal risks) and also based on a number of prioritised risk categories, including security, environment and work environment.

Once a year, the Board of Directors monitors the work on the main company-wide risks and the internal control plan. The Board of Directors also monitors incident management and any ongoing disputes. Specific risk analyses are conducted for larger projects.

Changes in risks, 2023

Specialfastigheter reports on a total of 16 risks. As in the preceding year, the focus of the management's risk work is on the considerable increases in project volume. Specialfastigheter needs to ensure that the organisation can deliver in accordance with signed and future agreements. Several of the identified risks are therefore connected to these deliveries. This includes risks connected to financing and staffing, sustainability and risks linked to the company's suppliers.

Specialfastigheter is reporting two new risks: The risk of a decline in the market values of our properties and political risk, which involves political decisions that impact the conditions for our operations.

The conditions for managing the risk of perceived stress and high workload improved during the year. The same is true for the pandemic risk. These risks are no longer considered to be among the company's highest priority risks and therefore, are not reported here. The risk that Specialfastigheter cannot provide sufficiently appropriate premises has been revised and given a partly new focus. Although it is managed in the company-wide analysis, in the new format, it is no longer considered to be one of the company's top-priority risks.

[About Specialfastigheter](#)
[CEO's statement](#)
[Operating environment](#)
[The offering](#)
[Sustainable operations](#)
[The properties](#)

Administration Report

[Financial management](#)
[Balanced risk-taking](#)
[Corporate governance](#)
[Financial statements and notes](#)
[Auditor's report](#)
[Sustainability Report](#)
[Other](#)

Operative risks

Operative risks include all risks in our day-to-day operations that affect how we handle daily operational assignments. We focus on the following risk areas: work environment, the environment, information security and organisational.

Risk	Management and checks	Risk level
1 Loss of confidential information	We have an information-security management system certified in line with ISO/IEC 27001:2013 to protect our own and our customers' information assets. Information security training is mandatory for all staff. We continuously analyse and assess threats and vulnerabilities to develop protective measures for the IT environment. We work preventively to reduce the risk of insider crime through measures including diligent recruitment processes, procedures for employee security vetting and continuous improvement efforts. We have launched an SOC (Security Operations Centre) service to improve monitoring of our IT environment.	High
2 Physical and/or psychosocial injury to employees	We work systematically with the psychosocial and physical work environments under the guidance of ISO 45001. Among other things, we conduct risk analyses and continuous training initiatives aimed at various target groups. We often operate in risk environments and therefore work preventively with managing threats and violence, and we also collaborate with customers on numerous issues. Large-scale construction increases the risk of workplace accidents and we are participating in the Håll nollan initiative to reduce these.	High

Business-related risks

Business-related risks are attributable to events in our operating environment, among our customers and suppliers, and at our organisation, impacting both our business and developments in the property market. We analyse risks in the following areas: market, projects, organisation, credibility and value.

Risk	Management and checks	Risk level
3 Inadequate or non-secure digital transformation	Digitalisation strengthens our business through, for example, improved customer service, product development and resource optimisation. IT security is always a crucial parameter involved these efforts. A digitalisation strategy has been developed and is being anchored in our operations. The strategy includes several activities to ensure that we are and will remain an attractive employer.	Medium
4 Our credibility in question	The property sector entails risks as it involves major investments and complex transactions with many parties involved. Our values and Code of Conduct guide our operations. We work proactively to develop employeeship. We have governing documents that include lifecycle management and a supplier code of conduct. Purchases are made through our purchasing system and we comply with the Swedish Public Procurement Act. Training is provided to employees with the objective of building knowledge and an understanding of ethics in order to prevent the occurrence of corruption. A whistle-blower system and an incident reporting system are in place for detecting irregularities. We have guidelines in place for addressing insider and infiltration threats.	High

Risk	Management and checks	Risk level
5 Skills and staffing shortage	Resource allocation is prioritised in our growing company. Skills and staffing are secured by developing our approach to recruiting, inducting, developing, engaging and retaining employees. This also includes external resources. We have succession planning for critical resources. We develop our corporate culture within the framework of our core values. We invest in employer branding to strengthen our appeal as an employer. Strategic partnerships with contractors and suppliers allow us to grow and benefit from shared expertise. We monitor the operating environment proactively in order to follow trends in the labour market and more.	High
6 Falling market value of properties	We are developing a concept for planning the development of strategic properties, aimed at retaining the attractiveness and value of the properties in the long term, regardless of future customers. We have a marketing plan and well-established processes for operation and maintenance planning. By strengthening resources in our business and project operations, we ensure that increased order volumes at our properties are handled in a sustainable manner, based on requirements on functionality, environmental performance and financial profitability.	Medium
7 Our operations are not sufficiently sustainable	We are certified under ISO 14001. We have science-based emissions targets for scope 1 to 3, and have commenced work on setting a climate budget for all projects exceeding SEK 40 million in value. Our climate calculations are based on established base values. We work proactively with inventories of nature conservation values and nature conservation plans. We select materials based on environmental and health considerations. The materials used in a building are documented in an environmental database. In 2024, we will intensify our efforts with anti-corruption.	Medium
8 Project delivery failure	We conduct our work methodically, based on our project process, which we also develop continuously. Risk assessment is conducted in all projects. Project reviews within the framework of a clear interaction structure ensure good governance and follow-up of the projects, and solidly anchor our work with purchasers. Active project cost control limits production-cost risks in relation to the contractor and through contracts in relation to the tenant. The project and purchasing organisations liaise closely at an early stage ahead of procurements and the engagement of consultants and contractors. Frame agreements signed with contractors make us a prioritised customer, with partnerships that lead to increased efficiency.	High
9 Irregularities in the supply chain in terms of human rights, work conditions and work environment	We have a purchasing organisation that signs all framework agreements. We are reviewing our purchasing process and developing a new IT support function for purchasing. The aim is to ensure that requirements in the purchasing process are handled uniformly throughout the organisation. We maintain dialogues with our contracted suppliers and set requirements through procurements and through our supplier code of conduct. We are reviewing the code in 2024. It is about ensuring and, if necessary, developing requirements and control functions, as well as potential sanctions in the event of any violations. To date, we have not carried out audits of our subcontractors.	High

About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Financial management

Balanced risk-taking

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

Risk	Management and checks	Risk level
10 Political risk – political decisions change the conditions of the business	Our operations are impacted by government policy in general and issues pertaining to the judicial system, the Swedish Prison and Probation Service and in particular, defence. Changes in implemented policies may affect the conditions and the direction of the business. The company conducts continuous monitoring of the operating environment and continuous analyses to update the risk profile. We also maintain an ongoing dialog with the owner, tenants and other stakeholders.	Medium

Financial risks

Specialfastigheter is exposed to different kinds of financial risk in its operations, including through fluctuations in profits and cash flow as a result of changes in market valuations, financing, interest rates, credit and counterparty risks, currencies, exchange-rate losses, electrical prices and risks associated with reporting, taxes and fees. Our financial policy for managing financial risks has been approved by the Board and forms a framework of guidelines and rules in the form of risk mandates and limits for financial operations. The overall objective of our financial department is to provide cost-effective funding and to minimise the adverse effects of market fluctuations on company earnings.

Risk	Management and checks	Risk level
11 Lack of financing	To ensure loan capital, we must strive to raise credit with long maturities and an even maturity profile for existing loans. The majority of our financing takes places in the Swedish capital market. We work actively in green financing to ensure sustainable property holdings.	Medium
12 Financial damage attributable to climate change	We have reviewed the climate-related financial risks and opportunities throughout our property holdings and conducted climate-risk analyses of our priority properties. Climate risk analysis provides the basis for future vulnerability analyses and cost/benefit analyses. Climate adaptation measures are planned and implemented within the property organisation. Moving forward, climate risk analyses will be included as part of our investment decisions.	Medium
13 Interest-rate risk	The existing debt portfolio, including derivatives, is continuously evaluated. We strive for an interest-rate profile that is suitable in terms of total expenses, commercial conditions and applicable business plans.	High
14 Credit and counterparty risk	Investments are only permitted in securities with high credit ratings. Counterparty risk for derivatives is managed through our agreement to net assets against liabilities with counterparties with whom we make derivative transactions. To reduce counterparty risk further, we may enter into agreements that govern the management of collateral pledged at net market value.	Low
15 Loss in terms of price of purchased covered bonds	We take up interest-rate swaps equivalent to the purchase price of the covered bonds. These have an equivalent impact on earnings in the opposite direction, which eliminates price gains/losses. The covered bonds we buy have the highest credit ratings and liquidity.	Medium

Legal risks

Legal risks include those that concern our property owner responsibility such as the Work Environment Act, the Swedish Environmental Code and the Planning and Building Act.

Risk	Management and checks	Risk level
16 Deficiencies in property owner responsibilities	We have developed our IT support for operational planning and to ensure compliance with all of the regulatory controls and rules as well as to ensure we meet property owner responsibility in other regards. The need for skills development is regularly evaluated.	Medium

Sensitivity analysis

When performing risk analyses, it is important to conduct sensitivity analyses based on various scenarios to see which of them have the greatest impact on income, should they occur. In our own sensitivity analysis we noted that the cost of capital and the yield in terms of property valuations have the greatest impact on our earnings.

Variable	Change	Annualised earnings impact, SEK million	
		2023	2022
Rental income	+/-1%	+/-22.3	+/-19.2
Property operations and utilities excl. electricity	+/- 1%	+/-7.2	+/-5.5
Maintenance expenses ¹	+/- 1%	+/-3.4	+/-3.5
Interest	1 percentage point	58.6	39.2
Market rates, derivative instruments ²	1 percentage point	37.5	14.3
Price change, purchased covered bonds ³	1 percentage point	87.1	79.3
Cost of capital ⁴	+0.25 percentage points	-412	-298
Cost of capital ⁴	-0.25 percentage points	425	307
Yield ⁴	+0.25 percentage points	-990	-1,154
Yield ⁴	-0.25 percentage points	1,106	1,302

¹ Includes capitalised maintenance expenses according to IFRS.

² Impact on earnings relates to the change in value of derivative instruments.

³ The impact on earnings relates to momentary changes in deposited covered bonds as of 31 December 2023 with a nominal value of SEK 3,000 million.

⁴ Impact on earnings relates to change in value of investment properties.



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Message from the Chairman

Corporate Governance Report

Board of Directors

Management

Financial statements and notes

Auditor's report

Sustainability Report

Other

Download print-friendly PDF [↗](#)



Corporate governance

[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)[Sustainable operations](#)[The properties](#)[Administration Report](#)

Corporate governance

[Message from the Chairman](#)[Corporate Governance Report](#)[Board of Directors](#)[Management](#)[Financial statements and notes](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

Message from the Chairman

Sustainable growth

The great uncertainty that has characterised the past few years, in our operating environment and in Sweden, has continued into 2023. Wars and conflicts have in various ways increased the threats to the country and, at the national level, an unprecedented level of violent crime is challenging our society and judicial system. With these factors in mind, Specialfastigheter, with its vision of secure properties for a safe society, has a vital role to fulfil.

Specialfastigheter's base consists of a well-functioning property business with professional operation and management, and an economy with stable long-term income from reliable customers. We have seen an increasing need for secure premises among our customers, partly as a consequence of the Tidö Agreement, as well as an increasing number of inquiries from new potential customers. Specialfastigheter has met these needs by raising its project volume significantly, with the Prison and Probation Service accounting for the largest share of the volume.

One of the Board's main tasks is to ensure that growth develops in a sustainable manner for Specialfastigheter. During the year, the Board established an Investment Committee which prepares questions relating to major investments and continuously monitors major projects. Another important area for the Board is the company's financing of its investments. In 2023, the capital market was marked by high interest rates and uncertainties. Specialfastigheter has maintained its very high credit rating and continued to finance its operations through commercial paper and bonds.

Positive results despite the challenges

Strong growth and change are challenging for the organisation, and the Board monitors resource planning for skills and staffing, which are important elements. The number of employees has increased significantly. Therefore, it is particularly pleasing that this year's employee survey points to improved and positive results in most areas.

Specialfastigheter wants to set exemplary sustainability standards and act proactively. With a large

project portfolio, the company has a major responsibility to address climate and biodiversity issues, and to reduce adverse impacts. Specialfastigheter has science-based emissions targets and works proactively to reduce emissions. In recent years, Specialfastigheter participated in the development of a measurement tool that calculates the impact on biodiversity that arises from changes in land use.

New CEO to continue the journey of development

The Board's governance is based on the State Ownership Policy and the Swedish Corporate Governance Code. A Board evaluation is carried out annually to assess and develop the work of the Board. This year, once again, it indicated a very well-functioning Board with competent members that engage in useful discussions.

In October, Alexandra Laurén took over as the new CEO of Specialfastigheter. With her broad experience from the property sector, expertise in project development, inspiring leadership and deep commitment to sustainability matters, the Board is convinced that Alexandra will successfully lead Specialfastigheter in its offer of secure, functional, efficient and sustainable premises that actively contribute to our customers' societally vital operations.



Eva Landén, Chairman of the Board





About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Message from the Chairman

[Corporate Governance Report](#)

Board of Directors

Management

Financial statements and notes

Auditor's report

Sustainability Report

Other

Corporate Governance Report

Specialfastigheter Sverige AB (Specialfastigheter) is a Swedish limited liability company wholly owned by the Swedish state. The owner governs Specialfastigheter through the General Meeting of shareholders and the Board of Directors in accordance with the Swedish Companies Act, the Articles of Association (available in their entirety on Specialfastigheter's website), the State Ownership Policy and principles for state-owned enterprises (the ownership policy) and other guidelines adopted by the government (www.regeringen.se).

As stipulated by the State Ownership Policy, Specialfastigheter follows the Swedish Corporate Governance Code, (the "Code"), (www.bolagsstyning.se), and its "comply or explain" principle. Specialfastigheter deviates from the Code as follows:

- The owner's guidelines mean that the Code rules concerning the preparation of decisions on the nomination of Board members and auditors are replaced by a special process for state-owned companies.
- The independence of the members of the Board in relation to the state as a major shareholder is only reported in relevant listed companies.
- According to the Code, the CEO may be a member of the Board but not its Chairman. The government considers it important to separate the Board's and the CEO's roles. Accordingly, the CEO may not be a member of the Board.
- Specialfastigheter has no internal audit function independent from management as described under rule 7.3 of the Code. When audit requirements are identified by the Board, these are procured externally from independent auditors.

The principal reason for these deviations from the Code is that Specialfastigheter has only one owner, while the Code is mainly aimed at listed companies with dispersed ownership.

- Rule 1.1 of the Code includes provisions about publishing information about shareholders' right of initiative. The goal of this regulation is to provide shareholders the opportunity to prepare

for an annual general meeting in good time and to have matters taken up in the notice for the meeting. In wholly state-owned companies, there is no reason to apply this rule and information about shareholders' right of initiative is therefore not published.

General meeting of shareholders

Specialfastigheter's highest decision-making body is the general meeting of shareholders. The Annual General Meeting (AGM), which is held within four months of the end of the financial year, considers the progress of the company and passes resolutions on a number of central issues, such as the election of Board members and auditors, adoption of the company's balance sheets and income statements, the distribution of profits, adoption of the Sustainability Report and discharge from liability of the members of the Board and the CEO. The Board is responsible for convening the general meeting of shareholders.

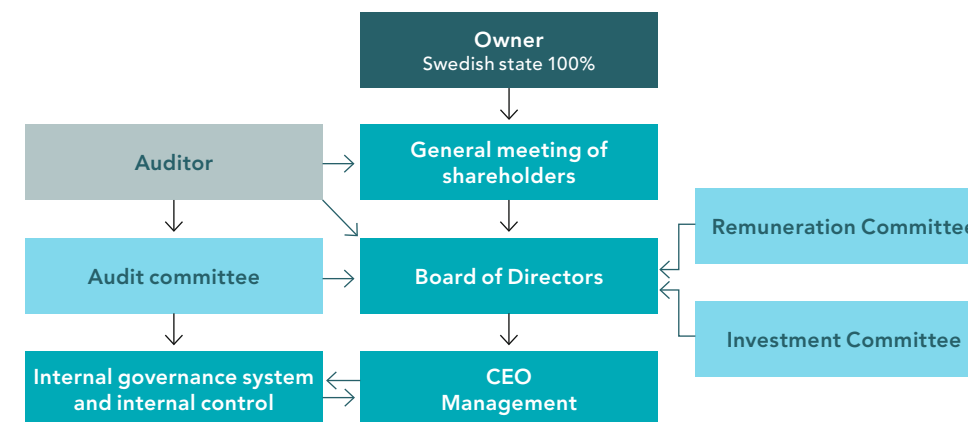
The 2023 AGM was held on 21 April. The CFO, Chairman, Board members, Deputy Director Henrik Vesterberg from the Government Offices of Sweden, the auditor and members of staff at Specialfastigheter were present. The 2024 AGM will be held on 18 April.

Board nomination process

For wholly state-owned companies, the following principles replace the rules of the Code regarding the preparation of decisions on the appointment of Board members and auditors:

- Uniform and common principles for a structured Board nomination process are applied. The aim is to ensure an effective supply of skills and expertise to the companies' boards.
- The nomination process is coordinated by the unit for company analysis and corporate governance at the Ministry of Finance.
- A working group analyses needs for skills and expertise on the basis of the company's oper-

Corporate governance and reporting



ations, situation and future challenges as well as the composition of the Boards concerned. Any recruiting needs are then determined and recruitment process begins. For further information about the Board nomination process, see Verksamhetsberättelse för bolag med statligt ägande 2022 (Activity report for state-owned companies 2022).

- Members are selected from a broad recruitment base with the aim of making best use of the skills and expertise of men and women alike, as well as people with different backgrounds and experience.

A more detailed description of the nomination process can be found in the State Ownership Policy. Once the process is completed, nominations are published in accordance with the Code.

Board composition

The owner's point of departure when nominating each of the Board members is the Board's skills requirement based on the relevant issues for the company. Board members must continuously

acquire knowledge about the company that is necessary for the assignment. According to the Articles of Association, Specialfastigheter's Board may comprise no fewer than three and not more than ten members elected by the general meeting. The employee organisations have the right to appoint a total of two full members and two alternate members. Board members are elected for one year at a time.

During 2023, Specialfastigheter's Board consisted of eight members elected by the general meeting and two full members and two alternates appointed by the employee organisations. The Annual General Meeting elected two new members, Lotta Niland and Britta Dalunde, to the Board. Eva Landén was re-elected Chairman of the Board.

The work of the Board

The Board is responsible for managing the company within the confines of the law and in accordance with the owner's interests. Corporate governance is conducted from a social perspective and safeguards the company's value-creating abilities in the long term.



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Message from the Chairman

[Corporate Governance Report](#)

Board of Directors

Management

Financial statements and notes

Auditor's report

Sustainability Report

Other

The Board bears the ultimate responsibility for the organisation and administration of the company.

The most important policy documents are:

- Articles of Association
- Minutes from general meetings
- The State Ownership Policy and other guidelines
- Rules of procedure for the Board, including instructions for the allocation of work between the Board and the CEO, instructions for financial reporting and policies adopted by the Board.

During 2023, the Board held one statutory meeting and eight scheduled Board meetings.

Board member attendance at Board meetings in 2023 is presented in the table on this page.

The rules of procedure for the Board are adopted annually at the statutory meeting of the new Board following the AGM. They govern the delegation arrangements within the company as well as the procedure for Board meetings, conflict of interest, reporting instructions and the work of the Board committees. The work of the Board focuses on strategic issues, such as the focus of operations, market, finance and economics, major investments, risks, personnel and leadership, internal control and efficiency, and sustainability.

The Board has approved policies and a business plan, including a budget. When the company is faced with especially important decisions, the Board, acting through its Chairman, must coordinate its view with representatives for the owner and present it in writing prior to a Board decision.

Audit and Finance Committee

The Audit and Finance Committee includes at least three members appointed by the Board of which one is the Committee's Chairman. The CFO also participates in the Committee (with the Communication Director as secretary), along with the CEO and other company representatives when deemed necessary. The principal assignments according to the adopted rules of procedure include supervising the company's financial reporting, preparing quarterly reports for adoption by the Board, supervising the efficiency of the company's internal controls and risk management with regard to financial reporting including the sustainability report, supervising the company's work with capital structure and other financing issues including the management of financial risks and, together with company manage-

ment, the preparation of financing matters, finance strategy and policies for adoption by the Board.

The Committee is obliged to prepare minutes of its meetings and make the minutes available to the Board. During 2023, the Committee held five scheduled meetings.

Remuneration Committee

The Board appointed an independent Remuneration Committee that includes the Chairman of the Board and a minimum of an additional two members specially appointed by the Board. The CEO is present at Committee meetings as the recorder and the company's HR Director usually participates.

The Remuneration Committee's principal task according to the adopted rules of procedure, is to prepare matters for the Board regarding remuneration, remuneration principles and other terms of employment for the CEO and other members of company management, monitor and evaluate the application of guidelines for remuneration of senior executives as resolved by the AGM and applicable succession planning, remuneration structures and levels on an overall level in the company.

The Committee must follow up and evaluate the application of these guidelines. The meetings must be minuted and the minutes provided to the Board. The Committee held five scheduled meetings during 2023.

Investment Committee

At the statutory meeting in 2023, the Board appointed an independent Investment Committee comprising at least three specially appointed members of the Board. The CEO is present and reports at the committee's meetings, as well as the company's CFO, Head of Marketing and Business and Head of Projects and Technology. The primary tasks of the Investment Committee, according to the adopted rules of procedure, are to prepare issues concerning major investments in properties, divestments and acquisitions of properties, prepare and analyse the final cost of completing investments, staying abreast of major ongoing projects at the conception or planning stage, and assisting the company management with the development of decision-making documentation and continuous monitoring of major projects. The meetings must be minuted and the

Board composition and attendance in 2023

	Elected, year	Board and committee fees, SEK thousand	Board meetings	Remuneration Committee	Audit and Finance Committee	Investment Committee
Eva Landén, Chairman ¹⁾	2014	343	9/9	5/5	5/5	
Peter Blomqvist	2021		9/9	5/5	5/5	
Britta Dalunde ²⁾	2023	132	6/6		3/3	
Charlotte Hybinette ³⁾	2022	74	9/9	4/4	2/2	5/5
Mikael Lundström	2013	177	9/9	5/5		5/5
Lotta Niland ⁴⁾	2023	130	6/6			5/5
Pierre Olofsson	2019	179	8/9	1/1		5/5
Sanela Ovcina ⁵⁾	2021	35	2/3			
Åsa Wirén ⁶⁾	2018	186	9/9		5/5	
Tomas Edström ⁷⁾	2013		8/9			
Erik Ydreborg ⁸⁾	2016		9/9			
Kajsa Marsk Rives ⁹⁾	2019		9/9			
Roger Törngren ¹⁰⁾	2011		7/9			

¹⁾ Chairman of the Board and Chairman of the Remuneration Committee

²⁾ Elected at the 2023 General Meeting

³⁾ Resigned from the Board in February 2024 when she was appointed Acting Head of Projects and Technology at Specialfastigheter.

⁴⁾ Elected at the 2023 General Meeting

⁵⁾ Stepped down from the Board at the 2023 General Meeting

⁶⁾ Chairman of the Audit and Finance Committee

⁷⁾ Employee representative

⁸⁾ Employee representative

⁹⁾ Alternate employee representative

¹⁰⁾ Alternate employee representative

minutes provided to the Board. The Committee held five scheduled meetings during 2023.

Remuneration of senior executives

Salaries and other benefits to personnel in company management positions must be reasonable and competitive. Remuneration must follow, not lead, current market trends. This is achieved through comparisons with other relevant companies. Remuneration must be characterised by moderation, prudence, be well balanced and contribute to good ethics and corporate culture, and reflect the responsibility the work entails. The company has no variable salaries or any forms of incentive programmes. The CEO has a defined-contribution pension plan. Pension terms for other senior executives follow an ITP (supplementary pension) plan; employees engaged after 2013 have a defined-contribution pension plan. For information regarding salaries and remuneration, refer to Note 7, Consolidated Financial Statements.

During 2023, the company adhered to the employment condition guidelines for senior

executives adopted by the general meeting of shareholders. The Board proposes that the company continues to follow these guidelines during 2024.

Remuneration of the Board

Information regarding remuneration of Board members approved by the 2023 AGM is available in the annual report, Note 7, Consolidated Financial Statements.

The Board's evaluation of its own work

The work of the Board is subject to annual evaluation. Work undertaken in 2023 was evaluated by means of an online questionnaire. The evaluation also includes a measurement of how effectively internal controls are perceived to function in the company. The results of the evaluation will be compiled, discussed and reported to the Board and the owner.

Chief Executive Officer

The CEO must ensure that the Board receives reports concerning the progress of Specialfastigheter's

About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Message from the Chairman

[Corporate Governance Report](#)

Board of Directors

Management

Financial statements and notes

Auditor's report

Sustainability Report

Other

operations in respect of such matters as the company's earnings trend, financial position and liquidity, information on the status of major projects, the efficiency of internal controls and important events. Reports must be structured in such a way that the Board is able to make well-founded assessments. The CEO does not serve as a Board member. The CEO prepares the company's overall strategy and operational goals for approval by the Board.

In June Åsa Hedenberg stepped down from her role as CEO. Alexandra Laurén was appointed as the new CEO of Specialfastigheter. Alexandra Laurén took on the role on 23 October 2023. Board of Directors appointed Charlotte Hybinette as the interim CEO as of 1 July 2023, until Alexandra Laurén takes up her position.

Auditors

Auditors are elected by the owner at the AGM. The Board presents proposals for the election of auditors to the AGM based on a recommendation from the Board's Audit and Finance Committee.

The proposals for the appointment of auditors are drafted in accordance with the rules contained in the EU Audit Regulation and Directive and are published in accordance with Code's guidelines. Öhrlings PricewaterhouseCoopers AB were re-elected as auditors at the 2023 AGM with Helena Ehrenborg as auditor in charge. The election took place for a period of one year. Presentation of auditor; refer to page 54.

The auditors perform an annual review of the internal control. The limited assurance examination of Specialfastigheter's Sustainability Report is conducted by the company's elected auditors who provide an assurance of the report. Moreover, the Group's Q3 interim report is subject to review by the company's auditor.

For information regarding auditors' fees, refer to Note 5, Consolidated Financial Statements.

Description of internal control and risk management regarding financial reporting

This description has been prepared in accordance with the Swedish Annual Accounts Act and the Code, and is therefore limited to how internal control over financial reporting is organised. The Board's statement regarding internal governance and control is based on the framework document

COSO (The Committee of Sponsoring Organizations of the Treadway Commission). The framework's principles help the operations achieve financial objectives by systematically following up on the company's risk exposure.

Additionally, the internal controls are to ensure that both internal and external financial reporting is reliable and prepared according to current legislation, accounting principles and other guidelines for state-owned companies.

The Board considers Specialfastigheter to have well-structured accounting and financial management and good internal controls.

Control environment

The basis for internal control over financial reporting is the control environment comprising the organisation, its culture, and decision paths, powers and responsibilities documented and communicated in policy documents such as company policies, guidelines and instructions.

Specialfastigheter's internal controls are aimed at identifying, measuring and minimising risks in the operation. Specialfastigheter has clear processes for following up on internal control, where roles and responsibilities are defined and where key controls and reporting are clarified.

During the year, the Audit and Finance Committee followed up and supervised the financial reporting and efficiency of the company's internal controls and risk management.

The management system forms an important part of our control environment and aims for work to be carried out in line with the assignment and business model. The system controls working methods through clear processes and policy documents that are linked to each process. Specialfastigheter's management system is certified for information security according to the ISO/IEC 27001:2013 standard. A periodic audit of the certification was carried out in May. The company is also environmentally certified under ISO14001 and a periodic audit was carried out in February.

Every year, a number of internal operational audits of the management system take place. These are not independent internal audits according to the Code, but audits that comply with ISO standards. The company has a whistle-blower function to enable attention to be drawn anonymously to irregularities.

Risk assessment

Assessments regarding the risk of errors in the financial reporting are made by the Board, management and the external auditors. A risk analysis seeks to identify processes where the risk of substantial errors in financial reporting is greatest. Specialfastigheter's risks are described on page 44. The risk analysis tool helps systematically identify, analyse, evaluate and follow up risks at every level on an ongoing basis. The risk analyses are reviewed and analysed in turn, and management assesses risks from a company perspective.

Control activities

Activities that are drawn up based on the risk analysis aim to manage significant risks identified to eliminate and limit the occurrence or effects of said risks.

The Board and management are informed about compliance with policy documents and processes, and the effectiveness of the control structures. The management system contains the processes that show how Specialfastigheter should proceed and the controls that must be performed. IT controls that support processes and influence internal controls are created in the computer systems.

Analyses and crosschecks are carried out by the internal auditors in order to ensure financial reporting regarding the company's income and expenses follow internal guidelines and instructions. Control activities are also implemented in the processes specified in the internal control plan, with the objective of developing the processes and preventing, detecting and correcting any errors or deviations. Control activities are manual and automated in nature and include approval procedures, control audits, process compliance and results follow-up.

Information and communication

The Board receives regular reporting of financial and sustainability-related information from the company. The Board has undergone training in CSRD and the regulatory framework's implications for Specialfastigheter and the Board. Specialfastigheter complies with the guidelines for external reporting described in the State Ownership Policy. Reporting according to GRI Standards helps the company clearly communicate its sustainability.

The company's policy documents regarding financial reporting, are updated by process owners

and management and made available and known to employees via the company's internal information and communication channels.

Monitoring and development

Financial reporting follows an approved reporting structure. The operations' objectives and identified risks are monitored continuously and at different levels within the company. In the business plan and account closing processes, management regularly carries out reconciliations and follow-ups of operations.

The budget is approved annually by the Board, which receives financial reports and reconciliations from company management on a quarterly basis at a minimum.

The company's external auditors report their observations from reviews and their assessment of internal controls to the Audit and Finance Committee and the Board at the scheduled autumn meeting, the final audit and as necessary. This takes place in the presence of company management or not, as the case may be. Follow-ups of completed investment projects are presented to the Board on an ongoing basis during the year. The company's external auditors continually report the results of reviews performed, actions to be taken and the status of the latter to company management. When necessary, Specialfastigheter engages external consultants to scrutinise and follow-up areas for the purpose of discovering opportunities for improvement, any discrepancies and/or irregularities. The results of audits, follow-ups and risk analyses carried out are reported to the CEO and company management.

Internal audit

Specialfastigheter has no internal audit function independent from management as described under rule 7.3 of the Code. The decision on the need for an internal audit is reviewed annually by the Board. The Board considers the follow-up reported by the CEO, internal controls and internal audits in the management system in accordance with this document combined with the review by the external auditors, to be sufficient to ensure that internal control over financial reporting is effective, and does not contain any significant errors.

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report

Corporate governance

- Message from the Chairman
- [Corporate Governance Report](#)
- Board of Directors
- Management

Financial statements and notes

Auditor's report

Sustainability Report

Other

Agenda items during 2023

- December**
 - Adoption of the 2024–2033 business plan
 - Preliminary capital structure and dividend for 2024
 - Proposals for election of external auditors
 - Decision on investments
 - Review of risks and risk management
 - Quality and security issues
 - Assessment of the need for independent internal audit
- October**
 - Auditors' report on internal control and administration
 - Adoption of the third quarter interim accounts and interim report
 - Decision on investments
 - Evaluation of the Board, the CEO and internal control
- September**
 - Follow-up of the 2023 business plan
 - Follow-up of the internal control plan for 2023
 - Decision on investments
 - Decisions on Board and committee meetings, as well as AGM 2024
 - Strategy and business plan 2024
- July**
 - Adoption of the second quarter interim accounts and interim report
 - Decision on investments



- February**
 - Auditors' report on internal governance and the annual accounts
 - Decision on 2022 year-end report including proposed dividend
 - Decision to refrain from a Group contribution and a shareholder contribution
 - Internal control plan 2023
 - Decision on investments
 - Decision on 2023 annual plan
- March**
 - Board's statement regarding the proposed dividend
 - Adoption of guidelines for remuneration of senior executives
 - Decision on the notice regarding the 2023 AGM for the 2022 financial year
 - Decision on the 2022 Annual Report and Sustainability Report
 - Decision on investments
- April**
 - Adoption of the first quarter interim accounts and interim report
 - Decision on investments
 - Statutory Board meeting and adoption of the Board's rules of procedure including the CEO's instruction and instructions for financial reporting, rules of procedure for the Remuneration Committee, rules of procedure for the Audit and Finance Committee and approval of delegation arrangements.
 - Adoption of company-wide policies and the Code of Conduct
- June**
 - Decision on investments
 - Strategy discussion

About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Message from the Chairman

Corporate Governance Report

Board of Directors

Management

Financial statements and notes

Auditor's report

Sustainability Report

Other

Board of Directors



Eva Landén

Chairman of the Board
Deputy CEO Corem Property Group AB
Elected 2014

Other board assignments
None

Previous experience
CEO and CFO Corem Property Group AB, Authorised Public Accountant, PwC, CFO Bonnier Cityfastigheter

Education
M.Sc. Business and Economics, Uppsala University.

Born
1965



Peter Blomqvist

Deputy Director at the Ministry of Finance, Department of state-owned companies
Elected 2021

Other board assignments
Lernia AB and Swedavia AB

Previous experience
CEO SunCarbon AB, CEO Svenska Kraftnät Gasturbiner AB, Deputy CEO Domsjö Fabriker, CEO Processum Biorefinery Initiative AB, CEO Mediacord AB, Deputy CEO DCM AB, Founder and CEO Anderblom & Söner

Education
MSc in Business and Economics from the Stockholm School of Economics.

Born
1962



Britta Dalunde

Own business
Elected 2023

Other board assignments
Board member of Arlandabanan Infrastructure AB, Arelion AB and Nordion Energi AB

Previous experience
Board member of companies such as Projektengagemang AB (publ), Knightec AB, ForSea AB, Global Ports Investments PLC, HANZA Group AB (publ) and Boule Diagnostics AB (publ). CFO of SJ AB, Atea AB and Grontmij AB

Education
Executive MBA with Strategic Planning specialism, Edinburgh Business School

Born
1958



Mikael Lundström

CEO Svefa AB
Elected 2013

Other board assignments
Chairman of Värderingsdata AB and Set Up AB

Previous experience
CEO, Akademiska Hus AB, Deputy CEO, Jones Lang LaSalle AB, head of Market Area, Skandia Fastigheter AB, Head of Administration, NCC Fastigheter AB

Education
Graduate in engineering, KTH Royal Institute of Technology

Born
1961



Lotta Niland

Head of Strategic Urban development, Besqab AB
Elected 2023

Other board assignments
None

Previous experience
Regional Director, Head of Project Development and Business Director, Besqab AB, Project Manager at Besqab AB, Sweco Project management AB and JM AB

Education
Graduate in engineering, KTH Royal Institute of Technology

Born
1969



Pierre Olofsson

Founder and partner, Spira företagsutveckling
Elected 2019

Other board assignments
Chairman of the Board of Envix Nord AB and Skånefrö AB, and Board member of COWI

Previous experience
Skanska's Group management, with responsibility for the Nordic construction units, CEO Skanska Sverige AB

Education
Graduate in engineering, Lund University Faculty of Engineering

Born
1966

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance**
 - Message from the Chairman
 - Corporate Governance Report
 - [Board of Directors](#)
 - Management
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Employee Representative



Åsa Wirén
 Own business
 Elected 2018
Other board assignments
 None
Previous experience
 CFO at Scandic Hotels Group, CFO at Bonnier Group, CFO at SkiStar, partner and Authorised Public Accountant at KPMG
Education
 M.Sc. Business and Economics, Uppsala University
Born
 1968



Tomas Edström
 Employee Representative
 Appointed 2013
Other board assignments
 Board member at Manomet Rock AB
Previous experience
 Head of Operations at AB Tierpsbyggen, Property manager at Sundsvall Municipality
Education
 Mechanical engineer
Born
 1964



Erik Ydreborg
 Employee Representative
 Appointed 2016
Other board assignments
 None
Previous experience
 Industrial floor installer, building maintenance technician, service technician
Education
 High School Engineer, four-year electrical power studies
Born
 1967



Kajsa Marsk Rives
 Alternate employee representative
 Appointed 2019
Other board assignments
 Chairman of En Utsträckt Hand – Täby and Danderyd
Previous experience
 Sustainability consultant at Goodpoint, case handler at Sida, Program Officer at UNDP, Assistant Program Officer UNHCHR, Executive Assistant to the Chairperson, PRI (Penal Reform International).
Education
 Degree of Master of Laws, Uppsala University
Born
 1974



Roger Törngren
 Alternate employee representative
 Appointed 2011
Other board assignments
 None
Previous experience
 Property Management Engineer at Specialfastigheter, Service Technician at Vasakronan, Project programmer, control systems at TASAB
Education
 Control systems/Operations technology/Qualified property management
Born
 1965



Helena Ehrenborg
 Auditor in Charge, Öhrlings PricewaterhouseCoopers AB
Other significant audit assignments
 Akademiska Hus AB, Jernhusen AB, Alecta Fastigheter AB, Bonnier Fastigheter AB.
Born
 1965

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance**
 - Message from the Chairman
 - Corporate Governance Report
 - Board of Directors
 - Management
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other

Management



Alexandra Laurén

CEO

Previous experience

Head of Business Unit at Bonava Sverige AB, Deputy CEO at Skanska Sverige AB

Board assignments

None

Education

B.Sc. in Engineering, Mälardalen University

Born

1975

Employed since

2023



Masoomah Antonsson

CIO

Previous experience

Consultant, Ibitec; Consultant, Invid; Consultant, Qurius

Education

Systems analyst, Örebro University

Born

1975

Employed since

2008



Christina Burlin

HR Director

Previous experience

Personnel Director, Swedish Maritime Administration; Group Personnel Director, Östgöta Correspondenten; Personnel Director, SAAB Civil Aircraft

Education

Bachelor of Arts Study programme in personnel management, Lund University

Born

1962

Employed since

2012



Eva Bång

CFO

Previous experience

CFO at Intea fastigheter AB, Global CFO at Ingka Centres (Ikea) in the Netherlands, CFO and Deputy CEO of Hemsö AB, Finance Director at Unibail-Rodamco Nordic, CFO at GE Capital Equipment Finance

Education

Master's degree in economics, Uppsala University

Born

1968

Employed since

2024 (interim CFO since November 2023)



Susanne Essehorn

Head of Marketing and Business

Previous experience

Property Manager Revelop, Senior Consultant at Essehorn Fastighetsrådgivning AB, Property Manager/Regional Manager at Klöver AB, Property Manager at AB Sagax, CEO Söderport Fastigheter AB, Property Manager at GE Capital Real Estate, Property Manager at Fastighets AB Tornet, Property Management Director at Hufvudstaden AB

Education

M.Sc. Business and Economics, Stockholm University

Born

1964

Employed since

2022

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance**
 - Message from the Chairman
 - Corporate Governance Report
 - Board of Directors
 - Management
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other



Charlotte Hybinette

Acting Projects and Technology Director

Previous experience

Owner of Hybinette & Partners AB, Senior Investment Manager/Advisor at Ernström & C:o AB, Managing partner at MAQS Advokatbyrå Stockholm AB

Board assignments

Board member of Bellman Group AB, Collector AB (publ) and Collector Bank AB, Chairman of the Board of Platzer Fastigheter Holding AB

Education

Master of Law (LL.M.), Stockholm University

Born

1973

Employed since

Appointed as Acting Projects and Technology Director in February 2024



Hanna Janson

Communication Director

Previous experience

Communications Manager Akademiska Hus AB region Stockholm; Pro tem Communications Director Akademiska Hus AB; Consultant, JKL AB Gothenburg and Stockholm

Education

M.Sc. Business and Economics, SSE

Born

1975

Employed since

2015



Michaela Sköld

Property Management Director

Previous experience

Head of management support Fortifikationsverket, Property manager Swedavia AB, Property manager Akademiska Hus AB, Trainee Uppsalahem AB

Education

Graduate in engineering, Surveyor, Royal Institute of Technology

Born

1980

Employed since

2019



[About Specialfastigheter](#)

[CEO's statement](#)

[Operating environment](#)

[The offering](#)

[Sustainable operations](#)

[The properties](#)

[Administration Report](#)

[Corporate governance](#)

Financial statements and notes

[Consolidated five-year summary](#)

[Consolidated income statement](#)

[Consolidated statement of comprehensive income](#)

[Consolidated balance sheet](#)

[Consolidated changes in equity](#)

[Consolidated cash-flow statement](#)

[Consolidated notes](#)

[Parent Company income statement](#)

[Parent Company statement of comprehensive income](#)

[Parent Company balance sheet](#)

[Parent Company changes in equity](#)

[Parent Company cash-flow statement](#)

[Parent Company notes](#)

[Declaration by the Board](#)

[Auditor's report](#)

[Sustainability Report](#)

[Other](#)

Financial statements and notes

[Download print-friendly PDF](#) 

[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)[Sustainable operations](#)[The properties](#)[Administration Report](#)[Corporate governance](#)**Financial statements and notes**[Consolidated five-year summary](#)[Consolidated income statement](#)[Consolidated statement of comprehensive income](#)[Consolidated balance sheet](#)[Consolidated changes in equity](#)[Consolidated cash-flow statement](#)[Consolidated notes](#)[Parent Company income statement](#)[Parent Company statement of comprehensive income](#)[Parent Company balance sheet](#)[Parent Company changes in equity](#)[Parent Company cash-flow statement](#)[Parent Company notes](#)[Declaration by the Board](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

CONSOLIDATED FIVE-YEAR SUMMARY

The financial progress of the Group in summary. For definitions of key performance indicators, see page 115.

Property related	2023	2022	2021	2020	2019
Income from property management, SEK million	3,063	2,456	2,464	2,393	2,261
Profit from property management, SEK million	1,624	1,341	1,592	1,541	1,440
Occupancy rate, %	97.3	97.5	97.6	98.5	98.5
Investments including property acquisitions, SEK million	5,733	4,173	1,996	1,044	1,029
Market value, investment properties, SEK million	41,740	36,210	33,761	29,618	29,037
Floor space, sq m, thousand	1,158	1,102	1,099	1,090	1,090
Yield, %	5.3	4.9	5.7	5.9	5.8
Total assets, SEK million	46,372	40,123	36,157	31,454	30,414
Equity, SEK million	15,047	14,027	14,804	12,409	12,091
Property management related					
Rental income, SEK/sq m	2,359	1,999	1,976	1,953	1,882
Property operations, SEK/sq m ¹	501	360	344	335	349
Maintenance expenses, SEK/sq m ¹	304	320	342	382	284
Net operating income, SEK/sq m	1,825	1,571	1,627	1,588	1,495
Administrative expenses, SEK/sq m	86	65	52	51	51
Finance related					
EBT, SEK million	1,296	-172	3,771	1,138	2,170
Net profit for the year, SEK million	1,020	-143	2,999	888	1,717
Cash flow before investments, SEK million	1,412	1,476	1,802	1,406	1,039
Surplus ratio, %	66.9	70.5	72.7	72.5	72.1
Interest coverage ratio, cash-flow based	3.2	6.1	11.6	7.9	11.0
Return on equity, %	7.0	-1.0	22.0	7.3	14.9
Adjusted return on equity, %	8.8	7.4	9.3	9.9	9.9
Return on total capital, %	4.1	0.3	11.6	4.4	6.4
Loan-to-value ratio, %	52.5	50.3	42.2	45.5	45.9
Equity/assets ratio, %	32.4	35.0	40.9	39.5	39.2
Dividend, SEK million	0 ²	0	634	604	570

¹ Of which capitalised in the balance sheet: SEK 204/sq m for 2019, SEK 299/sq m for 2020, SEK 297/sq m for 2021, SEK 253/sq m for 2022 and SEK 218/sq m for 2023.

² Proposed dividend to be resolved at the AGM in April 2024.


[About Specialfastigheter](#)
[CEO's statement](#)
[Operating environment](#)
[The offering](#)
[Sustainable operations](#)
[The properties](#)
[Administration Report](#)
[Corporate governance](#)

Financial statements and notes

[Consolidated five-year summary](#)
[Consolidated income statement](#)
[Consolidated statement of comprehensive income](#)
[Consolidated balance sheet](#)
[Consolidated changes in equity](#)
[Consolidated cash-flow statement](#)
[Consolidated notes](#)
[Parent Company income statement](#)
[Parent Company statement of comprehensive income](#)
[Parent Company balance sheet](#)
[Parent Company changes in equity](#)
[Parent Company cash-flow statement](#)
[Parent Company notes](#)
[Declaration by the Board](#)
[Auditor's report](#)
[Sustainability Report](#)
[Other](#)

CONSOLIDATED INCOME STATEMENT, SEK MILLION

	Note	Full-year 2023	Full-year 2022
Rental income		2,650	2,205
Other income	2	413	251
Income from property management		3,063	2,456
Operating expenses	3	-864	-599
Maintenance		-97	-73
Property tax		-53	-53
Net operating income		2,049	1,731
Central administration	4, 5	-97	-72
Net financial items	6	-328	-318
Profit from property management	7	1,624	1,341
Realised gain on property sales	8	-	0
Change in value of investment properties, unrealised	9	-188	-1,723
Change in value of financial instruments, unrealised	6	-140	210
EBT		1,296	-172
Tax	10	-276	29
Net profit for the year		1,020	-143
Of which attributable to the Parent Company's shareholder		1,020	-143

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SEK MILLION

	Full-year 2023	Full-year 2022
Net profit for the year	1,020	-143
Total comprehensive income for the year	1,020	-143
Of which attributable to the Parent Company's shareholder	1,020	-143

Comments to the income statement

The income statement items below, as with the comparison amounts for the previous year, refer to the period from January to December unless otherwise stated.

Income from property management SEK 3,063 million (2,456)

Rental income increased to SEK 2,650 million (2,205) as a result of index adjustment against the CPI, and new and renegotiated leases, primarily for the Swedish Prison and Probation Service. Other income rose to SEK 413 million (251), which was mainly due to increased revenue for media as a result of higher energy prices.

Property expenses SEK 1,014 million (725)

Property expenses increased 289 million due to higher operating expenses. Operating expenses have increased due to higher energy prices, an expanding property portfolio and a larger organisation.

Net operating income SEK 2,049 million (1,731)

Net operating income was up year-on-year, mainly due to increased rental income. However, the surplus ratio was lower at 67% (70) as a result of a higher percentage increase in property management costs compared with rental income.

Net financial items, expense of SEK 328 million (expense: 318)

Higher interest rates and increased borrowings have resulted in higher interest expenses. This was offset by value increases on investments in covered bonds and higher capitalisation of interest expenses in ongoing projects, which led to a more negative result for net financial items compared with last year. For further information, see page 67.

Profit from property management SEK 1,624 million (1,341)

Profit from property management was up year-on-year as a result of higher net operating income.

Changes in value loss of SEK 328 million (loss: 1,513)

Unrealised changes in value amounted to a decrease of SEK 188 million (decrease: 1,723) for investment properties and a decrease of SEK 140 million (gain: 210) for financial instruments. This was primarily due to increased investments in ongoing projects. Unrealised changes in value for the period amounted to a decrease of SEK 188 million (decrease: 1,723) and mainly stemmed from higher yield requirements, which negatively impacted property values. The value decline was mitigated by the positive impact of new and renegotiated leases together with higher rental income as a result of index adjustment against the CPI. Negative value changes for financial instruments resulted from lower electricity prices and market interest rates. For further information, see page 70.

Tax expense SEK 276 million (income: 29)

Tax amounted to an expense of SEK 131 million (expense: 121) in current tax and an expense of SEK 145 million (income: 150) in deferred tax.

Net profit SEK 1,020 million (loss: 143)

Net profit for the period was up year-on-year. This was attributable to the period's improvement in profit from property management and to year-on-year lower negative unrealised changes in value for investment properties, at the same time as unrealised changes in value for financial instruments were negative compared with last year.

[About Specialfastigheter](#)
[CEO's statement](#)
[Operating environment](#)
[The offering](#)
[Sustainable operations](#)
[The properties](#)
[Administration Report](#)
[Corporate governance](#)

Financial statements and notes

[Consolidated five-year summary](#)
[Consolidated income statement](#)
[Consolidated statement of comprehensive income](#)
[Consolidated balance sheet](#)
[Consolidated changes in equity](#)
[Consolidated cash-flow statement](#)
[Consolidated notes](#)
[Parent Company income statement](#)
[Parent Company statement of comprehensive income](#)
[Parent Company balance sheet](#)
[Parent Company changes in equity](#)
[Parent Company cash-flow statement](#)
[Parent Company notes](#)
[Declaration by the Board](#)
[Auditor's report](#)
[Sustainability Report](#)
[Other](#)

CONSOLIDATED BALANCE SHEET, SEK MILLION

	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Investment properties	9	41,740	36,210
Right-of-use assets	11	33	35
Other property, plant and equipment	12	22	13
Derivatives	13, 20	138	192
Other financial investments	13	2,649	2,125
Other non-current receivables	14	139	48
Total non-current assets		44,721	38,623
Current assets			
Trade receivables		89	75
Derivatives	13	55	178
Other financial investments	13	296	295
Tax assets	10	26	35
Other receivables	14	768	491
Prepaid expenses and accrued income	15	57	42
Cash and cash equivalents ¹	16	345	384
Assets held for sale	9	15	–
Total current assets		1,651	1,500
Total assets		46,372	40,123

	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Share capital		200	200
Other contributed capital		616	616
Retained earnings, including net profit for the year		14,231	13,211
Total equity		15,047	14,027
Liabilities			
Non-current liabilities			
Interest-bearing liability, right-of-use assets	11	33	35
Other non-current interest-bearing liabilities	17, 20	20,560	15,368
Derivatives		156	30
Deferred tax liabilities	10	4,259	4,113
Total non-current liabilities		25,008	19,546
Current liabilities			
Current interest-bearing liabilities	17, 20	4,318	4,940
Trade payables		906	692
Derivatives		8	8
Other liabilities	18	15	99
Accrued expenses and deferred income	19	1,070	811
Total current liabilities		6,317	6,550
Total liabilities		31,325	26,096
Total equity and liabilities		46,372	40,123

¹ On the balance-sheet date we had utilised SEK – million (–) of the total SEK 500 million (500) Group overdraft facility. In addition, guaranteed loan commitments of SEK 7,250 million (6,250) also remained unutilised.

About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

[Consolidated balance sheet](#)

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other

Comments to the balance sheet

Closing balance on 31 December 2022 stated in parentheses.

Investment properties SEK 41,740 million (36,210)

Investments SEK 5,522 million (4,157)

Group investments in property projects totalled SEK 5,522 million for the period, up SEK 1,365 million year-on-year.

Acquisitions, SEK 211 million (16)

In the first half of the year, five new land parcels were acquired and totalled 60,716 square metres. The land parcels comprise 14,000 square metres at Luleå Porsön 1:405, 5,202 square metres at Borås Horngäddan 13, 8,056 square metres at Borås Horngäddan 14, 20,361 square metres at Härryda Bårhult 1:128 and 13,097 square metres at Malmö Enebyda 1. Two additional properties were acquired in the fourth quarter, 945 square metres at Kalix Filipsborg 1:4 and 1,335 square metres at Sundbo 7:66.

Divestments SEK – million (negative: 1)

No divestments were carried out during the year. However, an agreement was signed in the fourth quarter for the sale of 8,940 square metres at Trosa Lövsta 1:33 with possession in the first quarter of 2024. This land has been reclassified as a current asset.

Investment properties, fair value SEK 41,740 million (36,210)

At year end, the estimated value amounted to SEK 41,740 million, an increase of SEK 5,530 million year-on-year. This was primarily due to increased investments in ongoing projects. Unrealised changes in value for the period amounted to a decline of SEK 188 million (decline: 1,723) and mainly stemmed from higher yield requirements, which negatively impacted property values. The value decline was mitigated by the positive impact of new and renegotiated leases together with higher rental income as a result of index adjustment against the CPI. Continued caution in the transaction market and continued high interest rates resulted in upward adjustment of yield requirements by between 0.05 and 0.25 percentage points in the fourth quarter. The estimated cost of capital for cash flows during the contract period was also raised by 0.25 percentage points.

The average yield requirement for the property portfolio amounted to 5.7%, up 0.60 of a percentage point year-on-year. The estimated values of Specialfastigheter's investment properties are determined by means of an internal valuation based on actual data in respect of rents and operating expenses. Information concerning cost of capital, required yield and current market rents has been cross-checked with external appraisers. With regard to reliable rental income, the estimated cost of capital over the contract period was mainly between 5.00% (5.10) and 5.25% (5.35). The required yield ranges mostly from 4.85% (4.35) to 9.75% (9.35) depending on property location and contract structure.

Other financial investments SEK 2,649 million (2,125)

Other financial investments comprised covered bonds of SEK 2,576 million (2,125) and cash deposits pursuant to CSAs of SEK 72 million (–). The total investment in covered bonds was SEK 2,871 million (2,419), of which SEK 296 million (295) is short term and recognised in the item Other financial investments.

Interest-bearing liabilities SEK 24,911 million (20,343)

The item interest-bearing liabilities includes SEK 2,262 million (1,886) pertaining to green bonds. It also includes SEK 33 million (35) pertaining to lease liabilities according to IFRS 16. A corresponding amount is also recognised on the asset side under Right-of-use assets. Interest-bearing liabilities also includes SEK 0 million (130) in cash deposits received pursuant to CSAs.

Change in the value of investment properties, SEK million	2023	2022
Fair value at the beginning of the period	36,210	33,761
+ Investments incl. capitalised interest expenses	5,522	4,157
+ Acquisitions	211	16
– Sales	–	–1
– Reclassification to assets held for sale	–15	–
+ Unrealised change in value	–188	–1,723
Fair value at the end of the period	41,740	36,210
Unrealised changes in value	–188	–1,723
of which, change in cost of capital, yield and estimated market rents	–2,177	–2,726
of which other changes in net operating income	1,989	1,003

[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)[Sustainable operations](#)[The properties](#)[Administration Report](#)[Corporate governance](#)**Financial statements and notes**[Consolidated five-year summary](#)[Consolidated income statement](#)[Consolidated statement of comprehensive income](#)[Consolidated balance sheet](#)[Consolidated changes in equity](#)[Consolidated cash-flow statement](#)[Consolidated notes](#)[Parent Company income statement](#)[Parent Company statement of comprehensive income](#)[Parent Company balance sheet](#)[Parent Company changes in equity](#)[Parent Company cash-flow statement](#)[Parent Company notes](#)[Declaration by the Board](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

CONSOLIDATED CHANGES IN EQUITY, SEK MILLION

	Share capital	Other contributed capital	Retained earnings	Total equity
Opening balance, 1 January 2023	200	616	13,211	14,027
Net profit for the year	–	–	1,020	1,020
Dividend	–	–	–	–
Closing balance, 31 December 2023	200	616	14,231	15,047
Comment: The share capital comprises 2,000,000 shares.				

Equity

Capital management

The Board's financial objective for the Group is to maintain a sound capital structure with financial stability, to thereby retain the capital market's confidence and form the basis for continued development of business operations. The target equity/assets ratio is 25–40% and strategic planning includes adaptation to meet this target.

The Board aims to preserve a balance between high returns and the advantages offered by a high level of equity, which creates long-term value for customers and society. The Group's target for long-term profitability is a return on operating capital amounting to at least 5% over time. The profitability target illustrates the company's profitability independent of financial assets and financing. The adjusted return on operating capital for 2023 was 5.2% (5.5).

Specialfastigheter's dividend policy is to distribute 30–70% of net profit for the year after adding back changes in value and associated deferred tax. The annual resolution on the dividend must also take into account the Group's future investment needs and financial circumstances. Over the last five years, the dividend has averaged 2.8% (3.8) of equity. The Group will pay an extraordinary dividend when the capital structure and financial needs of the business so allow.

No change took place in the Group's capital management during the year. Neither the Parent Company nor any of its subsidiaries is subject to external capital requirements.

Share capital

The share capital is divided into 2,000,000 shares with a quotient value of SEK 100 and with one (1) vote per share, which applies to both the opening and closing number of shares in the above reporting periods.

	Share capital	Other contributed capital	Retained earnings	Total equity
Opening balance, 1 January 2022	200	616	13,988	14,804
Net profit for the year	–	–	-143	-143
Dividend	–	–	-634	-634
Closing balance, 31 December 2022	200	616	13,211	14,027
Comment: The share capital comprises 2,000,000 shares.				

Appropriation of profits

The Board proposes that the 2024 Annual General Meeting of Specialfastigheter Sverige AB resolves in favour of distributing a dividend of SEK 0 million, or SEK 0 per share, to the owner. The proposed dividend constitutes 0% of the Parent Company's equity and 0% of the Group's equity. Refer also to Note 11 for the Parent Company.

The company's holdings of financial instruments were measured at fair value in accordance with Chapter 4 Section 14a of the Annual Accounts Act. This entailed a decrease in equity of SEK 302 million excluding deferred tax, which represented approximately 22.2% of the Parent Company's equity excluding deferred tax. The proposed dividend to the shareholder is proposed to amount to SEK 0.

Group operations are run with stable, healthy profitability, and income is hedged in the long term through long lease agreements. In the Board's assessment, after the cancelled dividend, the company will continue to have adequate financial capacity to meet the requirements placed on the Group's and the Parent Company's equity by the nature, scope, investment requirements and risks of the business.

The annual resolution on the dividend must also take into account the Group's future investment needs and financial position, which has led to the proposal that no dividend be distributed for 2023. The proposal is therefore justifiable given the consolidation needs, liquidity and other circumstances of the Group and Parent Company.

[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)[Sustainable operations](#)[The properties](#)[Administration Report](#)[Corporate governance](#)**Financial statements and notes**[Consolidated five-year summary](#)[Consolidated income statement](#)[Consolidated statement of comprehensive income](#)[Consolidated balance sheet](#)[Consolidated changes in equity](#)[Consolidated cash-flow statement](#)[Consolidated notes](#)[Parent Company income statement](#)[Parent Company statement of comprehensive income](#)[Parent Company balance sheet](#)[Parent Company changes in equity](#)[Parent Company cash-flow statement](#)[Parent Company notes](#)[Declaration by the Board](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)

CONSOLIDATED CASH-FLOW STATEMENT, SEK MILLION

	Full-year 2023	Full-year 2022
Operating activities		
Net operating income	2,049	1,731
Central administration	-97	-72
Net financial expense	-328	-318
Add back, change in prices	-91	99
Add back of depreciation	6	5
Income tax paid	-120	-160
Cash flow from operating activities before changes in working capital	1,419	1,285
Change in working capital		
Change in receivables	-396	-190
Change in other current liabilities	389	381
Total change in working capital	-7	191
Cash flow from operating activities	1,412	1,476
Investing activities		
Acquisition of investment properties	-211	-16
Investment in investment properties	-5,522	-4,157
Disposal of investment properties	-	1
Acquisition of property, plant and equipment	-16	-14
Disposal of property, plant and equipment	0	0
Cash flow from investing activities	-5,749	-4,186
Financing activities		
Investment, covered bonds	-627	-1,219
Investment, covered bonds, matured	308	206
Borrowings	20,958	23,096
Repayments of borrowings	-16,341	-18,612
Dividend paid to Parent Company's shareholder	-	-634
Cash flow from financing activities	4,298	2,837
Cash flow for the period	-39	127
Opening cash and cash equivalents	384	257
Closing cash and cash equivalents	345	384
Interest		
Interest received	40	18
Interest paid	-629	-207

Cash flow

Group cash flow from operating activities before investments totalled SEK 1,412 million (1,476) during the year. A cash outflow of SEK – million (outflow: 634) was used for dividends.

Borrowings after repayments totalled an inflow of SEK 4,617 million (inflow: 4,484)

The change in covered bonds negatively impacted cash flow with an outflow of SEK 319 million (outflow: 1,219). The item, Investment, covered bonds, pertained solely to the investment of cash and cash equivalents and is part of long-term investments, where the company has chosen to retain liquidity instead of repaying borrowings and which comprises a liquidity buffer that can be utilised in a similar manner to loan commitments.

[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)[Sustainable operations](#)[The properties](#)[Administration Report](#)[Corporate governance](#)**Financial statements and notes**[Consolidated five-year summary](#)[Consolidated income statement](#)[Consolidated statement of comprehensive income](#)[Consolidated balance sheet](#)[Consolidated changes in equity](#)[Consolidated cash-flow statement](#)[Consolidated notes](#)[Parent Company income statement](#)[Parent Company statement of comprehensive income](#)[Parent Company balance sheet](#)[Parent Company changes in equity](#)[Parent Company cash-flow statement](#)[Parent Company notes](#)[Declaration by the Board](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)**NOTE 1 | Group accounting policies****General information**

The consolidated financial statements have been prepared in accordance with the Annual Accounts Act, the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRIC), as adopted by the EU. The consolidated accounts were prepared according to the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups.

The Group's three limited companies are registered in Linköping (Sweden). The Parent Company is called Specialfastigheter Sverige Aktiebolag (company registration number 556537-5945). Specialfastigheter has a joint head office and the offices are located in Linköping at the visiting address: Gamla Tanneforsvägen 92, SE-581 07 Linköping and in Stockholm, with the visiting address: Torsgatan 21, SE-102 32 Stockholm. The Group's subsidiaries own and manage real property, manage construction projects, own and manage movable property and pursue related business activities. Refer also to Note 15 for the Parent Company.

The annual accounts and consolidated accounts were approved by the Board for publication on 13 March 2024 and will be submitted to the Annual General Meeting for adoption on 18 April 2024.

Valuation principles applied in the preparation of the Parent Company's and the Group's financial statements

Assets and liabilities are recognised at cost, other than derivatives, covered bonds and investment properties, which are measured at fair value.

Non-current assets held for sale are recognised at the lower of the carrying amount and the fair value less selling expenses.

Functional currency and presentation currency

The Parent Company's functional currency is Swedish kronor (SEK), which is also the presentation currency of the Parent Company and the Group. Specialfastigheter Sverige AB only operates in the Swedish market. All sums, unless otherwise stated, are rounded to the nearest million kronor.

Estimations and judgements in the financial statements

Preparing the report according to IFRS and good accounting practice requires estimates and judgements made in the accounts that affect reported assets, liabilities, income and expenses as well as other information. These estimates and judgements are based on experience and other factors that are deemed reason-

able under the current circumstances. Actual outcomes may differ from these judgements if other assumptions are made or other circumstances arise.

Estimations and judgements are reviewed regularly. Changes to assumptions are recognised in the period in which the changes occur if the changes in judgements have only affected this period, or in the period in which the change is made and future periods if the changes in assumptions impact both the current and future periods.

Assessments made by the company management in applying the IFRS that have a significant effect on the financial statements and estimates made, which may result in material adjustments in subsequent years' financial statements, are described in more detail in Note 9 Investment properties.

According to IFRS 3, corporate acquisitions can be classified as either business combinations or asset acquisitions. Corporate acquisitions whose primary goal is to acquire the company's property and where the company's management and administration is only of minor significance for the acquisition are classified as asset acquisitions. Other corporate acquisitions are classified as business combinations. No deferred tax pertaining to the property acquisition is reported for an asset acquisition. Instead, any discounts reduce the cost of the property. This means that changes in value will be affected by tax discounts in subsequent valuations.

The Group evaluates each acquisition to determine whether it is an asset acquisition or a business combination.

Accounting policies applied

The accounting policies specified below, with exceptions described in more detail, have been consistently applied to all periods presented in the consolidated financial statements. The Group's accounting policies have been consistently applied in the reporting and consolidation of the Parent Company and subsidiaries.

Changes in accounting policies

Changed standards and interpretations entered force for financial years beginning after 1 January 2023 and have not been applied in preparing this financial report. These changes are not expected to have any material impact on the consolidated accounts in current or future periods, nor are they expected to affect future transactions.

Standards and interpretations from the IFRS Interpretations Committee (IFRIC) are not expected to have any significant impact on the financial statements.

Consolidated financial statements

The consolidated balance sheet and income statement include all of the companies in which the Parent Company directly or indirectly exercises controlling influence. All companies in the Group are wholly-owned. The consolidated financial statements have been prepared in accordance with the acquisition method. The cost to the Group is determined through an acquisition analysis at the time of the acquisition. In this analysis, the cost of the business combination is established, as are the fair values on the acquisition date of acquired identifiable assets as well as assumed liabilities and contingent liabilities. Consolidations of subsidiaries' financial statements are entered in the consolidated financial statements from the date of the acquisition until the date when controlling influence ceases.

Transactions eliminated on consolidation

Intra-Group receivables and liabilities, income or expenses, and unrealised gains or losses arising from intra-Group transactions are eliminated in the preparation of the consolidated financial statements.

Segment reporting

The company's operations are reported both internally and externally as one segment.

Income**Revenue from Contracts with Customers**

Specialfastigheter's leases only comprise rental payments, operating leases. Remuneration for the company's undertakings pursuant to leases, such as supplying premises with heating, cooling, snow clearance and garbage collection, for example, are included in the rent. Tenants cannot influence the choice of supplier or frequency, or have any other impact on the supplier, in the properties owned by the company. Moreover, some of these undertakings fall under a general responsibility for the property.

Revenue recognition

Advance invoices generate rental income and car-parking income, which are therefore allocated to periods so that only the rent for the respective period is recognised as income. Revenue is usually recognised on a straight-line basis over the term of the lease, apart from in exceptional cases where a different method better reflects how financial benefits accrue to the Group. Interest income is recognised as revenue spread over the term by the application of



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other

Note 1 | Group accounting policies, Cont.

the effective-interest method. Dividend income is recognised when the right to receive payment has been established.

Income from property sales

Income from property sales is normally recognised on the contract date unless control transferred to the purchaser on an earlier occasion. Agreements between the parties with respect to control and involvement in day-to-day administration are taken into account when estimating the timing of revenue recognition. Moreover, any circumstances that may affect the outcome of the transaction and which are beyond the control of the seller and/or purchaser are also taken into consideration.

Financial income and expenses

Financial income and expenses comprise interest income from bank funds, investments, receivables, interest expense on loans, translation of currency loans and unrealised and realised gains and losses on derivatives used in financial operations as well as covered bonds.

Interest income on receivables and interest expenses on liabilities are calculated using the effective-interest method. Interest income from purchased covered bonds is recognised in the period during which interest is paid.

Interest income and interest expenses include accrued amounts for transaction expenses and differences between the initial carrying amount of the receivable or liability and the amount settled on maturity.

Borrowing costs are charged against earnings in the period to which they relate except to the extent that they are included in the cost of an asset. An asset for which interest can be included in the cost is, by necessity, an asset that takes significant time to complete for its intended use or sale. For further information, refer to the section Other financial liabilities.

Realised and unrealised changes in value

Derivatives and the company's properties are measured at fair value.

Taxes

Income taxes comprise current tax and deferred tax. Income tax is recognised in profit or loss except when the underlying transaction is recognised directly in equity and where the associated tax effect is recognised in equity. Deferred tax is calculated using the balance-sheet method based on temporary differences between the carrying amounts and fiscal values of assets and liabilities.

Deferred tax is calculated in accordance with the tax rates and tax rules that were adopted or established in practice as of the balance-sheet date. Deferred tax assets concerning deductible temporary differences are only recognised to the extent that it is likely that

these will be used. The value of deferred tax assets is reduced when it is no longer considered likely that they can be used.

Other disclosures pertaining to deferred tax are available in Note 10 to the consolidated financial statements.

Investment properties

Investment properties are properties held with the objective of generating rental income and/or value growth. Investment properties are initially recognised at cost, which includes all expenses directly attributable to the acquisition. Investment properties are recognised on the balance sheet at fair value and changes in fair value are recognised in profit or loss under the heading Change in value of investment properties, unrealised. Fair value for all investment properties was determined using an internal valuation model described in Note 9 to the consolidated financial statements.

Right-of-use assets

Specialfastigheter is the lessee for a limited number of leasehold agreements, property leases, service vehicles and company cars that are defined as lease contracts under IFRS 16. Lease payments and ground rents are recognised in the income statement repayments and interest expenses. Short-term leases or leases of low value are expensed on a straight-line basis over the term of the lease. Ground rents are recognised in their entirety as a financial expense.

For further information, see Note 11 to the consolidated financial statements.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and expenses directly attributable to an asset in order to bring it to the location and condition necessary for it to be utilised in line with the aim of the acquisition.

The carrying amount of property, plant and equipment is removed from the balance sheet on the asset's disposal or sale, or when no future economic benefits are expected from the use, disposal or sale of the asset. Profit or loss that arises on the sale or disposal of an asset is recognised under other operating income/expense.

Depreciation principles

In legal entities, depreciation is applied on a straight-line basis to the cost of buildings. Depreciation methods, useful lives and impairment losses are reviewed annually in the annual accounts. Depreciation, amortisation and impairment are recognised in profit or loss for the period.

Impairment losses

The carrying amounts of Group assets are reviewed at each balance-sheet date to assess whether any indication exists of an impairment loss. IAS 36 is applied for testing the need for impairment for assets other than financial assets (which are tested in accordance with IFRS 9), assets held for sale, disposal groups recognised in accordance with IFRS 5, investment properties recognised at fair value in accordance with IAS 40 and deferred tax assets. For assets excepted under the above, carrying amounts are tested in accordance with the standard concerned.

Reversal of impairments

An impairment is reversed if there is both an indication that the impairment loss no longer exists and if a change has taken place in the assumptions on which the calculation of the recoverable amount was based.

Impairment testing of property, plant and equipment

When an impairment loss is indicated, the asset's recoverable amount is calculated in accordance with IAS 36. If an essentially independent cash flow cannot be established for an individual asset, assets are grouped at the lowest level possible for identification of an essentially independent cash flow (a cash-generating unit) for the assessment of any impairment need. An impairment loss is recognised when the carrying amount of an asset or cash-generating unit (CGU) falls below the recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount is the higher of fair value less selling expenses and value in use. When calculating value in use, future cash flows are discounted by a factor that takes into account the risk-free interest rate and the risk associated with the specific asset.

Financial instruments

The classification of financial assets that comprise debt instruments is based on the Group's business model for managing the asset and the character and nature of the asset's contractual cash flows.

The instrument is classified at amortised cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL).

Financial assets classified at amortised cost are measured initially at fair value plus transaction costs. Trade and lease receivables are measured initially at the invoiced amount. Following initial recognition, the assets are measured using the effective-interest method.

FVTPL is applied to debt instruments that are not measured at amortised cost. Financial instruments in this category are initially measured at fair value. Changes in fair value are recognised in profit or loss.

The Group's debt instruments are classified at amortised cost, with the exception of covered bonds, which are classified at FVTPL.



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other

Note 1 | Group accounting policies, Cont.

Equity instruments classified at FVTPL with the exception of those that are not held for trading, since an irrevocable choice can be made to measure these at FVTOCI with no consequent reclassification to profit or loss. The Group classifies equity instruments at FVTPL. Derivatives are classified at FVTPL. The Group does not apply hedge accounting.

Financial assets and liabilities are only offset or derecognised in the case of insolvency or upon suspension of payments by either party.

Fair value is established as described in Note 20 to the consolidated financial statements.

Classification and valuation of financial liabilities

Financial liabilities are classified at amortised cost, with the exception of derivatives. Financial liabilities classified at amortised cost are measured initially at fair value including transaction costs. Following initial recognition, these are measured at amortised cost using the effective-interest method.

Derivatives are classified at FVTPL. The Group does not apply hedge accounting.

Fair value is established as described in Note 20.

Other financial liabilities

Loan financing

All loan financing is initially recognised at cost, net after transaction expenses. Borrowing is then recognised at amortised cost and any difference between the amount received and the repayment amount is recognised in net financial items over the loan term by application of the effective-interest method. Borrowing in foreign currency is translated to SEK at the balance-sheet date exchange rate and the effects recognised in net financial items.

The Group capitalises interest expenses attributable to investment properties under construction. Capitalised interest expenses impact net financial items positively and changes in market value negatively by a corresponding amount. Interest expenses are capitalised monthly at an interest rate equivalent to the average six-month Stibor plus a surcharge.

Impairment of financial assets

The Group's financial assets, with the exception of those classified at FVTPL or equity instruments at FVTOCI, are subject to impairment for expected credit losses (ECLs). Under IFRS 9, the impairment of ECLs adopts a forward-looking approach and a loss allowance is for exposures to credit risk, normally on initial recognition. ECLs reflect the present value of all shortfalls in cash flow attributable to default, either over the next 12 months (12-month ECL) or for the entire remaining life of the financial instrument (lifetime ECL), depending on the type of asset and any impairment of the credit following initial recognition. The ECL reflects an objective,

probability-based outcome that takes into consideration a number of scenarios based on reasonable and verifiable projections.

The simplified approach is applied for trade receivables, contract assets and lease receivables. A loss allowance is recognised under the simplified approach for the remaining term of the receivable or asset.

For other items encompassed by ECLs, a three-stage impairment model is applied. Initially, and at each balance-sheet date, a loss allowance is recognised for the forthcoming 12 months, or alternatively for a shorter time period depending on the remaining duration (Stage 1). If there has been a significant increase in credit risk compared with initial recognition, a loss allowance is recognised for the remaining term of the asset (Stage 2). For any assets assessed as credit impaired, a loss allowance continues to be made for ECLs for the remaining term (Stage 3). For credit-impaired assets and receivables, the calculation of interest income is based on the asset's carrying amount, net of the loss allowance, as opposed to the gross amount used in the earlier stages.

The measurement of ECLs is based on and written down pursuant to a rating-based method through external credit ratings. ECLs are measured as the product of the probability of default, loss given default and the exposure at default. For credit-impaired assets and receivables, individual assessments take into consideration historical, current and forward-looking data. The measurement of ECLs takes into consideration any collateral posted or other credit enhancements in the form of guarantees.

The financial assets are recognised in the balance sheet at amortised cost, that is the net of the gross value and the loss allowance. Any changes in the loss allowance are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash and immediately accessible balances at banks and equivalent institutions. Cash and cash equivalents also includes short-term investments of liquidity with tenors of less than three months from the acquisition date. The overdraft facility is recognised in the balance sheet as a non-current liability.

Assets held for sale

Properties for which contracts have been signed or decisions taken regarding a sale, but which will be vacated in the following year, are classified under IFRS 5 as current assets and reported under the item Assets held for sale.

Derivatives

The Group's derivative instruments have been acquired to hedge interest-rate and currency risks. Derivatives are initially recognised at cost on the transaction date, which means that transaction expenses are charged against earnings for the period. After the initial recognition, derivatives are measured at fair value.

Interest-rate derivatives comprise a financial asset or liability measured at fair value with changes in value recognised in profit or loss. Using interest-rate derivatives may give rise to changes in value due to changes in the market interest rate and the time factor. Interest-rate derivatives are initially recognised at cost in the balance sheet, and are subsequently measured at fair value together with changes in value in profit or loss.

Exchange rates are hedged with the aid of currency derivatives (currency swaps combined with interest-rate swaps). Derivatives are measured at fair value at the balance-sheet date's exchange rate and interest rate, and meet the currency effects from the translation of the loans at the balance-sheet date's exchange rate.

Closing-date market prices and generally accepted calculation methods are used to determine the fair value of interest-rate and currency derivatives, which means that fair value is established according to levels 1 and 2. Currency translation to Swedish kronor is at the rates of exchange quoted on the closing date. Interest-rate swaps are measured by discounting future cash flows to their present value. When financing in foreign currency, all future payment flows are hedged so that no currency risk remains. Unrealised changes in value are recognised outside of net financial items, while value changes in the currency component linked to currency loans are recognised in net financial items.

Derivative instruments are used to hedge forecast electricity expenses and are recognised at fair value in profit or loss. The fair value of electricity derivatives is based on balance-sheet date market values as provided by Nasdaq. Specialfastigheter passes on the major part of electricity expenses by invoicing tenants.

Hedge accounting is not applied by the Group.

Trade payables and other liabilities

Trade payables and other liabilities have short maturities and are recognised undiscounted at nominal amounts.

Remuneration to employees

Pension plans

All personnel are employed in the Parent Company. The pension plans principally comprise retirement pensions, disability pensions and family pensions in the form of alternative ITPs (Supplementary Pensions for Salaried Employees). Retirement pension commitments for salaried employees are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, this comprises a multi-employer defined-benefit plan. Since the company has not had access to information which would have made it possible to report the pension plan as a defined-benefit plan, it has also been reported as a defined-contribution plan. Commitments regarding contributions to defined-contribution plans are recognised as expenses in profit or loss as they arise.


[About Specialfastigheter](#)
[CEO's statement](#)
[Operating environment](#)
[The offering](#)
[Sustainable operations](#)
[The properties](#)
[Administration Report](#)
[Corporate governance](#)

Financial statements and notes

[Consolidated five-year summary](#)
[Consolidated income statement](#)
[Consolidated statement of comprehensive income](#)
[Consolidated balance sheet](#)
[Consolidated changes in equity](#)
[Consolidated cash-flow statement](#)
[Consolidated notes](#)
[Parent Company income statement](#)
[Parent Company statement of comprehensive income](#)
[Parent Company balance sheet](#)
[Parent Company changes in equity](#)
[Parent Company cash-flow statement](#)
[Parent Company notes](#)
[Declaration by the Board](#)
[Auditor's report](#)
[Sustainability Report](#)
[Other](#)

Note 1 | Group accounting policies, Cont.

Short-term employee benefits

Short-term employee benefits are calculated on an undiscounted basis and recognised as an expense when the related services are received.

Contingent liabilities

A contingent liability is recognised when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence of one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision because it is not likely that an outflow of resources will be required.

Cash-flow statement

The cash-flow statement has been prepared using the indirect method. Balances at banks are classified as cash and cash equivalents.

Rounding

Amounts in this annual report are expressed in SEK million without decimal places. Where amounts are less than SEK 1 million and rounded down, this is represented by a zero (0). In cases where the outcome is actually zero, this is represented by a dash.

NOTE 2 | Other income

	2023	2022
Invoiced energy and fuel expenses	202	110
Invoiced services	207	129
Compensation received	–	–
Other	4	12
Total	413	251

Refer to Note 1, IFRS 15 Revenue from Contracts with Customers

NOTE 3 | Property expenses

	2023	2022
Energy, fuel and water	301	200
Property operations	563	399
Property tax	53	53
Maintenance	97	73
Total	1,014	725

NOTE 4 | Central administration

	2023	2022
Payroll and other expenses	86	64
Depreciation of plant and equipment	11	8
Total	97	72

Refer to Note 7 to the consolidated financial statements, to see the total payroll expenses. Unallocated administrative expenses are reported in this note.

NOTE 5 | Auditors' fees, SEK thousand

	2023	2022
Fees to auditors, PwC		
Audit assignment	1,821	1,689
Audit activities other than the audit assignment	150	21
Tax advice	4	8
Other services	0	0
Total	1,976	1,718

The audit assignment refers to the examination of the annual report, the accounting records and the administration by the Board and CEO. This also includes a fee for audit advice provided in connection with the audit assignment.

Audit activities refers to the examination of the administration or of financial information arising from statutes, the Articles of Association, regulations or agreements that result in a report or other document also intended to form the basis for an assessment by persons other than the principal as well as advice or other assistance brought about by observations during the review assignment. Other services include advice that is not attributable to any of the above types of service and which do not concern taxes.

NOTE 6 | Financial income and expenses

Composition of net financial items	SEK million		% of average liability	
	2023	2022	2023	2022
Interest expense, loans	-572	-238	-3.30	-1.68
Exchange-rate changes on foreign loans	162	-90	0.93	-0.64
Change in value, currency derivatives	-162	90	-0.93	0.64
Net interest income, derivatives	-18	0	-0.10	0.00
Exchange rate changes on investments	127	-107	0.73	-0.76
Other interest income and expenses	33	13	0.19	0.09
Other financial expenses	-26	-23	-0.15	-0.16
Capitalised interest expense, projects	128	37	0.74	0.26
Recognised net financial items	-328	-318	-1.89	-2.25
Unrealised change in value interest-rate derivatives	-59	109	-0.34	0.77
Unrealised change in value electricity forwards	-82	101	-0.47	0.72
Total net financial items	-469	-108	-2.70	-0.76

During the year, SEK 128 million (37) in interest was capitalised in respect of investments in buildings under construction. The company's average interest rate was used when capitalising.

Net financial items recognised according to classification category

Financial income	2023	2022
Financial assets measured at FVTPL		
Interest income, covered bonds	33	18
Net gains, derivatives	0	90
Net losses, derivatives	–	–
Total recognised in profit or loss (net financial items)	33	108
Financial assets measured at amortised cost		
Interest income, tax account	1	–
Interest income, other	0	0
Other financial income	6	0
Total interest income using effective-interest method	7	0
Exchange-rate changes on foreign loans	162	–
Exchange rate changes on investments	133	–
Total financial income	335	108


[About Specialfastigheter](#)
[CEO's statement](#)
[Operating environment](#)
[The offering](#)
[Sustainable operations](#)
[The properties](#)
[Administration Report](#)
[Corporate governance](#)

Financial statements and notes

[Consolidated five-year summary](#)
[Consolidated income statement](#)
[Consolidated statement of comprehensive income](#)
[Consolidated balance sheet](#)
[Consolidated changes in equity](#)
[Consolidated cash-flow statement](#)

Consolidated notes

[Parent Company income statement](#)
[Parent Company statement of comprehensive income](#)
[Parent Company balance sheet](#)
[Parent Company changes in equity](#)
[Parent Company cash-flow statement](#)
[Parent Company notes](#)
[Declaration by the Board](#)
[Auditor's report](#)
[Sustainability Report](#)
[Other](#)

Continued Note 6 Financial income and expenses

Financial expenses	2023	2022
Financial liabilities measured at FVTPL		
Interest expense, interest-rate derivatives	35	4
Change in value, currency derivatives	-162	-
Total recognised in profit or loss (net financial items)	-127	4
Financial liabilities measured at amortised cost		
Interest expenses, bonds	-531	-223
Interest expense, commercial paper	-81	-16
Interest expense, whole loan repos	-12	-3
Interest expense, non-current loans	-	-
Other financial expenses	94	9
Total interest expense with the effective-interest method	-530	-233
Exchange-rate changes on foreign loans	-	-90
Exchange rate changes on investments	-6	-107
ECLs on financial assets	0	0
Total	-6	-197
Total financial expenses	-663	-426
Total recognised net financial items	-328	-318
Change in value of financial derivatives recognised by category and classification	2023	2022
Changes in value on financial assets		
Derivatives measured at fair value	-	210
Changes in value on financial liabilities		
Derivatives measured at fair value	-140	-
Total change in value of financial derivatives	-140	210

NOTE 7 | Employees, payroll expenses and Board fees, SEK thousand

Parent Company total

	2023	2022
Number of employees	258	207
Of whom women	34.50%	28.50%
Of whom men	65.50%	71.50%

The subsidiaries have no employees

Parent Company including the Board and senior executives

	2023	2022
Salaries and other remuneration	153,429	120,471
Social security expenses ¹	75,712	63,436
<i>¹ Of which, pension expenses</i>	<i>21,078</i>	<i>20,191</i>

Board of Directors

	2023	2022
Salaries and other remuneration		
Chairman of the Board	343	332
Other Board members	913	788
Total	1,256	1,120

Pension expenses

	2023	2022
Chairman of the Board	-	-
Other Board members	-	-
Total	-	-

Senior executives

	2023	2022
Salaries and other remuneration		
Chief Executive Officer	4,663	2,819
Other senior executives	9,594	9,186
Total	14,257	12,005

Pension expenses

	2023	2022
Chief Executive Officer	931	845
Other senior executives	2,545	2,752
Total	3,476	3,597

Specification of remuneration to Board members¹

	2023		2022	
	Salaries and other remuneration	Other benefits	Salaries and other remuneration	Other benefits
Eva Landén	343	-	332	-
Peter Blomqvist	-	-	-	-
Charlotte Hybinette ²	74	-	129	-
Mikael Lundström	177	-	149	-
Pierre Olofsson	179	-	149	-
Sanela Ovcina ³	35	-	138	-
Maj-Charlotte Wallin ⁴	-	-	42	-
Åsa Wirén	186	-	181	-
Britta Dalunde ⁵	132	-	-	-
Charlotta Niland ⁶	130	-	-	-
Total	1,256	-	1,120	-

¹ The 2023 AGM resolved that annual Board fees would be payable in an amount of SEK 300,000 to the Chairman of the Board and SEK 143,000 each to other Board members. In addition to the ordinary Board fees, a fee of SEK 33,500 per year was paid to each member of the Audit and Finance Committee and SEK 12,000 per year to each member of the Remuneration Committee. A fee of SEK 44,000 per year was paid to the Chairman of the Audit and Finance Committee and SEK 12,000 per year to the Chairman of the Remuneration Committee. A fee of SEK 45,000 per year was paid to the Chairman of the Investment Committee and SEK 30,000 per year to each member of the Investment Committee. Fees are only paid to members elected by the AGM, not employees of Specialfastigheter or the Government Offices of Sweden. No remuneration over and above that decided by the AGM has been paid to the Chairman of the Board or any Board member. Board fees have been paid as salary.

² Elected to the Board at the 2022 AGM.

³ Stepped down in conjunction with the 2023 AGM.

⁴ Stepped down in conjunction with the 2022 AGM.

⁵ Elected to the Board at the 2023 AGM.

⁶ Elected to the Board at the 2023 AGM.

Continued, Note 7 Employees, payroll expenses and Board fees, SEK thousand

Specification of remuneration to senior executives⁷

	Salaries and other remuneration		Other benefits ⁸		Pension expenses ⁹		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Chief Executive Officer, Alexandra Laurén ¹⁰	712	–	24	–	201	–	937	–
CEO, Åsa Hedenberg ¹¹	2,785	2,819	26	70	377	845	3,188	3,734
Interim Chief Executive Officer, Charlotte Hybinette ¹²	1,166	–	0	–	353	–	1,519	–
CFO, Claes Rasmuson ¹³	1,675	1,586	8	9	376	460	2,059	2,055
Interim CFO, Eva Bång ¹⁴	–	–	–	–	–	–	–	–
Business Director Sweden, Cecilia Vestin ¹⁵	–	490	–	11	–	129	–	630
Head of Marketing and Business, Susanne Essehorn ¹⁶	1,663	524	5	1	492	174	2,160	699
Projects and Technology Director, Josef Guttenkunst	1,653	1,490	7	6	485	435	2,145	1,931
CIO, Masoomah Antonsson	1,269	1,129	5	7	352	309	1,626	1,445
Property Management Director, Michaela Sköld ¹⁷	1,209	849	60	56	239	125	1,508	1,030
HR Director, Christina Burlin	1,166	1,131	5	5	339	463	1,510	1,599
Head of Purchasing, Henrik Nyström ¹⁸	–	1,067	–	53	–	411	–	1,531
Communication Director, Hanna Janson	959	920	8	7	262	246	1,229	1,173
Total	14,257	12,005	148	225	3,476	3,597	17,881	15,827

⁷ There are no individual management contracts or terms relating to severance payments for any senior executives other than the CEO. Notice periods mainly follow collective agreements. There are some individual contracts with mutual 3- or 6-month notice periods. Pensions follow an ITP plan with a retirement age of 65.

⁸ Company car, subsidised meals and other benefits such as healthcare insurance.

⁹ Flex pension is included in the total. Any voluntary salary sacrifice arrangement in 2023 is not included in the total.

¹⁰ Joined Specialfastigheter on 20 October 2023 and took over the role of Chief Executive Officer on 23 October 2023.

¹¹ Ended employment with Specialfastigheter on 30 June 2023. Compensation paid under the non-compete agreement for the period from 1 July 2023 until 31 December 2023 is included in the above table.

¹² Interim Chief Executive Officer from 1 July 2023 until 22 October 2023.

¹³ Ended employment with Specialfastigheter on 7 November 2023.

¹⁴ Interim CFO from 8 November 2023 until 31 December 2023. Consultant, not employed.

¹⁵ Cecilia Vestin ended her employment with Specialfastigheter on 30 April 2022.

¹⁶ Joined the management group from 5 September 2022.

¹⁷ Absent for part of 2022.

¹⁸ Included in the management group until 30 November 2022.

Absence due to illness, % of total working hours

	2023		2022	
	Sick leave/ Reg. hours, %	Long-term sick leave/ Total sick leave, %	Sick leave/ Reg. hours, %	Long-term sick leave/ Total sick leave, %
Women	2.17	15.09	1.66	6.14
Men	2.06	40.73	2.17	31.46
Employees under 30	1	1	1	1
Employees aged 30–49	1.88	23.35	2.60	28.28
Employees over 49	2.42	41.17	1.44	21.94
All employees	2.09	32.34	2.02	25.51

¹ No data is provided as the group is less than ten people.

Total for the Parent Company including the Board and senior executives

The Board, including alternates, comprises 12 (11) members; of whom six (five) are women and six (six) are men. Eight members are elected at the AGM and four members are appointed by employee organisations. The executive management team, which includes the CEO, is made up of seven (eight) individuals; of whom six (six) are women and one (two) are men. No variable remuneration or agreements on financial instruments apply for senior executives. Retirement pension and family pension commitments for salaried employees in Sweden are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, this comprises a multi-employer defined-benefit plan. For the 2023 financial year, the company did not have access to information that would have enabled it to recognise this plan as a defined-benefit plan. Accordingly, the ITP pension plan secured via insurance with Alecta was recognised as a defined-contribution plan. Fees for the year for pension insurance policies provided by Alecta were approximately SEK 7 million (8). Alecta's surplus may be distributed to the policy owners and/or the insured. At year-end 2023, Alecta's surpluses in the form of the collective consolidation level was 157% (172). The collective consolidation level is the market value of Alecta's assets as a percentage of its insurance commitments calculated according to Alecta's actuarial commitments, which do not correspond with IAS 19. The Group and the Parent Company's pension obligations outstanding to the Chief Executive Officer and other members of company management amount to SEK 0 (0).

NOTE 8 | Realised gain/loss on property sales

	2023	2022
Proceeds, properties sold	–	1
Fair value, properties sold	–	-1
Selling expenses	–	0
Total	–	0



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other


[About Specialfastigheter](#)
[CEO's statement](#)
[Operating environment](#)
[The offering](#)
[Sustainable operations](#)
[The properties](#)
[Administration Report](#)
[Corporate governance](#)

Financial statements and notes

[Consolidated five-year summary](#)
[Consolidated income statement](#)
[Consolidated statement of comprehensive income](#)
[Consolidated balance sheet](#)
[Consolidated changes in equity](#)
[Consolidated cash-flow statement](#)

Consolidated notes

[Parent Company income statement](#)
[Parent Company statement of comprehensive income](#)
[Parent Company balance sheet](#)
[Parent Company changes in equity](#)
[Parent Company cash-flow statement](#)
[Parent Company notes](#)
[Declaration by the Board](#)
[Auditor's report](#)
[Sustainability Report](#)
[Other](#)

NOTE 9 | Investment properties

Investment properties are recognised using the fair-value method (IAS 40)

	Acquisition (+)/Disposals (-) properties	Properties owned for the full year	Total 2023
2023			
Opening fair value	–	36,210	36,210
Investments regarding post-acquisition expenditure	–	5,394	5,394
Capitalised interest expenses	–	128	128
Acquisitions (+)	211	–	211
Divestments (-)	–	–	0
– Reclassification to assets held for sale ¹	–	-15	-15
Unrealised changes in value	–	-188	-188
Closing fair value	211	41,529	41,740

¹ Refer to Comments to the balance sheet under the heading Divestments pertaining to Trosa Lövsta 1:33.

	Acquisition (+)/Disposals (-) properties	Properties owned for the full year	Total 2022
2022			
Opening fair value	–	33,761	33,761
Investments regarding post-acquisition expenditure	–	4,120	4,120
Capitalised interest expenses	–	37	37
Acquisitions (+)	16	–	16
Divestments (-)	-1	–	-1
Unrealised changes in value	–	-1,723	-1,723
Closing fair value	15	36,195	36,210

Tax assessment value	2023	2022
Buildings	3,600	3,600
Land	1,765	1,758
Total	5,365	5,358

Fiscal residual values	2023	2022
Buildings	9,689	8,137
Land	1,838	1,627
Total	11,527	9,764

Investment properties

Investment properties are reported at estimated fair value (estimated market value), based principally on valuations carried out by company personnel. To ensure the accuracy of the internal valuations, every year a selection of valuations are carried out by external appraisers with recognised qualifications and appropriate skills for valuing properties of the types and locations in question. External valuations take place according to a rolling schedule and were allocated to three (three) quarters during the year.

Fair value is based on assessed market value at the valuation date, which refers to the value that would be obtained in a transaction between knowledgeable, independent parties who have an interest in the transaction being carried out after customary marketing in which both parties are assumed to have acted with insight, common sense and without coercion. Unrealised and realised changes in value are both recognised in profit or loss. Rental income and income from property sales are recognised in line with the principles described in the Revenue recognition section; see Note 1 to the consolidated financial statements.

Additional fees

Subsequent expenditures that entail a future financial advantage for the company, that is, which are value enhancing and can be calculated in a reliable manner, are capitalised as assets. Other expenditures, repairs and maintenance are expensed during the period in which they arise.

Under IFRS 13, valuations of property holdings are categorised according to one of three levels. There are different degrees of uncertainty in the valuation depending on the level used. Specialfastigheter uses Level 3, where the degree of uncertainty is greatest as there is insufficient transaction/market data to allow using another level.

Level 1 Prices quoted in active markets

Level 2 Observable data other than data in Level 1

Level 3 Unobservable data

Valuation method

The estimated value of Specialfastigheter's investment properties is established quarterly through an internal valuation. For the majority of the portfolio, the value is estimated using the cash-flow method, meaning that the properties are valued based on each property's cash flow (net operating income) during a fixed calculation period. Rental income was calculated based on applicable leases and an assessment of the market rent level after the end of the contract period. Operating expenses used in the cash-flow statements are

assessed based on historical outcomes and budgets for future years for the respective properties. The maintenance expenses have been derived from industry key metrics and current maintenance plans.

The estimated cash flow during the calculation period is present-valued using a nominal cost of capital. The residual value is estimated by dividing a nominal market cash flow at the end of the calculation period by a market yield requirement that is then present-valued. The property's assessed market value is the sum of the current value of the cash flows during the calculation period and the current value of the residual value.

The valuation properties generally have relatively long leases with tenants who are considered to be reliable payers. Therefore, it is appropriate to use a differentiated cost of capital for net operating income and residual value when calculating yield value. With regard to reliable rental income, the estimated cost of capital over the contract period was mainly between 5.00% (5.10) and 5.25% (5.35).

The yield requirement is individual for each property and adapted to the property market based primarily on the property's geographic location, lease structure and flexibility with respect to being adapted to another operation. The required yield ranges mostly from 4.85% (4.35) to 9.75% (9.35). The average yield requirement was 5.70% (5.10) at the end of the financial year. Continued caution in the transaction market and high interest rates resulted in an upward adjustment of yield requirements during the financial year.

Specialfastigheter has received documentation for current yield requirements and costs of capital in the market from external appraisers. The documentation is based on investigations and analyses of current property categories and completed property transactions.

Internal valuation calculations are performed on a nominal basis using inflation of 2.0% (4.0) for the first year and 2.0% (2.0) per year for the remaining years in the calculation.

External valuation

In order to assure the quality of the internal evaluation, it is cross-checked against an external evaluation of 12 (18) objects, equivalent to 56% (71) of the total estimated value. The difference between the external and internal valuations amounted to 0.3% (2). Specialfastigheter applies an estimated value below that obtained from the external valuations.

Rental income

Rental income for the year totalled SEK 2,650 million (2,205). Future rents attributable to non-terminable operational leases mature as shown below.



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other

Continued, Note 9 Investment properties

Maturity Profile, SEK million		2023	2022
Within 1 year			
Properties		94	78
Housing		3	3
Between 1 and 5 years			
Properties		443	451
Beyond 5 years			
Properties		2,713	2,114
Total		3,253	2,646

Maturity Profile, SEK million		2023	2022
Year	Year		
2024	2023	97	78
2025	2024	112	72
2026	2025	99	92
2027	2026	121	85
2028	2027	111	107
Beyond 5 years	Beyond 5 years	2,713	2,210
Total	Total	3,253	2,646

Sensitivity analysis, variable	Percentage point change	Annualised earnings impact, SEK million	
		2023	2022
Rental income	+/-1%	22.3	19.2
Property operations and utilities excl. electricity	+/-1%	7.2	5.5
Maintenance expenses ¹	+/-1%	3.4	3.5
Interest	1%	58.6	39.2
Market rates, derivative instruments ²	1%	37.5	14.3
Price change, purchased covered bond ³	1%	87.1	79.3
Cost of capital ⁴	+0.25%	-412	-298
Cost of capital ⁴	-0.25%	425	307
Yield ⁴	+0.25%	-990	-1,154
Yield ⁴	-0.25%	1,106	1,302

¹ Includes capitalised maintenance expenses according to IFRS.

² Impact on earnings relates to the change in value of derivative instruments.

³ The impact on earnings relates to momentary changes in deposited covered bonds as of 31 December 2023 with a nominal value of SEK 3,000 million.

⁴ Impact on earnings relates to change in value of investment properties.

NOTE 10 | Taxes

	2023	2022
Recognised in profit or loss		
Current tax	131	120
Deferred tax expense	145	-149
Total recognised consolidated tax expense	276	-29

Reconciliation of effective tax		
Recognised EBT	1,296	-172
Swedish income tax rate, 20.6%	267	-35
Tax-exempt income	0	0
Non-deductible expenses	0	0
Adjusted sale proceeds	0	0
Standard interest tax allocation reserve	6	2
Restatement, reversal of tax allocation reserve	3	4
Tax attributable to previous tax year	0	-
Total	276	-29

Recognised in the balance sheet		
Deferred tax liability	-4,259	-4,113
Current tax assets	26	35
Total	-4,233	-4,078

Deferred tax assets and liabilities		
Investment properties	-3,867	-3,707
Financial assets	-10	-44
Tax allocation reserve	-275	-281
Accelerated depreciation	-107	-81
Total	-4,259	-4,113

No deferred tax has been recognised in equity.

NOTE 11 | Right-of-use assets

	Leasehold agreements	Service and company cars	Leases	Total
Cost				
1 January 2023	15	20	14	49
New right-of-use assets	-	2	-	2
31 December 2023	15	22	14	51
Accumulated depreciation				
1 January 2023	-	10	4	14
Depreciation for the year	-	2	2	4
31 December 2023	-	12	6	18
Recognised asset on 31 December 2023	15	10	8	33
Interest-bearing liability				
1 January 2023	15	20	14	49
New right-of-use assets	-	2	-	2
31 December 2023	15	22	14	51
Repayments				
1 January 2023	-	10	4	14
Repayments for the year	-	2	2	4
31 December 2023	-	12	6	18
Recognised interest-bearing liability on 31 December 2023	15	10	8	33
Amount recognised in 2023 profit or loss				
Right-of-use assets, depreciation	4			
Interest expenses, lease liabilities	4			
Total	8			

2023 cash flow for leases was SEK 0 million.


[About Specialfastigheter](#)
[CEO's statement](#)
[Operating environment](#)
[The offering](#)
[Sustainable operations](#)
[The properties](#)
[Administration Report](#)
[Corporate governance](#)

Financial statements and notes

[Consolidated five-year summary](#)
[Consolidated income statement](#)
[Consolidated statement of comprehensive income](#)
[Consolidated balance sheet](#)
[Consolidated changes in equity](#)
[Consolidated cash-flow statement](#)

Consolidated notes

[Parent Company income statement](#)
[Parent Company statement of comprehensive income](#)
[Parent Company balance sheet](#)
[Parent Company changes in equity](#)
[Parent Company cash-flow statement](#)
[Parent Company notes](#)
[Declaration by the Board](#)
[Auditor's report](#)
[Sustainability Report](#)
[Other](#)

Continued, Note 11 Right-of-use assets

	Lease- hold agree- ments	Service and company cars	Leases	Total
Cost				
1 January 2022	15	18	5	38
New right-of-use assets	–	2	9	11
31 December 2022	15	20	14	49
Accumulated depreciation				
1 January 2022	–	8	3	11
Depreciation for the year	–	2	1	3
31 December 2022	–	10	4	14
Recognised asset on 31 December 2022	15	10	10	35
Interest-bearing liability				
1 January 2022	15	18	5	38
New right-of-use assets	–	2	9	11
31 December 2022	15	20	14	49
Repayments				
1 January 2022	–	8	3	11
Repayments for the year	–	2	1	3
31 December 2022	–	10	4	14
Recognised interest- bearing liability on 31 December 2022	15	10	10	35
Amount recognised in 2022 profit or loss				
Right-of-use assets, depreciation	4			
Interest expenses, lease liabilities	4			
Total	8			

2022 cash flow for leases was SEK 0 million.
For further information, see Note 1 to the consolidated financial statements.

NOTE 12 | Other property plant and equipment

	2023	2022
Plant and equipment		
Opening cost	47	34
Purchases	16	13
Sales and disposals	0	0
Closing accumulated cost	63	47
Opening depreciation	34	29
Sales and disposals	0	0
Depreciation for the year	7	5
Closing accumulated depreciation	41	34
Closing residual value according to plan	22	13

NOTE 13 | Financial investments

	2023	2022
Derivatives, SEK m		
Non-current investments		
Interest-rate and currency derivatives measured at FVTPL	97	134
Electricity derivatives measured at FVTPL	41	58
Total	138	192

	2023	2022
Current investments, SEK m		
Interest-rate and currency derivatives measured at FVTPL	5	64
Electricity derivatives measured at FVTPL		114
Total	55	178

	2023	2022
Other investments, SEK m		
Non-current investments		
CSA deposits	72	–
Covered bonds	2,576	2,125
Other shares and participations	0	0
Total	2,649	2,125

	2023	2022
Other current investments		
Covered bonds	296	295
Total	296	295

The Group has entered into Credit Support Annexes to ISDA agreements in order to manage exposures to counter-party risks in derivative contracts. These agreements are mutual and mean that the parties jointly undertake to provide collateral in the form of cash and cash equivalents for the underlying value of derivative contracts outstanding. As of 31 December 2023, the Group had lodged collateral in two (one) instances and no (two) collateral received totalling SEK 72 million (negative: 130). One deposit of SEK 11 million has been provided to Nordea and one deposit of SEK 61 million has been provided to SEB.

Collateral was lodged in the form of 14 (11) covered bonds. As of 31 December 2023, the collateral amounted to SEK 2,872 million (2,419).

NOTE 14 | Other receivables

	2023	2022
Non-current receivables		
Value-added tax for adjustment	139	48
Total	139	48
Current receivables		
Opening suspended VAT	674	491
VAT	90	–
Tax account	4	0
Other receivables	0	0
Total	768	491

NOTE 15 | Prepaid expenses and accrued income

	2023	2022
Prepaid energy expenses	5	4
Other interim receivables	52	38
Total	57	42

NOTE 16 | Cash and cash equivalents

	2023	2022
Bank balances	345	384
Total	345	384

[About Specialfastigheter](#)[CEO's statement](#)[Operating environment](#)[The offering](#)[Sustainable operations](#)[The properties](#)[Administration Report](#)[Corporate governance](#)**Financial statements and notes**[Consolidated five-year summary](#)[Consolidated income statement](#)[Consolidated statement of comprehensive income](#)[Consolidated balance sheet](#)[Consolidated changes in equity](#)[Consolidated cash-flow statement](#)**Consolidated notes**[Parent Company income statement](#)[Parent Company statement of comprehensive income](#)[Parent Company balance sheet](#)[Parent Company changes in equity](#)[Parent Company cash-flow statement](#)[Parent Company notes](#)[Declaration by the Board](#)[Auditor's report](#)[Sustainability Report](#)[Other](#)**NOTE 17 | Interest-bearing liabilities**

SEK million	31 Dec 2023	31 Dec 2022
Non-current liabilities		
Loans	20,593	15,403
Current liabilities		
Loans	4,318	4,940
Total	24,911	20,343

Interest-bearing liabilities includes SEK 33 million (35) pertaining to future lease liabilities according to IFRS 16. A corresponding amount is also recognised on the asset side under Right-of-use assets. For further information, see Note 11 to the consolidated financial statements.

Of the Group's and the Parent Company's non-current loan liabilities, SEK 5,031 million (3,361) matures more than five years after the balance-sheet date.

Foreign currency bonds are translated to the balance-sheet date SEK exchange rate. The fair value of derivatives corresponds to the translated amounts of the bonds, thus largely neutralizing the foreign exchange effects.

The market value of foreign currency bonds is translated to the balance-sheet date exchange rate and recognised in the tables in SEK. Fair value is measured by discounting future cash flows at the market interest rate on the balance-sheet date for the respective maturity pursuant to level 2, IFRS 13. The fair value of foreign currency bonds is measured by discounting future cash flows at listed market interest rates and exchange rates for the respective maturity at the balance-sheet date.

Maturity profile

2023	Carrying amount	Nominal amount	Fair value	2022	Carrying amount	Nominal amount	Fair value
2023	–	–	–	2023	5,070	5,011	5,033
2024	4,318	4,330	4,273	2024	1,979	1,980	1,907
2025	2,700	2,700	2,621	2025	2,699	2,700	2,568
2026	2,157	2,175	2,149	2026	2,150	2,175	2,130
2027	5,047	5,039	5,148	2027	5,049	5,038	5,071
2028	5,626	5,626	5,935	2028	–	–	–
2029	1,096	1,126	1,142	2029	796	776	796
2030	200	200	184	2030	200	200	172
2031	1,644	1,692	1,671	2031	291	293	291
2032	–	–	–	2032	–	–	–
2033	–	–	–	2033	–	–	–
2034 and beyond	2,090	2,040	1,955	2034 and beyond	2,074	2,040	1,812
Total	24,878	24,928	25,078	Total	20,308	20,213	19,780

Funding is distributed as follows, SEK million**Category – Financial liabilities measured at amortised cost**

2023	Carrying amount	Nominal amount	Fair value
Overdraft facility	–	–	–
CSA deposits	–	–	–
Commercial paper	2,338	2,350	2,326
Fixed-interest bonds	15,976	15,995	15,989
Floating-rate bonds	3,822	3,816	3,995
Inflation-linked bonds	241	190	241
Foreign currency bonds	2,501	2,577	2,527
Total	24,878	24,928	25,078

2022	Carrying amount	Nominal amount	Fair value
Overdraft facility	–	–	–
CSA deposits	130	130	130
Commercial paper	2,415	2,425	2,410
Fixed-interest bonds	12,842	12,869	12,310
Floating-rate bonds	2,977	2,966	2,996
Inflation-linked bonds	225	190	225
Foreign currency bonds	1,719	1,633	1,709
Total	20,308	20,213	19,780


[About Specialfastigheter](#)
[CEO's statement](#)
[Operating environment](#)
[The offering](#)
[Sustainable operations](#)
[The properties](#)
[Administration Report](#)
[Corporate governance](#)

Financial statements and notes

[Consolidated five-year summary](#)
[Consolidated income statement](#)
[Consolidated statement of comprehensive income](#)
[Consolidated balance sheet](#)
[Consolidated changes in equity](#)
[Consolidated cash-flow statement](#)
[Consolidated notes](#)
[Parent Company income statement](#)
[Parent Company statement of comprehensive income](#)
[Parent Company balance sheet](#)
[Parent Company changes in equity](#)
[Parent Company cash-flow statement](#)
[Parent Company notes](#)
[Declaration by the Board](#)
[Auditor's report](#)
[Sustainability Report](#)
[Other](#)

Continued, Note 17 | Interest-bearing liabilities

Group financing in foreign currency at the balance-sheet date

2023

Currency	Nominal	Interest %	Interest in SEK	Nominal amount in SEK	Carrying amount in SEK
EUR	10,000,000	3.23	4.95	108,500,000	111,205,835
NOK	750,000,000	3.71	4.94	776,397,515	745,638,917
NOK	680,000,000	4.71	5.13	676,600,000	676,045,951
NOK	700,000,000	4.93	5.12	722,400,000	695,929,655
NOK	274,000,000	4.39	5.14	292,851,200	272,406,751

2022

Currency	Nominal	Interest %	Interest in SEK	Nominal amount in SEK	Carrying amount in SEK
USD	25,000,000	2.56	3.09	227,790,000	260,702,500
USD	25,000,000	2.59	3.12	227,790,000	260,702,500
EUR	10,000,000	3.23	2.64	108,500,000	111,611,957
NOK	750,000,000	3.71	2.61	776,397,515	795,754,796
NOK	274,000,000	4.39	3.24	292,851,200	290,715,752

Significant contractual conditions

The Group's loan agreements include an ownership clause which entitles lenders to call in a loan early if the state's ownership level falls below 100%.

Hedge accounting

Hedge accounting is not applied by the Group.

Currency distribution

When funding in foreign currency, all future payment flows are hedged so that currency risks are eliminated. All interest payments and future repayments are hedged through currency swaps.

The table "Group financing in foreign currency at the balance-sheet date" shows foreign currency at the balance-sheet date by original currency and after taking currency swaps into account. Foreign currency loans are translated at the closing-date exchange rate, and the exchange-rate change as well as the changes in currency derivatives are reported in net financial items.

The Group has entered into Credit Support Annexes to ISDA agreements in order to manage exposures to counter-party risks in derivative contracts. These agreements are mutual and mean that the parties jointly undertake to provide collateral in the form of cash and cash equivalents for the underlying value of derivative contracts outstanding. The Group has provided collateral in two cases as of 31 December 2023. For further information, see Note 13 to the consolidated financial statements.

NOTE 18 | Other liabilities

Other liabilities	2023	2022
Customer advances	0	1
VAT	3	94
Other liabilities	12	4
Total	15	99

NOTE 19 | Accrued expenses and deferred income

	2023	2022
Deferred rental income	781	668
Accrued energy expenses	46	4
Accrued electricity support	18	–
Accrued interest expenses	185	108
Accrued social-security expenses	5	3
Accrued holiday pay	17	15
Accrued payroll tax	5	4
Other items	13	9
Total	1,070	811

NOTE 20 | Financial risks and financial policy

The term financial risks means fluctuations in the company's performance and cash flow due to the effect of interest-rate, financing, credit, currency and electricity price risk. All Group financial risks are brought into the Parent Company and managed from there. The Group's financial risks comprise the financial operations of the Parent Company. The Group's financial policy for managing financial risk has been adopted by the Board and comprises a framework of guidelines and rules in the form of risk mandates and limits for financial operations. The policy is designed to ensure that the owner's required return on equity is achieved in the safest way possible. The overall objective of treasury operations is to provide cost-effective funding and to minimise the adverse effects of market fluctuations on the Group's earnings.

For more information on financial risks, refer to page 43.

Financial operations

The Parent Company's financial department manages the Group's financial transactions and risks centrally. The company's Finance Manager deals with operational activities.

Rating

The credit rating institute Standard & Poor's (S&P) has retained the rating for the company's long-term funding with an AA+/Stable outlook and also retained A-1+ for short-term funding. S&P raised the rating from AA to AA+ in 2005 given the continued long-term ownership aims of the Swedish government and the company's long-term ability to achieve the owner's return requirement. S&P confirmed the AA+ rating on 20 December 2023. When S&P assesses Specialfastigheter's stand-alone creditworthiness – the



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other

Continued, Note 20 Financial risks and financial policy

company's ability to stand-alone without Swedish state ownership – we receive an AA- credit rating.

Interest-rate risk

Interest-rate risk refers to the risk of negative effects on interest expenses for existing and future financing due to interest-rate changes. Specialfastigheter's interest-rate exposure is governed by limiting the proportion maturing within 12 months to a maximum of 70% of the net loan portfolio. On the closing date, the average fixed-interest period was 3.7 years (4.2). The fixed-interest period shows how quickly a change in interest rates will impact in the form of increased borrowing expenses. The objective of interest-rate risk management is to achieve low interest expenses over time while adapting the interest-rate profile to underlying business possibilities.

On 31 December 2023, the portfolio's average interest rate for loans and derivatives was 2.91% (1.88). Inflation-linked bonds were issued for SEK 190 million (190) to protect inflation-linked items in the income statement, such as rental income and, operating and maintenance expenses.

The company's financial policy permits the use of derivatives. The main derivatives used are interest-rate swaps. The risk exposure of the total portfolio is governed by limits for fixed-interest periods. This leads to the limitation of the total risk effect of the derivatives portfolio. The company conducts derivative transactions to cost effectively manage the whole financial portfolio's allocation of interest-rate exposure over time. The derivatives portfolio has created a redistribution of interest-rate exposure from shorter to longer terms; refer to the "Fixed-interest maturity structure and loan-to-maturity." The volume for loan-to-maturity includes loans and investments in covered bonds.

The fixed-interest volume includes loans, derivatives and investments in covered bonds. The loan liability is calculated as a net liability, after taking into account any positive balances and investments.

Financing risk

Financing risk refers to the risk that existing financing cannot be replaced or only at exceptionally high cost. The risk to Specialfastigheter also includes not being able to secure financing, for example in connection with a major acquisition. To limit financing risk, Specialfastigheter strives to raise credits with long maturities and even maturity profiles for commercial paper and bonds issued. To further reduce financing risk, there are also investments in covered bonds, guaranteed loan commitments and overdrafts totalling SEK 7,750 million (6,750). On the balance-sheet date, unutilised guaranteed loan commitments, and cash and cash equivalents

amounted to SEK 8,095 million (7,134) covering the refinancing risk for the next 32 months' (27) maturity.

No special undertakings are included in loan commitments other than ownership clauses and disclosure commitments. Three loan commitments totalling SEK 2,500 million increase the margin on loans drawn from the facility if the company's rating falls below AA-. The maturity of financial liabilities has been spread over time to limit refinancing risk. As of 31 December 2023, loan-to-maturity was 5.2 years (5.2), and taking unutilised guaranteed loan commitments into consideration, loan-to-maturity was 5.7 (5.8) years.

During the year, we increased investments in covered bonds by SEK 350 million to a total nominal amount of SEK 3,000 million (2,650). The covered bonds provide a liquidity buffer that can be utilised in a similar way to loan commitments by means of bank whole loan repos.

The company's nominal gross financial liability totalled SEK 24,928 million (20,213) at year end. Further reductions of the refinancing risk are achieved by diversifying funding sources; refer to the "Credit facilities" table. Borrowing is conducted in the Swedish and international credit markets through bond and commercial paper programmes and in the Swedish and international banking markets. Specialfastigheter conducts borrowing against the balance sheet without pledging properties. The company's loan contracts have included an ownership clause ever since 1999, which strengthens lenders' positions. The clause means that lenders are entitled to call a loan in early if state ownership falls below 100%.

The "Liquidity risk" table in this note shows agreed undiscounted cash flows, which include all financial liabilities including interest payments. Where the future variable interest rate is unknown, it has been estimated with the aid of implicit forward interest rates. Rental income is used to meet the future commitments presented in the table. Credit risk is assessed as negligible for rental income.

Credit risks and counterparty risks in financial operations

Financial credit risk refers primarily to counterparty risks in connection with receivables from banks and other counterparties. The risk arises in derivatives trading or the investment of cash and cash equivalents. Specialfastigheter's policy to reduce credit risk is that the investment of cash and cash equivalents and entering into of derivative contracts may only be carried out with a limited number of counterparties and within approved limits. Cash and cash equivalents are used in practice to repay loans. Derivative counterparties are banks with high credit ratings.

The company's counterparty risk in derivative contracts totalled SEK 193 million (370) as of 31 December 2023; this corresponds to the company's total receivables from unrealised derivatives with positive values.

CSA deposits are in the form of cash deposits.

The credit risk in daily business operations is limited by advance invoicing of rents, long leases and by tenants having a strong connection to the Swedish state.

Receivables mainly comprise lease receivables for which the Group has chosen to apply the simplified approach for ECL recognition. This entails making ECL provisions for the remaining lifetimes, which are expected to be less than one year for all receivables. The Group applies a rating-based method for calculating ECLs based on probability of default, expected loss and exposure at default. The Group defines default as when receivables are 90 days or more past-due, or if other factors indicate that a suspension of payments applies. The Group has essentially one counterparty, namely the Swedish state. At present, the counterparty's credit rating is AAA, which means that the risk of credit losses is deemed negligible. Therefore, the Group has not made any provision for ECLs.

The Parent Company applies the general approach for ECL provisions on intra-Group receivables. The Parent Company applies a rating-based method for calculating ECLs based on probability of default, expected loss and exposure at default. At the balance-sheet date, the Group had a credit rating of AA+ from Standard & Poor's. The risk nature of subsidiaries' operations and types of properties are comparable to that of the Parent Company and, accordingly, the subsidiaries are assumed to have comparable credit ratings. The Parent Company defines default as when receivables are 90 days or more past-due, or if other factors indicate that a suspension of payments applies. At the balance-sheet date, no material increase in credit risk is assessed as applying for any intra-Group receivables. Based on the Parent Company's assessments using the above approach and taking into consideration other known information and forward-looking factors, ECLs are not expected to be material and therefore no provision has been made.

Financial items that have matured for payment at the year end, SEK million

	2023	2022
Financial assets	10	11
Financial liabilities	12	31

An impairment of SEK – million (–) was carried out on the balance-sheet date.

SEK 0 million (0) of trade receivables were unpaid on 31 January 2024.

SEK 2 million (20) of trade payables were unpaid as of 31 January 2024.


[About Specialfastigheter](#)
[CEO's statement](#)
[Operating environment](#)
[The offering](#)
[Sustainable operations](#)
[The properties](#)
[Administration Report](#)
[Corporate governance](#)

Financial statements and notes

[Consolidated five-year summary](#)
[Consolidated income statement](#)
[Consolidated statement of comprehensive income](#)
[Consolidated balance sheet](#)
[Consolidated changes in equity](#)
[Consolidated cash-flow statement](#)
[Consolidated notes](#)
[Parent Company income statement](#)
[Parent Company statement of comprehensive income](#)
[Parent Company balance sheet](#)
[Parent Company changes in equity](#)
[Parent Company cash-flow statement](#)
[Parent Company notes](#)
[Declaration by the Board](#)
[Auditor's report](#)
[Sustainability Report](#)
[Other](#)

Continued, Note 20 Financial risks and financial policy

Financial assets credit rating, SEK m

2023	Simplified approach	General approach	Total
	Trade receivables	Stage 1	
Credit rating			
No credit rating/ trade receivables	0	–	0
AAA	89	–	89
AA	–	2	2
A	–	343	343
BBB	–	–	–
Total	89	345	434

2022	Simplified approach	General approach	Total
	Trade receivables	Stage 1	
Credit rating			
No credit rating/ trade receivables	0	–	0
AAA	75	–	75
AA	–	1	1
A	–	383	383
BBB	–	–	–
Total	75	384	459

The Group's maximum credit risk comprises the net amounts in the above table. The Group has not received any pledged collateral for the net financial assets.

Currency risk

Foreign currency borrowing outside the Swedish market takes place if it is advantageous from an overall cost or diversification perspective. Foreign currency exposures must be hedged if they exceed a value equivalent to SEK 5 million. Foreign currency hedging refers to the use of financial derivatives or matching between assets and liabilities. Since the Group's activities are exclusively denominated in Swedish krona, all currency risks in connection with financing in foreign currencies have been eliminated through currency derivatives. Because currency exposure also occurs when financial electricity derivatives are taken up, they are hedged by means of currency derivatives. The effects of the unrealised change in value are reported under "Change in value of financial instruments, unrealised" in the income statement, while foreign currency loans are translated at the balance-sheet date exchange rate and reported in net financial items. Changes in currency derivatives are also reported in net financial items.

The following table shows the Group's borrowing and hedging in foreign currency.

Nominal amounts (SEK) per business day

2023	Loans	Derivatives	Total
Original currency			
EUR	109	-109	0
NOK	2,468	-2,468	0

2022	Loans	Derivatives	Total
Original currency			
USD	456	-456	0
EUR	109	-109	0
NOK	1,069	-1,069	0

Electricity price risk

Electricity price risk refers to the risk of fluctuations in the future price of electricity adversely affecting the company's operating expenses. As a consequence of this, the company has established an electricity price policy with a long-term price-hedging strategy; refer to the "Hedged portion of future electricity consumption" table. To limit the electricity price risk for estimated electricity consumption, the company buys price-hedging contracts in the form of electricity futures. These are managed through day-to-day analysis of the electricity market and the company's own portfolio. Price hedging is done in sub items to reduce the risk of undertaking large price hedges in expensive circumstances. In this way the hedged portion increases as the consumption date approaches. By the time a budgeted price is to be given for the coming year, a large portion has been price-hedged.

Specialfastigheter passes on most of the electricity cost to its tenants, which means the price risk to the company is negligible.

Derivatives

Specialfastigheter uses derivative instruments to manage interest-rate risk and to thereby achieve the desired fixed-rate structure and to manage currency risk and to hedge loans in foreign currencies.

Over time, changes in value may arise in the derivatives portfolio owing to changes in market interest rates and exchange rates. These unrealised changes in value are recognised in profit or loss. Electricity derivatives are measured at fair value and recognised in profit or loss. The electricity consumption expense is recognised on an ongoing basis in profit or loss. Financial interest-rate derivatives are measured at fair value according to the closing interest rate as of the balance-sheet date.

Financial instruments measured at fair value

The fair value of financial instruments can be determined in various ways.

- Level 1 Fair value determined by prices quoted in an active market for the same instrument.
- Level 2 Fair value determined either by directly or indirectly observable market data not included in Level 1.
- Level 3 Fair value determined based on data that is not observable in the market.

Financial instruments – Measured at fair value

	Prices quoted in an active market (Level 1)	Measurement based on observable data (Level 2)	Measurement based on information other than observable data (Level 3)	Total
2023				
Interest-rate swaps	–	22	–	22
Currency swaps	–	-76	–	-76
Electricity futures	83	–	–	83
Net	83	-54	–	29

	Prices quoted in an active market (Level 1)	Measurement based on observable data (Level 2)	Measurement based on information other than observable data (Level 3)	Total
2022				
Interest-rate swaps	–	91	–	91
Currency swaps	–	76	–	76
Electricity futures	164	–	–	164
Net	164	167	–	331

Credit facilities

	Loan limit, SEK million		Utilised, SEK million	
	2023	2022	2023	2022
CSA deposits	–	–	–	130
Group overdraft	500	500	-345	-384
Guaranteed loan commitments	7,250	6,250	–	–
Commercial paper	5,000	5,000	2,350	2,425
MTN programme	25,000	20,000	22,388	17,013
Private Placements	500	956	190	646
Whole loan repos	3,000	2,650	–	–
Investments	-3,000	-2,650	-3,000	-2,650
Total	38,250	32,706	21,584	17,180

About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other

Continued, Note 20 Financial risks and financial policy

Liquidity risk, agreed undiscounted cash flows

2023	Loans	Derivatives, inflow	Derivatives, outflow	Derivatives, total	Trade payables	Lease liabilities
Less than 3 months	-1,465	32	-43	-11	-906	0
Between 3 and 12 months	-3,449	193	-152	41	-	-3
Between 1 and 3 years	-10,844	427	-404	23	-	-7
Between 3 and 5 years	-6,653	240	-199	41	-	-23
Total	-22,411	892	-798	94	-906	-33

2022	Loans	Derivatives, inflow	Derivatives, outflow	Derivatives, total	Trade payables	Lease liabilities
Less than 3 months	-2,468	18	-21	-3	-692	-1
Between 3 and 12 months	-2,838	141	-93	48	-	-3
Between 1 and 3 years	-7,761	336	-278	58	-	-4
Between 3 and 5 years	-6,222	157	-167	-10	-	-27
Total	-19,289	652	-559	93	-692	-35

Exposure to counterparty risks distributed across different rating categories

Institute with long rating, 2023	Asset	Liability	Securities received/paid	Net exposure
AA-	0	-20	11	-9
A+	103	-135	61	29
A	-	-	-	-
BBB+	-	-	-	-
Electricity derivatives	90	-8	-	82
Total	193	-163	72	102

Institute with long rating, 2022	Asset	Liability	Securities received/paid	Net exposure
AA-	-	-9	11	2
A+	142	-19	-86	37
A	56	-2	-55	-1
BBB+	-	-	-	-
Electricity derivatives	172	-8	-	164
Total	370	-38	-130	202

Hedged portion of future electricity consumption

2023 year	GWh	Min. limit	Max. limit	Proportion	2022 year	GWh	Min. limit	Max. limit	Proportion
2024	103	70%	100%	72%	2023	102	70%	100%	81%
2025	103	40%	100%	44%	2024	102	40%	100%	40%
2026	103	20%	100%	25%	2025	102	20%	100%	20%
2027	103	0%	100%	0%	2026	102	0%	100%	0%



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other

Continued, Note 20 Financial risks and financial policy

Maturity profile for electricity derivatives

2023 year	GWh	Market value	2022 year	GWh	Market value
2025	45	27	2024	41	40
2026	26	13	2025	20	16
2027	0	–	2026	0	–
2028	0	–	2027	0	–
Total	145	83	Total	144	164

Derivative portfolio's market value

	2023			2022		
	Nominal value	Positive value	Negative value	Nominal value	Positive value	Negative value
Currency swaps	2,577	51	97	1,633	84	18
Interest-rate swaps	3,335	51	59	3,011	113	12
Electricity futures	–	90	8	–	172	8
Total	5,912	192	164	4,644	369	38

Sensitivity analysis

Change	Pre-tax change in profit or loss	Change in equity after tax
Change in net financial items if market rate increases 1%, annual expense change	Earnings decrease SEK 59 million (39)	Equity decreases SEK 47 million (31)
Change in value of financial derivatives if market interest rate increases 1%	Earnings increase SEK 38 million (14)	Earnings increase SEK 30 million (11)
Currency risk is hedged by currency swaps, which removes the effect of exchange-rate changes	No change	No change
Electricity price risk – electricity futures reduce price volatility. The majority of electricity expenses are then passed on to the tenants.	No change	No change

Fixed-interest maturity structure and loan-to-maturity

	Fixed-interest, SEK million		Loan-to-maturity, SEK million	
	2023	2022	2023	2022
2023	–	5,316 ²	–	4,392 ^{1,2}
2024	7,026 ^{1,2}	1,862	3,605 ^{1,2}	1,688 ²
2025	2,700	2,699	2,700	2,699
2026	1,602 ²	1,628 ²	1,502 ²	1,527 ²
2027	3,557 ²	3,626 ²	3,574 ²	3,838 ²
2028	4,313 ²	–	5,178 ²	–
2029	–	–	1,096	796
2030	200	200	200	200
2031	–	–	1,644	291
2032	–	–	–	–
2033	–	–	–	–
2034 and beyond	2,191	2,174	2,090	2,074
Total	21,589	17,505	21,589	17,505

¹ Includes CSA deposits given and received as well as bank balances.

² Includes investments in covered bonds.

Continued, Note 20 Financial risks and financial policy

Carrying amount per category

	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets measured at FVTPL				
Interest-rate derivatives	51	51	114	114
Currency derivatives	51	51	84	84
Electricity derivatives	90	90	172	172
Covered bonds	2,872	2,872	2,419	2,419
Shares and participations	1	1	0	0
Financial assets measured at amortised cost				
Trade receivables	89	89 ¹	75	75 ¹
CSA deposits	72	72 ¹	–	– ¹
Accrued interest income	–	–	–	–
Cash and cash equivalents	345	345	384	384
Financial liabilities measured at FVTPL				
Interest-rate derivatives	59	59	12	12
Currency derivatives	97	97	18	18
Electricity derivatives	7	7	8	8
Financial liabilities measured at amortised cost				
Commercial paper	2,338	2,326 ²	2,415	2,410 ²
Fixed-interest bonds	15,976	15,989 ²	12,842	12,310 ²
Floating-rate bonds	3,822	3,995 ²	2,977	2,996 ²
Inflation-linked bonds	241	241 ²	225	225 ²
Foreign currency bonds	2,501	2,527 ²	1,719	1,709 ²
Trade payables	906	906 ¹	692	692 ¹
CSA deposits	–	– ¹	130	130 ¹
Accrued interest expenses	185	185 ¹	108	108 ¹

¹ Fair value is measured by discounting future cash flows at the market interest rate on the balance-sheet date for the respective maturity. The fair value of bonds in foreign currency is measured by discounting future cash flows at the balance-sheet date exchange rate for the respective maturity.

² Market quotations and generally accepted Level 2 calculation methods are used to determine fair value on the closing date.

The Group's maximum credit risk comprises the net amounts in the above table. The Group has not received any pledged collateral for the net financial assets.

The financial assets encompassed by an ECL provision pursuant to the general approach consist of cash and cash equivalents, CSA deposits and accrued interest income. Specialfastigheter applies a

rating-based approach in combination with other known information and forward-looking factors to assess ECLs. The Group defines default as when receivables are 90 days or more past-due, or if other factors indicate that a suspension of payments applies. In those instances where amounts are not assessed as negligible, an ECL provision is recognised even for these financial instruments.


[About Specialfastigheter](#)
[CEO's statement](#)
[Operating environment](#)
[The offering](#)
[Sustainable operations](#)
[The properties](#)
[Administration Report](#)
[Corporate governance](#)
Financial statements and notes
[Consolidated five-year summary](#)
[Consolidated income statement](#)
[Consolidated statement of comprehensive income](#)
[Consolidated balance sheet](#)
[Consolidated changes in equity](#)
[Consolidated cash-flow statement](#)
[Consolidated notes](#)
[Parent Company income statement](#)
[Parent Company statement of comprehensive income](#)
[Parent Company balance sheet](#)
[Parent Company changes in equity](#)
[Parent Company cash-flow statement](#)
[Parent Company notes](#)
[Declaration by the Board](#)
[Auditor's report](#)
[Sustainability Report](#)
[Other](#)

About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other

Continued, Note 20 Financial risks and financial policy

Financial assets and liabilities that are offset or covered by a general netting arrangement

2023	Gross amount	Offset amount	Net amount in balance sheet	Amounts covered by a general or similar netting agreement ¹		Net amount
				Financial instruments	Financial collateral, received/paid	
Derivative assets	193	–	193	-193	–	0
Derivative liabilities	-164	–	-164	193	72	101
Total	29	0	29	–	72	101

2022	Gross amount	Offset amount	Net amount in balance sheet	Amounts covered by a general or similar netting agreement ¹		Net amount
				Financial instruments	Financial collateral, received/paid	
Derivative assets	370	–	370	-370	–	0
Derivative liabilities	-39	–	-39	370	-130	201
Total	331	–	331	–	-130	201

¹ These financial assets and liabilities are only offset in the case of insolvency or upon suspension of payments by either party. These also include arrangements where the Group has no intention of divesting the instruments concurrently.

Summary of liabilities attributable to financing activities

	Cash flow items			Non-cash items		Closing balance 2023
	Opening balance 2023	Cash flow from financing activities	Effect of changed exchange rate	Change in fair value	Price change	
Interest-bearing liabilities	20,308	4,689	-162	–	42	24,878
Non-interest-bearing liabilities	99	-84	–	–	–	15
Interest-rate and cross-currency swaps, fair value hedges	31	–	162	-37	–	156
Electricity futures, fair value hedges	8	–	–	-1	–	7
Total liabilities attributable to financing activities	20,446	4,605	0	-38	42	25,056

	Cash flow items			Non-cash items		Closing balance 2022
	Opening balance 2022	Cash flow from financing activities	Effect of changed exchange rate	Change in fair value	Price change	
Interest-bearing liabilities	15,775	4,445	90	–	-2	20,308
Non-interest-bearing liabilities	131	-32	–	–	–	99
Interest-rate and cross-currency swaps, fair value hedges	60	–	-90	61	–	31
Electricity futures, fair value hedges	3	–	–	5	–	8
Total liabilities attributable to financing activities	15,969	4,413	0	66	-2	20,446

NOTE 21 | Related parties

Related-party transactions

	Consolidated IFRS		Parent Company Annual Accounts Act	
	2023	2022	2023	2022
Intra-Group income	–	–	3	2
Intra-Group expenses	–	–	–	–
Current intra-Group receivables	–	–	3	2
Non-current intra-Group receivables	–	–	357	156

Transactions with the shareholder

	Consolidated IFRS		Parent Company Annual Accounts Act	
	2023	2022	2023	2022
Dividend	–	–	–	634

No ECLs on financial assets exist within the Group.

There are no dealings with the owner, the Swedish State, other than those stipulated by law. The Parent Company, Specialfastigheter Sverige AB, company registration number 556537-5945, has a close relationship with its subsidiaries; refer to Note 15 for the Parent Company. For more information on salaries and other remuneration, expenses and commitments with respect to pensions and similar benefits of the Board, CEO and other senior executives, as well as contracts concerning severance payments, see Note 7 to the consolidated financial statements.

NOTE 22 | Pledged assets and contingent liabilities

	2023	2022
Pledged assets	None	None
Contingent liabilities	None	None

NOTE 23 | Events after the balance-sheet date

The government set up an inquiry in February 2024 aimed at reforming and reviewing the mission and organisation of institutional juvenile care. The report is due in April 2025. The company is awaiting the investigation's findings and their significance for the Swedish National Board of Institutional Care and how these findings may ultimately affect Specialfastigheter.

Josef Guttenkunst stepped down as Head of Projects and Technology and from the company's management group effective 1 February 2024.



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

[Parent Company income statement](#)

[Parent Company statement of comprehensive income](#)

[Parent Company balance sheet](#)

Parent Company changes in equity

Parent Company cash-flow statement

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other

PARENT COMPANY INCOME STATEMENT, SEK MILLION

	Note	Full-year 2023	Full-year 2022
Rental income		2,620	2,178
Other income	2	415	252
Net sales		3,035	2,430
Operating expenses	3	-1,015	-727
Depreciation of investment properties		-847	-813
Gross profit		1,173	890
Central administration	4, 5	-97	-72
Gain/loss on property sales	6	-	1
Operating profit	7	1,076	819
Profit/loss from financial investments			
Net financial expense	8	-368	-137
Profit after financial items		708	682
Appropriations	9	-93	9
Tax on profit for the year	10	-90	-149
Net profit for the year	11	525	542
Of which attributable to the Parent Company's shareholder		525	542

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME, SEK MILLION

	Full-year 2023	Full-year 2022
Net profit for the year	525	542
Total comprehensive income for the year	525	542
Of which attributable to the Parent Company's shareholder	525	542

Since the Parent Company's and the Consolidated income statements and balance sheets largely correspond, we have issued no separate comments for the Parent Company.

PARENT COMPANY BALANCE SHEET, SEK MILLION

	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Investment properties	12, 13	25,805	21,047
Plant and equipment	14	22	13
Financial assets	15	3,399	2,638
Total non-current assets		29,226	23,698
Current assets			
Trade receivables		89	75
Current investments	16	351	473
Tax assets	10	26	36
Current receivables	17	771	492
Prepaid expenses and accrued income	18	58	42
Cash and bank balances	19	344	384
Total current assets		1,639	1,502
Total assets		30,865	25,200
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (2,000,000 shares)		200	200
Statutory reserve		42	42
Total restricted equity		242	242
Non-restricted equity			
Retained earnings		593	51
Net profit for the year		525	542
Total non-restricted equity		1,118	593
Total equity		1,360	835
Liabilities			
Interest-bearing liabilities			
Loan liabilities	21	24,878	20,308
Non-interest-bearing liabilities			
Tax liability	10	-	-
Other liabilities	22	1,083	826
Deferred tax liabilities	10	645	683
Accrued expenses and deferred income	23	1,062	803
Total liabilities		27,668	22,620
Total equity and liabilities		30,865	25,200



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

[Parent Company changes in equity](#)

[Parent Company cash-flow statement](#)

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other

PARENT COMPANY CHANGES IN EQUITY, SEK MILLION

	Share capital	Other contributed capital	Retained earnings	Total equity
Opening balance, 1 January 2023	200	616	593	835
Net profit for the year	–	–	525	525
Dividend	–	–	–	–
Closing balance, 31 December 2023	200	616	1,118	1,360

	Share capital	Other contributed capital	Retained earnings	Total equity
Opening balance, 1 January 2022	200	616	685	928
Net profit for the year	–	–	542	542
Dividend	–	–	-634	-634
Closing balance, 31 December 2022	200	616	593	835

PARENT COMPANY CASH-FLOW STATEMENT, SEK MILLION

	Full-year 2023	Full-year 2022
Operating activities		
Net operating income	1,173	890
Central administration	-97	-72
Net financial expense	-368	-137
Reversal, change in value of financial investments	302	-300
Add back, change in prices	-253	188
Add back of depreciation	852	818
Income tax paid	-117	-159
Cash flow from operating activities before changes in working capital	1,492	1,228
Change in working capital		
Change in receivables	-598	-171
Change in other current liabilities	389	380
Total change in working capital	-209	209
Cash flow from operating activities	1,283	1,437
Investing activities		
Acquisition of investment properties	-211	-16
Investment in investment properties	-5,394	-4,118
Disposal of investment properties	–	1
Acquisition of property, plant and equipment	-16	-14
Disposal of property, plant and equipment	0	0
Cash flow from investing activities	-5,621	-4,147
Financing activities		
Investment, covered bonds	-627	-1,219
Investment, covered bonds, matured	308	206
Borrowings	20,958	23,096
Repayments of borrowings	-16,341	-18,612
Dividend paid to Parent Company's shareholder	–	-634
Cash flow from financing activities	4,298	2,837
Cash flow for the year	-40	127
Opening cash and cash equivalents	384	257
Closing cash and cash equivalents	344	384
Dividends received	220	–
Interest		
Interest received	40	21
Interest paid	-629	239



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

[Parent Company notes](#)

Declaration by the Board

Auditor's report

Sustainability Report

Other

NOTE 1 | Parent Company accounting policies

The Parent Company applies the same accounting policies as the Group, except in the cases specified below. The deviations between the Parent Company's and the Group's policies arise from limitations in the Parent Company's ability to apply IFRS as a result of provisions in the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act, and in certain cases for tax reasons.

Parent Company accounting policies

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Reporting Board. Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Board applicable to listed companies are also applied. RFR 2 means that the Parent Company must apply all EU-approved IFRSs and interpretations insofar as this is possible under the provisions of the Annual Accounts Act, the Swedish Pension Obligations Vesting Act and with due consideration to the relationship between accounting and taxation.

Changes in accounting policies

Changed standards and interpretations entered force for financial years beginning after 1 January 2023 and have not been applied in preparing this financial report. These changes are not expected to have any material impact on the Parent Company's accounts in current or future periods, nor are they expected to affect future transactions. The depreciation principles applied by the company when capitalising new items have been changed. Depreciation in the accounts follows fiscal depreciation. No retroactive adjustment of depreciation principles has been applied.

Interest expenses for legal entities

As a result of changes in the Income Tax Act, interest expenses and other fees for borrowing are not capitalised as part of the cost of assets from 2019.

Classification and structure

The Parent Company's income statement and balance sheet follow the structure of the Annual Accounts Act. The principal difference in comparison with IAS 1 Presentation of Financial Statements applied in the layout of the Group's financial statements is the presentation of operating profit, financial income and expenses, non-current assets, equity and the occurrence of provisions as separate headings in the balance sheet.

Subsidiaries

Participations in subsidiaries are recognised in the Parent Company in accordance with the cost method. Acquisition-related expenses for subsidiaries are included in the cost of the shares in the subsidiary. Dividends received are recognised as income.

SPECIALFASTIGHETER ANNUAL REPORT AND SUSTAINABILITY REPORT 2023

Depreciation

Earnings in the income statement have been charged with depreciation according to plan. In the case of plant and equipment, the difference between fiscal and planned depreciation is reported as an appropriation, and accumulated accelerated depreciation as untaxed reserves. In cases where the maximum fiscal rate of depreciation falls short of planned depreciation, a deferred tax asset arises. The company includes the deferred tax asset in its total recognised deferred tax liability.

The fiscal depreciation follows the Swedish Tax Agency's percentages for various building types. From and including the 2022 financial year, the accounting for depreciation essentially follows the recommendations of the Swedish Tax Agency. Depreciation methods, useful lives and impairment losses are reviewed annually in the annual accounts.

The following depreciation rates were used:

Building fixtures and fittings	10% per year
Buildings	2–7% per year
In ground fixtures and fittings	5% per year
Land improvements	5% per year

Buildings

Buildings in the Parent Company are recognised at cost less accumulated depreciation. Cost consists of the acquisition cost, land registration costs and value enhancing improvements. Only expenses that generate lasting value enhancement to a property are capitalised.

The company conducts a valuation of the economic useful life and a valuation of all properties using the model described in Note 9 to the consolidated financial statements. If the value of a property thus estimated falls significantly below the carrying amount, an impairment loss is recognised for the property. In 2023, property impairment was recognised of SEK 15 million for Trosa Lövsta 1:33 and SEK 7 million for Kalix Grytnäs 2:1. As of 31 December 2023, the Parent Company's property holdings were valued at SEK 41,191 million (35,614).

Plant and equipment

Plant and equipment in the Parent Company are reported at cost less accumulated depreciation and any impairment losses in the same way as for the Group, but with the addition of possible positive revaluations.

Right-of-use assets

According to exceptions in RFR 2 pertaining to leased assets, the Parent Company does not apply IFRS 16. All lease payments are expensed over the term of the leases based on their period of utilisation, which may differ from what has de facto been paid in lease payments during the year.

Taxes

Untaxed reserves including deferred tax liabilities are recognised in the Parent Company. However, in the consolidated financial statements untaxed reserves are divided into deferred tax liabilities and equity.

Group contributions and shareholder contributions for legal entities

The recipient recognises shareholder's contributions directly in equity and the donor capitalises contributions in shares and participations, to the extent that impairment is not required. A Group contribution received by the Parent Company from a subsidiary is recognised applying the same principles as customary dividends from subsidiaries and are recognised as financial income. Group contributions paid by the Parent Company to subsidiaries are recognised as financial expenses.

IFRS 9 – Parent Company

The Parent Company applies the exception of not measuring financial guarantee commitments that benefit subsidiaries or associated companies pursuant to the rules under IFRS 9 and instead applies the measurement policies under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Financial risk management

For further information, see notes 6, 13, 17 and 20 to the consolidated financial statements.

NOTE 2 | Other income

	2023	2022
Invoiced energy and fuel expenses	200	109
Invoiced services	208	128
Invoiced services within the Group	3	2
Other	4	13
Total	415	252

NOTE 3 | Operating expenses

	2023	2022
Energy, fuel and water	300	199
Property operations	566	402
Property tax	53	53
Maintenance	96	73
Total	1,015	727

About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

Parent Company notes

Declaration by the Board

Auditor's report

Sustainability Report

Other

NOTE 4 | Central administration

	2023	2022
Payroll and other expenses	90	67
Depreciation of plant and equipment	7	5
Total	97	72

NOTE 5 | Auditors' fees

Refer to Note 5 to the consolidated financial statements.

NOTE 6 | Gain/loss on property sales

	2023	2022
Proceeds, properties sold	-	1
Book value, properties sold	-	0
Selling expenses	-	0
Total	-	1

NOTE 7 | Employees, payroll expenses and Board fees

Refer to Note 7 to the consolidated financial statements.

NOTE 8 | Net financial items

	2023	2022
Dividends received from subsidiaries	220	-
Interest income, subsidiaries	4	2
Interest income, covered bonds	33	18
Other interest income	6	1
Investment gains	133	-
Changes in value on revaluation of financial derivatives	-	300
Exchange-rate changes on foreign borrowings	162	-
Financial income	558	321
Interest expenses, bonds	531	223
Other interest expenses	61	15
Investment losses	-	107
Realised investment losses	6	-
Changes in value on revaluation of financial derivatives	302	-
Exchange-rate changes on foreign borrowings	-	90
Other financial expenses	26	23
Financial expenses	926	458
Net financial expense	368	137

NOTE 9 | Appropriations

	2023	2022
Difference between book depreciation and depreciation according to plan:		
Plant and equipment	127	16
Provision to tax allocation reserve	201	187
Reversal from tax allocation reserve	-235	-212
Total	93	-9

NOTE 10 | Taxes

	2023	2022
Recognised in profit or loss		
Current tax expense	127	118
Deferred tax expense	-37	31
Total recognised tax	90	149
Reconciliation of effective tax		
Recognised EBT	615	691
Swedish income tax rate, 20.6%	127	143
Tax-exempt income	-45	0
Non-deductible expenses	0	0
Adjusted sale proceeds	0	0
Standard interest tax allocation reserve	5	2
Restatement, reversal of tax allocation reserve	3	4
Tax attributable to previous tax year	0	-
	90	149
Recognised in the balance sheet		
Liabilities		
Deferred tax liability	-645	-683
Current tax asset/liability	26	36
Total	-619	-647
Deferred tax assets and liabilities		
Financial assets	-10	-45
Capitalised maintenance expenses	-353	-326
Property depreciation, revaluation	-282	-312
Total	-645	-683

Deferred tax has been calculated with a tax rate of 20.6%. No deferred tax has been recognised in equity.

About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

[Parent Company notes](#)

Declaration by the Board

Auditor's report

Sustainability Report

Other

NOTE 11 | Appropriation of profits and dividend

The dividend paid to the shareholder in May 2023 totalled SEK 0 (SEK 634,000,000) and comprised an ordinary dividend, as defined in the dividend policy.

The dividend per share was SEK 0 (317.00). The Board proposes that no dividend be distributed for 2023. A resolution will be taken by the shareholder regarding the dividend at the AGM.

Non-restricted equity, Parent Company:

Retained earnings	SEK 593,144,490
Net profit for the year	SEK 525,201,257
Total	SEK 1,118,345,747

The Board proposes that the earnings be appropriated as follows:

Dividend payable to the shareholder	SEK 0
To be carried forward	SEK 1,118,345,747
Total	SEK 1,118,345,747

NOTE 12 | Buildings, building fixtures and fittings, land, land improvements, in ground fixtures and fittings

	2023	2022
Buildings		
Opening cost	17,213	16,709
Purchases	1	-
Projects completed	1,968	186
Capitalised maintenance expenses	308	322
Sales and disposals	-7	-4
Closing accumulated cost	19,483	17,213
Opening depreciation	7,298	6,731
Sales and disposals	-7	-4
Depreciation for the year	516	571
Closing accumulated depreciation	7,807	7,298
Opening revaluations	4,274	4,274
Revaluations for the year	-	-
Closing accumulated revaluations	4,274	4,274

	2023	2022
Opening depreciation on revalued amounts	1,127	995
Depreciation for the year on revalued amounts	132	132
Closing accumulated depreciation on revalued amounts	1,259	1,127
Opening impairment charges	372	372
Impairment charges for the year	22	-
Closing accumulated impairment charges	394	372
Closing residual value according to plan	14,297	12,690
Tax assessment value, properties in Sweden	3,600	3,600
Building fixtures and fittings		
Opening cost	1,272	1,265
Projects completed	756	7
Closing accumulated cost	2,028	1,272
Opening depreciation	1,022	958
Depreciation for the year	122	64
Closing accumulated depreciation	1,144	1,022
Closing residual value according to plan	884	250
Land		
Opening cost	1,554	1,538
Purchases	210	16
Closing accumulated cost	1,764	1,554
Closing residual value according to plan	1,764	1,554
Tax assessment value, properties in Sweden	1,765	1,758
Land improvements		
Opening cost	523	504
Projects completed	124	19
Closing accumulated cost	647	523
Opening depreciation	238	214
Depreciation for the year	29	24
Closing accumulated depreciation	267	238
Closing residual value according to plan	380	285

	2023	2022
In ground fixtures and fittings		
Opening cost	474	468
Projects completed	85	6
Closing accumulated cost	559	474
Opening depreciation	252	230
Depreciation for the year	25	22
Closing accumulated depreciation	277	252
Closing residual value according to plan	282	222
Total		
Opening cost	21,036	20,484
Purchases	211	16
Projects completed	2,933	218
Capitalised maintenance expenses	308	322
Sales and disposals	-7	-4
Closing accumulated cost	24,481	21,036
Opening depreciation	8,810	8,133
Sales and disposals	-7	-4
Depreciation for the year	692	681
Closing accumulated depreciation	9,495	8,810
Opening revaluations	4,274	4,274
Revaluations for the year	-	-
Closing accumulated revaluations	4,274	4,274
Opening depreciation on revalued amounts	1,127	995
Depreciation for the year on revalued amounts	132	132
Closing accumulated depreciation on revalued amounts	1,259	1,127
Opening impairment charges	372	372
Impairment charges for the year	22	-
Closing accumulated impairment charges	394	372
Closing residual value according to plan	17,607	15,001
Tax assessment value, properties in Sweden	5,365	5,358
Fair value, properties in Sweden	41,191	35,614

For further valuation principle information, see Note 1 to the consolidated financial statements.



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

[Parent Company notes](#)

Declaration by the Board

Auditor's report

Sustainability Report

Other

NOTE 13 | Construction in progress

	2023	2022
Opening balance	6,046	2,468
Accrued expenses for the year	5,393	4,118
Capitalised maintenance expenses	-308	-322
Projects completed	-2,933	-218
Closing balance	8,198	6,046

NOTE 14 | Plant and equipment

	2023	2022
Opening cost	47	34
Purchases	16	13
Sales and disposals	0	0
Closing accumulated cost	63	47
Opening depreciation	34	29
Sales and disposals	0	0
Depreciation for the year	7	5
Closing accumulated depreciation	41	34
Closing residual value according to plan	22	13

NOTE 15 | Financial assets

	2023	2022
Shares in subsidiaries	116	116
Other shares	1	1
Receivables from subsidiaries	357	156
Derivatives measured at FVTPL	138	192
CSA deposits	72	-
Covered bonds	2,576	2,124
Value-added tax for adjustment	139	49
Total	3,399	2,638

Shares in subsidiaries 2023

Subsidiary	Equity	Voting rights	No. of shares	Carrying amount, SEK thousand
Specialfastigheter Gärdet AB	100%	100%	50,000	116,131
Västriket Fastighets AB (dormant company)	100%	100%	500	50
Carrying amount of shares in subsidiaries 2023				116,181

Shares, indirectly owned subsidiaries 2023

	Equity	Voting rights	No. of shares	Carrying amount, SEK thousand
Owned by Västriket Fastighets AB				
Västriket 2 Fastighets AB (dormant company)	100%	100%	500	50
Säkerhetsfastigheter Sverige AB (dormant company)	100%	100%	500	50
Carrying amount of shares in subsidiaries 2023				100

Shares in subsidiaries 2022

Subsidiary	Equity	Voting rights	No. of shares	Carrying amount, SEK thousand
Specialfastigheter Gärdet AB	100%	100%	50,000	116,131
Västriket Fastighets AB (dormant company)	100%	100%	500	50
Carrying amount of shares in subsidiaries 2022				116,181

The subsidiaries Specialfastigheter Lejonet 11 AB and Specialfastigheter F-öarna 6 AB merged with the Parent Company in February 2021.

Shares, indirectly owned subsidiaries 2022

	Equity	Voting rights	No. of shares	Carrying amount, SEK thousand
Owned by Västriket Fastighets AB				
Västriket 2 Fastighets AB (dormant company)	100%	100%	500	50
Säkerhetsfastigheter Sverige AB (dormant company)	100%	100%	500	50
Carrying amount of shares in subsidiaries 2022				100

Information on company registration numbers and registered offices, 2023

Subsidiary	Co. Reg. No.	Registered office
Specialfastigheter Gärdet AB	556910-1370	Linköping
Västriket Fastighets AB (dormant company)	556963-5187	Linköping
Indirectly owned subsidiaries 2021	Co. Reg. No.	Registered office
Västriket 2 Fastighets AB (dormant company)	556963-5179	Linköping
Säkerhetsfastigheter Sverige AB (dormant company)	556963-5161	Linköping

NOTE 16 | Current investments

	2023	2022
Derivatives measured at FVTPL	55	178
Covered bonds	296	295
Total	351	473



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Consolidated five-year summary

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated changes in equity

Consolidated cash-flow statement

Consolidated notes

Parent Company income statement

Parent Company statement of comprehensive income

Parent Company balance sheet

Parent Company changes in equity

Parent Company cash-flow statement

[Parent Company notes](#)

Declaration by the Board

Auditor's report

Sustainability Report

Other

NOTE 17 | Current receivables

	2023	2022
Receivables from subsidiaries	3	2
Opening suspended VAT	674	490
VAT	90	–
Tax account	4	0
Other receivables	0	0
Total	771	492

NOTE 18 | Prepaid expenses and accrued income

	2023	2022
Prepaid energy expenses	5	4
Other interim receivables	53	38
Total	58	42

NOTE 19 | Cash and cash equivalents

	2023	2022
Bank balances	344	384
Total	344	384

NOTE 20 | Untaxed reserves

	2023	2022
Accumulated difference between reported depreciation and depreciation according to plan	520	393
Tax allocation reserve	1,317	1,352
Total	1,837	1,745

NOTE 21 | Interest-bearing liabilities

Refer to Note 17 to the consolidated financial statements.

NOTE 22 | Other liabilities

	2023	2022
Customer advances	0	0
Trade payables	906	691
Derivatives measured at FVTPL	164	38
VAT	2	93
Energy tax	6	–
Other liabilities	5	4
Total non-interest-bearing liabilities	1,083	826

NOTE 23 | Accrued expenses and deferred income

	2023	2022
Deferred rental income	773	660
Accrued energy expenses	46	4
Accrued interest expenses	185	108
Accrued social-security expenses	5	3
Accrued holiday pay	17	15
Accrued payroll tax	5	4
Other items	31	9
Total	1,062	803

NOTE 24 | Related parties

Refer to Note 21 to the consolidated financial statements.

NOTE 25 | Pledged assets and contingent liabilities

	2023	2022
Pledged assets	None	None
Contingent liabilities	None	None

NOTE 26 | Events after the balance-sheet date

The government set up an inquiry in February 2024 aimed at reforming and reviewing the mission and organisation of institutional juvenile care. The company is awaiting the investigation's findings and their significance for the Swedish National Board of Institutional Care and how these findings may ultimately affect Specialfastigheter.

Josef Guttenkunst stepped down as Head of Projects and Technology and from the company's management group effective 1 February 2024.

[About Specialfastigheter](#)
[CEO's statement](#)
[Operating environment](#)
[The offering](#)
[Sustainable operations](#)
[The properties](#)
[Administration Report](#)
[Corporate governance](#)

Financial statements and notes

[Consolidated five-year summary](#)
[Consolidated income statement](#)
[Consolidated statement of comprehensive income](#)
[Consolidated balance sheet](#)
[Consolidated changes in equity](#)
[Consolidated cash-flow statement](#)
[Consolidated notes](#)
[Parent Company income statement](#)
[Parent Company statement of comprehensive income](#)
[Parent Company balance sheet](#)
[Parent Company changes in equity](#)
[Parent Company cash-flow statement](#)
[Parent Company notes](#)
[Declaration by the Board](#)
[Auditor's report](#)
[Sustainability Report](#)
[Other](#)

Declaration by the Board

The consolidated financial statements and annual accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and good accounting practice and present a true and fair view of the position and results of the Group and the Parent Company.

The Administration Report for the Group and the Parent Company presents a true and fair overview of the activities, financial position and results of the Group and the Parent Company and describes material risks and uncertainties faced by the Parent Company and the companies contained in the Group.

The Board in its entirety also affirms, based on its best knowledge and conviction, the following:

- A sustainability report has been prepared in accordance with the Annual Accounts Act.
- The sustainability report includes no material misstatements or omissions and all information is in accordance with the contents of the annual accounts and the consolidated accounts.

Linköping, digitally signed 13 March 2024

Eva Landén
Chairman of the Board

Alexandra Laurén
Chief Executive Officer

Peter Blomqvist
Board member

Britta Dalunde
Board member

Mikael Lundström
Board member

Lotta Niland
Board member

Pierre Olofsson
Board member

Åsa Wirén
Board member

Tomas Edström
Employee Representative

Erik Ydreborg
Employee Representative

Our Auditor's Report was submitted digitally on 13 March 2024
Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorised Public Accountant

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report**
- Sustainability Report
- Other

Auditor's report

[Unofficial translation] To the general meeting of the shareholders of Specialfastigheter Sverige Aktiebolag, corporate identity number 556537-5945

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Specialfastigheter Sverige Aktiebolag for the 2023 financial year except for the corporate governance statement on pages 47–56. The annual accounts and consolidated accounts of the company are included on pages 41–46 and 57–88 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 47–56. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility sections. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited

services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

The Group's operations entail owning and managing a number of Sweden's most secure properties, including correctional facilities, police properties, armed forces' headquarters and courts. In the type of operations conducted by Specialfastigheter, the primary factors affecting our risk assessment comprise the estimates and judgements made by the Board of Directors and the management in the financial reporting. Our assessment is that valuation of the properties is the single largest risk of error in the annual accounts. In addition, we have identified a number of other risks in material areas that impact the financial reporting.

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where the Chief Executive Officer and Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of the Board of Directors' and Chief Executive Officer's override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting process and controls, and the industry in which the Group operates. Approximately 90% of the Group's assets comprise investment properties, measured at fair value, and are thus the main focus of the audit. In addition to examination of the process, we have centrally reviewed a selection of the valuations with the support of PwC's valuation specialists.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

We chose total assets as a benchmark for our overall assessment of materiality for the accounts as a whole, given that the value of the investment properties has a material impact and significance on the Group's financial position. The overall materiality threshold was established as SEK 460 million, corresponding to 1% of the Group's total assets. The level of 1% of total assets is a recognised and acceptable quantitative materiality threshold. We also defined a specific materiality for the audit of profit or loss related items.

We detected inaccuracies in the Audit Committee's reporting in excess of SEK 46 million as well as others under this amount that we nonetheless believe need to be reported for qualitative reasons.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report**
- Sustainability Report
- Other

Key audit matters

Valuation of investment properties

We refer to the Administration Report and the description of the Specialfastigheter Group's summary of important accounting and valuation principles in Note 1, as well as referring to Note 9, Change in value of investment properties. As per 31 December 2023, the value of the investment properties totalled SEK 41.7 billion.

Investment properties comprise a significant portion of the balance sheet and the valuation of these properties is inherently subjective and is the object of company management's judgements as regards, for example, the location of the specific property, its condition and future rental income. Investment properties are initially recognised at cost, which includes all expenses directly attributable to the acquisition. Investment properties are recognised on the balance sheet at fair value and changes in fair value are recognised in profit or loss under the heading Change in value of investment properties, unrealised.

Fair value is based principally on valuations carried out by company personnel. Valuations are cross-checked against valuations carried out by independent, external appraisers with recognised qualifications and appropriate skills for valuing properties of the types and locations in question. External valuations take place according to a rolling schedule and were allocated to three quarters during the year. In order to assure the quality of the internal valuations in 2023, external valuations were obtained for approximately 12 objects, corresponding to 56% of the property holdings' value.

In determining the fair value of the properties, consideration is given to current information regarding the specific property, such as actual data on rents and operating costs. In order to achieve a final valuation, the company applies assumptions and undertakes judgements on future yields, net operating income and estimated market rents, which are impacted by the yield requirements in place and by comparable market transactions. The significance of the estimations and judgements applied in establishing fair value, together with the fact that the amounts are significant, implies that the valuation of the investment properties comprises a key audit matter in the audit.

How our audit addressed the key audit matter

Amongst other things, our audit has focused on the company's internal control and quality assurance as regards the executed valuations as per 31 December 2023.

The audit team, including our valuation specialist, have obtained and examined a selection of the internal valuation reports for the purpose of assessing the valuations applied by Specialfastigheter as well as the mathematical correctness and reasonableness of the assumptions made. Our audit included but was not limited to the following audit procedures:

- Followed up that the valuations were performed pursuant to Specialfastigheter's guidelines and instructions for property valuations and informed ourselves on the company's valuation policy.
- We have evaluated and examined the management's procedures for valuing properties.
- We have conducted random tests of the model's mathematical calculations.
- We have assessed input data through random follow up against historical outcomes and compared with the available market data.
- We have had meetings with the management in which important assumptions and judgements have been discussed.
- We have conducted random tests of input data in calculation models against information in relevant systems.
- We have reviewed the external valuations and compared them with the internal valuations.

Our work has focussed on the largest investment properties, the most material assumptions and the properties representative of the portfolio. In cases where assumptions pertaining to future net operating income, occupancy rates and yield requirements have deviated from our initial expectations, these deviations have been discussed with the company's representatives and, where necessary, additional data has been obtained. Finally, we have checked the models used, and the assumptions and sensitivity analyses performed by Specialfastigheter are described accurately in Note 9.

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report**
- Sustainability Report
- Other

Other information than the annual accounts and the consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–40, 47–56 and 93–116. The information in “Remuneration Report for Specialfastigheter Sverige AB 2023,” which is published on the company's website in conjunction with this report and which we prepared ahead of the date of this auditor's report, also comprises other information. The Board of Directors and the Chief Executive Officer are responsible for this other information.

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

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other informa-

tion, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

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

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Chief Executive Officer are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

The examination of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Specialfastigheter Sverige Aktiebolag for the 2023 financial year and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory Administration Report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility section. We are independent of the Parent Company and the Group in accordance with

professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Chief Executive Officer

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

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

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

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

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

A further description of our responsibility for the audit of the administration is available on the website of the Swedish Inspectorate of Auditors: <https://www.revisorsinspektionen.se/en/English/>. This description forms part of the auditor's report.



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report**
- Sustainability Report
- Other

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined whether the Board of Directors and the Chief Executive Officer have prepared the annual accounts and the consolidated accounts in a format that facilitates uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4 a of the Securities Market Act (2007:528) for Specialfastigheter Sverige Aktiebolag for the year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that in all significant respects facilitates uniform electronic reporting.

Basis for the opinion

We have performed our examination in accordance with FAR's recommendation, RevR 18 Examination of the ESEF report. Our responsibilities under this recommendation are described in more detail in the Auditor's Responsibility section. We are independent in relation to Specialfastigheter Sverige Aktiebolag in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4 a of the Securities Market Act (2007:528) and for such internal control that the Board of Directors and the Chief Executive Officer determine is necessary to prepare the ESEF report without material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance on whether the ESEF report is in all material respects prepared in a format that meets

the requirements of Chapter 16, Section 4 a of the Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires that we plan and execute our audit procedures to achieve reasonable assurance that the ESEF report has been prepared in a format that satisfies these requirements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The auditing firm applies the International Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance and Related Services Engagements, which requires the company to design, implement and manage a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Chief Executive Officer, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Chief Executive Officer.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation has been performed of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for the preparation of the corporate governance statement on pages 47–56 in accordance with the Annual Accounts Act.

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

A Corporate Governance Report has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Specialfastigheter Sverige Aktiebolag by the general meeting of the shareholders on 21 April 2023 and has been the company's auditor since 21 April 2020.

Stockholm, 13 March 2024

Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorised Public Accountant



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - GRI Content Index
 - TCFD index
 - Assurance Report
- Other

[Download print-friendly PDF](#) 



Sustainability Report



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - GRI Content Index
 - TCFD index
 - Assurance Report
- Other

Sustainability Report

About the report

Specialfastigheter's Sustainability Report is integrated into the Annual Report and sustainability information pursuant to the GRI can be found in its various sections. This part of the Annual Report includes a description of Specialfastigheter's reporting principles and in-depth GRI information. Based on the company's strategies and targets, the actual impact as well as the expectations and requirements of stakeholders, Specialfastigheter has decided to report six sustainability areas that are material and relevant to the company and its stakeholders.

The Sustainability Report covers the entire company including subsidiaries, and is applicable to the full-year 2023. The organisation is not split into regions. The Sustainability Report follows the financial year and is published annually. The most recent Sustainability Report was published in the 2022 Annual Report and Sustainability Report on 13 March 2023. The report is cross checked internally by Executive Management and the Board, and an external authorised public accountant has undertaken a limited assurance engagement of the report.

Descriptions of calculation and measurement methods, any limitations and assumptions are provided alongside each disclosure. Changes to demarcations and/or reporting principles for the data reported are indicated in connection with the disclosures. A major change that will impact the energy and climate figures for 2023 is the introduction of a new energy-monitoring system and no longer including tenants' own energy subscriptions in the energy and emissions figures (scope 1 and 2). Data for all years covered by the report have been adjusted. Disclosures that have an environmental impact are reported with the property holdings for 2023.

The contact for the Sustainability Report is Kajsa Marsk Rives, Sustainability Manager, telephone +46 10 788 62 12.

Governance of sustainability initiatives

Specialfastigheter's Board is ultimately responsible for sustainability governance. Sustainability is one of many strategic issues addressed by the Board, not least within the framework of the work with the business plan and risk management. Each year, the Board adopts company-wide policies, Supplier Codes of Conduct and internal Codes of Conduct, and annually decides the materiality assessment and strategic sustainability goals as well as adopts the Annual Report and Sustainability Report.

In the management group, the CEO bears overall responsibility, but each head of department is responsible for integrating material



sustainability matters in the day-to-day operations. All of the organisation's managers and employees are responsible for compliance with applicable policies, guidelines and procedures. This applies equally for the ISO standards; the company is certified to (ISO 14001 and ISO 27001) or follows (ISO 45001). The CEO is responsible for ensuring the requisite resources are in place for implementing the sustainability agenda the company has committed to. To support the

management and the operations with sustainability matters, Specialfastigheter has resources including a sustainability manager, an environmental manager, an environmental expert, and environmental controller, HR partners and a business strategist. The table on the next page shows Specialfastigheter's governance of the company's material sustainability areas.



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

EU Taxonomy reporting

GRI Content Index

TCFD index

Assurance Report

Other

Governance of sustainability initiatives

Material sustainability areas	Policies	Follow-up	Responsibility	Targets and outcomes 2023
Climate and energy	Sustainability policy. Business plan. Financial policy. Supplier code of conduct. Purchasing agreements. SGBC 3.2. ISO 14001.	Interim reports/year-end report. Annual Report. Media monitoring. Dialogue with suppliers. Follow-up in projects.	Projects and Technology Director Head of Purchasing Property Management Director Head of Marketing and Business	Target: 2,450 tonnes of CO ₂ emissions from purchased energy Outcome: 2,456 tonnes Target: 15% reduction in climate emissions from standard buildings Outcome: Based on the evaluation of the building type, Standard building B and planned actions, the total reduction is estimated to be at least 15%
Biodiversity	ISO 14001.	Follow-up in projects. Property management plans.	Projects and Technology Director Property Management Director Head of Marketing and Business	Target: Strengthened biodiversity at our properties Outcome: 13 inventories of nature conservation values conducted in 2023
Materials and waste	Purchasing policy. Supplier code of conduct. Purchasing agreements. SGBC 3.2. ISO 14001.	End-documentation in the SundaHus database. Annual Report. Dialogue with suppliers. Follow-up in projects.	Projects and Technology Director Property Management Director Head of Purchasing Head of Marketing and Business	Target: Proportion of material with good environmental classifications in production should amount to 80% Outcome: 81.4% Target: Combustible waste must be minimised and constitute a maximum of 15% of construction waste Outcome: Average of 7.32% for six evaluated projects
Work environment	Guidelines for systematic work environment initiatives. Guidelines on managing substance abuse problems. Purchasing policy. Supplier code of conduct, purchasing agreements. Collective bargaining agreements.	Employee satisfaction survey. Measuring absence due to illness. Incident reporting system. Internal controls. Dialogue with suppliers. Work Environment Committee.	Managers HR Director Head of Security Equal Treatment Committee Head of Purchasing	Target: eNPS is to be at least 11 Outcome: 16 Target: Zero accidents within our construction projects Outcome: 135 accidents reported during the year
Human rights	Code of Conduct. Equal Treatment Plan. Purchasing policy. Instructions, action plan for bullying. Supplier code of conduct. Purchasing agreements. Collective bargaining agreements.	Employee satisfaction survey. Measurement of key performance indicators for diversity and equal opportunities. Salary survey. Dialogue with suppliers. Equal Treatment Committee.	Managers HR Director Head of Purchasing	Target: The share of employees with foreign backgrounds is to amount to at least 11% ¹ Outcome: 12% of employees have a foreign background Target: The Supplier Code of Conduct constitutes the contractual terms and conditions of the central framework agreement Outcome: 45% ²
Anti-corruption	Purchasing policy. Code of Conduct. Supplier code of conduct. Security policy. Delegation arrangements. Purchasing agreements.	Whistle-blower system. Internal controls. Incident reporting.	Managers Head of Purchasing	Target: No form of corruption or the giving or acceptance of bribes Outcome: Zero confirmed incidents during the year

¹ Due to the company's stringent security requirements and high recruitment rate, the target has been revised downward from 13% to 11%.

² Contracts signed where the Supplier Code of Conduct comprises a contractual condition.

³ Environmental initiatives are yielding results, but climate and biodiversity need to be prioritised (naturvardsverket.se).

Material aspects

The basis for Specialfastigheter's materiality assessment (presented on page 96) comprises, inter alia, stakeholder dialogues, continuous monitoring of the operating environment and analysis of the operations' positive and negative sustainability impact and actual and potential impact on society, people and the environment. The company has also analysed the impact of various sustainability matters on Specialfastigheter's business. The company has identified its key stakeholder groups based on the impact they have on the company. Collaboration and dialogue with the company's stakeholders is pursued continuously throughout the year in the form of strategic customer and supplier meetings, meetings with investors and through employee performance reviews and surveys. Regular dialogues are held with the owner, where sustainability is an integral component. By participating in various organisations, such as the Swedish Construction Clients Forum, Sweden Green Building Council, collaboration forums and the Stockholm Chamber of Commerce we have the opportunity to pursue a dialogue with industry colleagues and a range of operators in our value chain. Specialfastigheter perceives biodiversity as well as climate and energy to be the company's most material sustainability areas, given the acute situation both for the climate and for biodiversity. This perception is supported by parties including the Swedish Environmental Protection Agency³. Specialfastigheter has opted to treat Security as a unique competitive advantage rather than a sustainability area. Customer satisfaction and Financial profitability are basic preconditions for all business operations. In 2023, the company's management confirmed the existing material sustainability areas. One change has been made to the material sustainability areas from last year, namely that we have added energy to the material area of climate. This stems from the considerable focus on the energy performance of buildings, both in the Taxonomy and in future EU directives, and the potential consequences that these regulations may have on Specialfastigheter. How Specialfastigheter translates its material sustainability areas to GRI disclosures is set out on pages 105–108, in the GRI Content Index.

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - GRI Content Index
 - TCFD index
 - Assurance Report
- Other

Material sustainability areas	Operating environment	Impact on Specialfastigheter's operations	Specialfastigheter's impact
Climate and energy	UN reports show the urgency of climate issues. The property and construction sector accounts for some 21% of Sweden's climate emissions, 30% if emissions abroad are also included ¹ . The transition in the property and construction sector is progressing too slowly. Increased focus on the energy performance of buildings with the Taxonomy and upcoming EU regulations. Risk of energy shortages and increased energy costs.	Climate change entails potential consequences for properties and operations, which affect property values. Positive/negative impact on Specialfastigheter depending on how proactive/reactive we are and how exposed our properties are to extreme weather and its effects. Potential future carbon tax covering the construction and property sector could have financial consequences. New requirements for the energy performance of buildings could potentially lead to vacancy risk and substantial need for investment with negative consequences for property values. Higher energy prices lead to higher operating costs.	We have a very substantial project volume for the coming years, which will entail significant climate impact from our construction. Much of our construction projects' emissions stem from the use of materials, with concrete and steel having large climate footprints. Energy consumption in the buildings also causes emissions.
Materials and waste	There is a significant amount of waste, including hazardous waste, from construction and demolition – a full 40% of the waste generated in Sweden (19% of hazardous waste). ¹ Quantities and hazard levels of construction and demolition waste must be reduced and its processing secured if Sweden is to achieve the national environmental quality objectives "Good Built Environment" and "Non-Toxic Environment". Circular resource use and reuse of construction materials comprise a couple of the solutions to reduce climate emissions from the sector.	Increased costs for materials as a result of regulations, taxes and fees imposed on materials with substantial climate impact. Dependency on a specific resource/raw material entails a vulnerability that could have negative financial consequences. Applying a fully circular approach will likely help keep costs down and make us less vulnerable to fluctuations in raw material prices while concurrently reducing environmental impact and resource use. However, costs associated with guarantee commitments may result in future expenditure.	We use large quantities of materials. Our selection of materials is highly relevant in terms of the environment/climate, people's health and the economy. We have a significant impact due to our large project volume. Using SundaHus means that we have a good understanding of most of the materials that we use and that, based on what we now know, they have no adverse impact on people and the environment. The waste generated in our construction projects is also significant and, accordingly, we have clear targets for reducing waste in our projects.
Biodiversity	The decline of biodiversity is accelerating worldwide with a significant ongoing global loss of habitats. Today, an estimated 75% of the world's land surface is clearly affected by human activity. Natural resources are being overexploited to meet the growing demand for food, energy and materials. ² Some 1 million of the world's estimated 8 million species are at risk of extinction, most of them during this century.	When biodiversity is negatively affected, ecosystems risk becoming unbalanced. This can entail substantial consequences for nature's ability to restore itself and adapt (resilience). In the long term, it also impacts access to the ecosystem services we have today – from pollination to access to shade, clean water and basic raw materials. Raw material shortages and changes in basic conditions entail risks that can lead to, for example, increased costs and the need for major adjustments or even restrictions in the company's operations.	We are a major land and forest owner. When we exploit the land and manage properties, we have an impact on the surrounding ecosystems and risk changing or threatening significant habitats. We can create and strengthen nature conservation values through active management of forest and land.
Work environment	The construction industry is one of the industries with the highest number of serious accidents. There is a particularly substantial risk of work environment injuries in the supply chain. A good internal work environment is critical to our ability to attract and retain employees, and to deliver quality.	A good work environment can lead to improved efficiency in construction projects, resulting in lower costs. A poor work environment, repeated serious accidents/fatalities can result in negative publicity for us and affect stakeholder confidence in us. It can also lead to corporate fines and the summary imposition of fines. Internally, a good work environment can lead to greater job satisfaction and lower staff turnover.	The construction industry is one of the industries with the highest number of serious accidents. We indirectly impact the work environment in our supply chain. A good internal work environment is critical to our ability to retain employees and to deliver quality.
Human rights	The risk of human rights violations applies both to construction sites in Sweden and to supply chains abroad. The industry has long, complex supply chains, a large number of products of differing natures and many purchases are made in the projects. The pandemic and the war in Europe together with their economic consequences have amplified the negative impact and risk of human rights violations.	Human rights violations in our supply chain can result in negative publicity for us that can affect stakeholder confidence in us and lead to them not selecting us. Respect for human rights within the company leads to greater job satisfaction, higher efficiency and lower staff turnover.	The products and services we purchase mean we are part of long, complex supply chains with risks related to human rights and labour conditions. Our internal actions have a significant impact on job satisfaction and attractiveness as an employer. How we design correctional facilities and institutions can affect our customers and their clients' human rights and the rights of the child.
Anti-corruption	The property sector entails risks as it involves major investments and complex transactions with many parties involved. Crime is a growing problem and in the past ten years, undeclared work in the construction industry has more than doubled.	Involvement in corruption, conflicts of interest, nepotism and breaches of trust can damage stakeholder confidence in us and lead to them not selecting us. It can also lead to a poor reputation, damages and fines. If corruption becomes widespread, it affects areas including competition, investment and trust in society.	The property sector entails risks as it involves major investments and complex transactions with many parties involved. Crime is a growing problem and in the past ten years, undeclared work in the construction industry has more than doubled. Our large project volume increases the risk of corruption and irregularities.

¹ Source: The Swedish National Board of Housing, Building and Planning.
² Source: UN expert panel on biodiversity.



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - GRI Content Index
 - TCFD index
 - Assurance Report
- Other

Climate and energy

Energy and climate are two closely linked issues. Specialfastigheter's operations use energy, primarily for heating buildings and premises as well as for transportation.

Specialfastigheter directly impacts the climate through GHG emissions from energy sources that the company controls. Specialfastigheter also has an indirect impact through emissions that occur in our supply chain, mainly linked to construction projects, but also from purchased energy (electricity, heating and cooling) where emissions occur at the energy producer. The company engages with its energy producers on the climate impact of energy and discusses energy-saving measures with customers. Energy is also an important issue within projects, and is discussed with contractors and suppliers. Other indirect emissions comprise emissions from our business travel and commuting.

Energy consumption within the organisation (GRI 302-1)

The energy reported is based on measured values and includes tenant energy consumption, except where tenants have their own agreements with energy suppliers. The report includes electricity, district heating, biofuel, electric heating, bio oil, oil and cooling as well as how large a proportion is renewable or non-renewable.

The total amount of energy purchased for our properties during the year was 199,085 MWh (194,149). The total amount of energy purchased last year is adjusted to reflect the 2023 property holdings. Energy consumption is followed up monthly at the property level and by energy type.

(MWh)	2021	2022	2023
Energy from renewable sources			
Electricity	89,153	89,264	93,742
Electric heating	6,748	7,000	6,856
District heating, renewable	21,530	27,898	27,549
Pellets	1,919	1,630	1,568
Bio oil	1,565	996	844
Biogas	1,846	1,829	1,597
Solar electricity	573	816	770
Cooling	13,643	13,176	13,555
Total	136,977	142,611	146,480
Energy from non-renewable sources			
District heating, non-renewable	56,822	51,523	52,599
Oil	41	14	6
Total	56,863	51,537	52,605
Total fossil energy	193,840	194,149	199,085

Energy from renewable sources MWh Degree-day adjusted energy data for heating is reported together with data from SMHI. Energy information is taken from Specialfastigheter's energy-monitoring system Green View. As a consequence of a change of energy-monitoring systems during the year and the fact that figures for energy consumption in properties where tenants have their own energy subscriptions are no longer included, the figures for all years have been adjusted in the table on the left. This also applies to energy-related GHG emission data. The company uses no steam and sells no energy.

Direct (scope 1) carbon dioxide emissions, tonnes CO₂e (GRI 305-1)

Here we report direct emissions from our own production of heating, service vehicles, company cars and refrigerants. Source for emissions factors for own production of heating: Swedenergy's local environmental values 2022 and the Swedish Environmental Protection Agency (Estimate direct emissions from incineration)

<https://www.naturvardsverket.se/vagledning-och-stod/luft-och-klimat/berakna-klimatpaverkan/berakna-direkta-utslapp-fran-forbranning/>.

The emission factors used for oil are 268 g CO₂e/kWh, for biogas 0 g CO₂e/kWh, for pellets 4 g CO₂e/kWh, for RME 11 g CO₂e/kWh. Emissions for the base year 2018 were 1,044 tonnes CO₂e.

For refrigerants, CO₂e emissions are reported based on the amount of refrigerant used to refill, which uses the quantity required to be reported to the supervisory authority. For 2023, emissions amounted to 69 tonnes CO₂e (130.4)¹. Source for emission factors: <https://alltomfgas.se/koldmedietabell>

Vehicle-specific emission factors from Specialfastigheter's digital mileage log, Automile, are used for service vehicles and company cars.

Scope 1 GHG emissions (tonnes CO ₂ e)	2021	2022	2023
Own-produced heating			
Biogas	20	18	0
Bio oil	17	11	9
Pellets	8	6	6
Oil	11	4	2
Total	56	39	17
Service vehicles and company cars	50	49	55
Refrigerants	100	130	69
Total Scope 1	206	218	141

¹ The climate impact from refrigerants is based on data from facilities with a reporting obligation. Reporting to the supervisory authority takes place annually in March, which is why the values reported represent the outcome for 2022. Emissions from facilities not subject to a reporting obligation have not been mapped and are therefore not included in the compilation.

Other indirect Scope 2 GHG emissions, tonnes CO₂e (GRI 305-2)

Here we report emissions made up of indirect emissions from purchased electricity and heating, using the market-based approach. The calculation of carbon dioxide emissions resulting from the company's use of district heating was based on supplier information regarding the fuel mix used in delivering the district heating to Specialfastigheter during the year. Calculation factors are from Swedenergy's local environmental values 2022 (energiforetagen.se).

Scope 2 GHG emissions (tonnes CO ₂ e)	2021	2022	2023
District heating, renewable	715	713	827
District heating, non-renewable	1,699	1,466	1,612
Electricity	0	0	0 ¹
Cooling	0	0	0
Total Scope 2	2,414	2,179	2,439

¹ Using the location-based method: 9,094 tonnes CO₂e (10,363 tonnes CO₂e) based on the Nordic electricity mix 90.4 g CO₂e/kWh, IVL report No. C 619, 2021.

Other indirect Scope 3 GHG emissions (GRI 305-3)

Indirect Scope 3 emissions pose the greatest difficulty for Specialfastigheter to control since these emissions largely arise in the supply chain. However, these emissions are significant and account for more than 90% of the total GHG emissions according to the climate screening the company conducted in 2020. Some 76% of Scope 3 emissions arises from construction. Specialfastigheter is currently unable to report all Scope 3 emissions. The reported data encompasses emissions that we currently measure.



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - GRI Content Index
 - TCFD index
 - Assurance Report
- Other

New build projects

In 2023, Specialfastigheter continued developing its climate calculations in projects aimed at steering toward reduced climate impact from construction. It became clear during the year that the climate impact from the construction of different types of buildings varies greatly. For 2023, the reporting of GHG emissions from new construction takes into account the different types of buildings constructed and their carbon footprints. The revised calculation factor of 376 kg CO₂e per square metre GFA has been used for the modular buildings constructed, and for other buildings the calculated base values for each building type are used. This means that the previously used standard of 398 kg CO₂e per square metre GFA is no longer used. All figures in the tables have been adjusted to reflect the revised and more precise calculation values. Emission figures include buildings completed and occupied in each year.

Specialfastigheter's target of reducing GHG emissions from standard buildings by 15% in 2023 is measured by looking at emission reductions in the design phase. Based on the evaluation of the building type, Standard building B and planned actions, the total reduction is estimated to be at least 15%.

CO₂e emissions from new build projects

	2021	2022	2023
Completed square metres GFA, modular buildings	N/A	6,660	29,141
Material	N/A	2,141	9,393
Transportation	N/A	98	428
Waste	N/A	80	352
Construction site	N/A	185	813
Total (tonnes CO₂e)	N/A	2,504	10,986

Other buildings	2021	2022	2023
Completed square metres GFA, other buildings	N/A	821.5	37,978
Material	N/A	325	15,863
Transportation	N/A	15	724
Waste	N/A	12	594
Construction site	N/A	28	1,373
Total (tonnes CO₂e)	N/A	380	18,554

Newly built modular buildings

To allocate GHG emissions into Material, Transportation, Waste and Construction site in the above table, the average percentage value was calculated based on the values from the climate calculations performed. Average value for Material=85.5%, Transportation=3.85%, Waste=3.2% and Construction Site=7.4%.

Business travel

Substantial growth in the number of staff and projects is contributing to the overall increase in CO₂ emissions from our business travel. In 2023, our air travel resulted in 39 tonnes of CO₂e emissions. We compensate this by setting aside SEK 1,100 per tonne CO₂e, SEK 42,900 this year, for environment-enhancing measures and measures to promote biodiversity at our properties. We currently lack the capability to obtain data for rental vehicles. For the first time, we are reporting emissions from employee commuting in 2023. An extensive internal commuting survey has been performed to calculate the emissions.

Business trips and commutes	2021	2022	2023
Air travel (incl RFI)	10.9	31.4	39.0
Rail travel	1.0	3.9	6.0
Hotels	2.6	4.4	6.4
Commutes	N/A	N/A	236
Own vehicle for work purposes	27.1	22.3	42.3
Total (tonnes CO₂e)	42	62	330

Information about the number of kilometres per person for flights and train journeys and the number of hotel nights is based on information from our travel agents, SJ and MTRX. Since our travel agent is unable to provide figures for GHG emissions from flights, including RFIs, we performed these calculations ourselves by multi-

plying emissions by 1.7¹ in accordance with DEFRA. For train travel, the same emission factor has been used for all years 2021–2023 (7 g CO₂e/per person kilometre, electric train Sweden/Norway/Finland according to travelandclimate.org). The calculation of GHG emissions from hotels is based on the number of hotel nights and on each hotel night generating 6.8 kg of CO₂e, as per Accommodation calculations travelandclimate.org/. The reason for the substantial increase in emissions from business travel mainly pertained to increased travel due to the large project volume with projects across the country and a large number of new employees for the first time in 2023, many of whom travel frequently on business. For the base year 2018, emissions from flights were 87.2 tonnes CO₂e, for hotels 5 tonnes and for rail travel 2.7 tonnes, based on data from the travel agency.

GHG emissions intensity (GRI 305-4)

Refers to GHG emissions within scope 1 and 2 (direct and indirect emissions from energy, refrigerants and vehicles), as well as scope 3 for tenants' energy subscriptions, and production and distribution of Specialfastigheter's energy per square meter Atemp. Emissions from the production and distribution of water were excluded due to lack of reliable data.

Emissions intensity	2021	2022	2023
Emissions kg CO ₂ e/sq m Atemp	4.5	3.7	4.0

Other buildings by building type 2023	Offices	Technical building	Standard building A	Standard building B	Standard building C	Standard building F	Recycling centre wood frame	Total
Completed square metres GFA, other buildings	3,199	993	5,430	18,032	2,902	7,362	60	37,978
Material	1,257	417	2,103	8,094	1,251	2,732	9	15,863
Transportation	58	19	96	369	57	125	0	724
Waste	48	15	79	303	47	102	0	594
Construction site	109	36	182	701	108	236	1	1,373
Total (tonnes CO₂e)	1,472	487	2,460	9,467	1,463	3,195	10	18,554

¹ Value changed from 1.9 till 1.7 in DEFRA 2023.



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - GRI Content Index
 - TCFD index
 - Assurance Report
- Other

Biodiversity

When Specialfastigheter exploits the land and manages our properties, we have an impact on natural ecosystems and risk changing or threatening significant habitats. Specialfastigheter has direct impact through resolving on inventories and measures and indirect impact through the activities of contractors and suppliers at our properties. Specialfastigheter works actively with inventories of nature conservation values (NVIs) at properties larger than 10 hectares. NVIs provide a momentary observation of flora and fauna at the property depending on the season and what can temporarily be observed such as birds, insects and fungi, and other vegetation. The goal of these NVIs is to prepare action plans to provide better conditions for existing and future species, to protect Red List species on each property and to increase the existing biodiversity, even when no Red List species are present. Dialogue with customers at the properties regarding measures to preserve and promote biodiversity is often conducted, both in the context of management and project activities. A couple of our clients have themselves identified biodiversity as a priority area.

IUCN1 Red List species and national conservation list species with habitats in areas affected by operations (GRI 304-4)

The table describes the number of red-listed species pursuant to the International Union for the Conservation of Nature's (IUCN's) red list categories. The inventories conducted for properties in 2023 were checked pursuant to the red list for 2023.

Property management	Critically Endangered	Endangered	Vulnerable	Near Threatened	Total
Eknäs	1	2	3	8	14
Gävle	0	3	0	2	5
Hällby	1	2	3	5	11
Kumla	1	1	1	7	10
Saltvik	0	2	3	4	9
Sundbo	0	1	3	13	17
Älvgården	0	2	2	4	8
Ystad	1	2	0	0	3
Revinge	1	1	3	8	13
Brättegården	0	1	0	3	4
Stigby	1	1	2	3	7
Hässleby	0	0	0	2	2
Klarälvsgården	0	0	0	1	1

Materials and waste

The material consumed and waste generated by the construction and property sector is significant. Specialfastigheter has a direct impact through our control of material selection in projects and property management, and an indirect impact through contractors' and suppliers' choices and use of materials in assignments for us. We maintain an ongoing dialogue both with our customers and with suppliers about the choice of materials, not least from an environmental and climate perspective, where the goal is to use materials that do not harm people or the environment. Especially in the projects, we focus on reducing waste together with the contractors.

Since Specialfastigheter is unable to report the GRI disclosures for material based on how the company works, reported material is based instead on how the company measures and sets goals for material choices. To ensure that Specialfastigheter's buildings contain the lowest possible proportion of harmful chemicals and materials, we utilise SundaHus's environmental database, in which input materials are registered and classified. SundaHus's assessments are based on chemical properties and are divided into classes A–D, where A is the best.

The construction and property sector generates considerable spillage and waste. Specialfastigheter has direct impact through our own waste management and through the requirements we set for contractors, and an indirect impact through the waste generated by our contractors and suppliers when performing assignments for us. Specialfastigheter's ambition is to measure the total quantity of waste per square metre GFA in completed projects. However, obtaining the data necessary for reporting this with reliable actual figures proved

highly problematic. The goal of having a systematic reporting system in place as soon as possible remains but was not met during the year. The standard values used in 2022 were based on samples from two projects where the amount of waste amounted to an average of 43 kg of waste per built square metre of GFA. The standard values used in 2023 were based on samples from eight projects where the amount of waste amounted to an average of 46.6 kg of waste per square metre GFA. On the other hand, statistics from modular building projects show significantly lower amounts of waste, namely 13.6 kg per square metre GFA. This is largely due to the modules arriving pre-built and only needing adaptation on site. To obtain the most accurate waste statistics possible, we have therefore chosen to divide the reporting into waste from modular buildings and waste from other buildings.

Waste from new production

Completed GFA (m ²)	2021	2022	2023
Modular buildings	N/A	6,660	25,395
Other buildings	8,687	821.5	42,083
Waste from new production (tonnes)			
Modular buildings	N/A	90.6	345
Other buildings	246	35.3	1,959
Total (tonnes)	246	125.9	2,304

Material

The goal is for 80% of registered materials to be classified A or B in accordance with SundaHus. In 2023, the figure was 81% (77).



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - GRI Content Index
 - TCFD index
 - Assurance Report
- Other

Work environment

The work environment is important regardless of whether it is the internal work environment or the work environment in construction projects. Naturally, it is easier to control the internal environment, but the greatest work environment risks are in the projects. Specialfastigheter has direct impact on the internal physical, organisational and social work environment at Specialfastigheter and indirect impact on the work environment at suppliers and contractors by setting and following up on requirements for their work environments. Suppliers are subject to their respective employers' work environment procedures, including reporting procedures. Specialfastigheter delegates work environment responsibility in construction projects to the contractor, who is responsible for communicating procedures for work environment efforts, conducting work environment inspections and following up any work environment incidents in the project. Chapter 6, Section 7 of the Swedish Work Environment Act regulates stoppages by health and safety officers. In the event of an immediate and serious danger to the lives and health of employees, as a health and safety officer, you have the right to stop work.

Work-related injuries

The CEO allocates work environment-related tasks to all managers with responsibility for personnel. By following ISO 45001 and by offering all managers and health and safety officers regular training, Specialfastigheter ensures that the work environment maintains a high quality level and that the company has the requisite skills internally. Specialfastigheter has a support process that describes the work environment efforts. This is followed up through operational audits and internal controls. Collaboration on work environment issues is conducted pursuant to the Swedish Work Environment Act within a work environment committee that includes employers and employee representatives. The work environment committee's work encompasses proactive efforts with work environment issues, conducting risk analyses and following up the operations' work environment efforts. The committee meets four times per year. An annual risk analysis is conducted in the work environment committee. Moreover, efforts are ongoing in daily operations together with managers and personnel. Risk analyses are performed per property in the property department. Health and safety officers conduct annual inspection rounds of all workplaces. Specialfastigheter offer all of our employees industrial injury, group life and healthcare insurance as well as a

wellness, and medication and healthcare contributions. The company also makes use of occupational health services where necessary and conduct health, safety and environmental studies. All of our employees who work in environments with an increased risk of contagious diseases are offered vaccinations. During the year, 41 work environment incidents were reported in our incident reporting system, 30 of which pertained to external persons and 11 to internal staff. In 2022, 19 work environment incidents were reported and 25 during 2021. Work environment incidents encompass high-risk conditions, near-accidents and injuries primarily suffered by our employees. Some of the incidents (30) pertain to consultants and contractors working for Specialfastigheter and 11 to internal staff. Since incident reporting for consultants and contractors is not universal, Specialfastigheter has since 2018 requested reports from the 30 largest suppliers covering near-accidents and accidents that occurred while performing tasks for Specialfastigheter. The majority of the accidents in 2023 pertained to cuts and falls. None of the injuries that occurred in 2023 were really serious. The internal guidelines for Notification of irregularities and whistle-blowing make clear that the reporting person is protected from reprisals. This protection applies both to employees of Specialfastigheter and to external users of the whistle-blower function.

Work-related accidents, near accidents and injuries (Specialfastigheter's employees)	2021	2022	2023
Number of serious near accidents reported	0	0	0
Number of serious accidents reported	0	1	0
Number of work-related accidents classified as work-related injuries that resulted in absence due to illness	0	0	0
Number of work-related accidents classified as work-related illness	0	1	0
Number of hours worked	284,020	322,310	389,924

Work-related injuries and near accidents in supply chain

The risk of work-related injuries and near accidents is substantial in projects where there are many hazardous work tasks including the following risk areas: falling, collapse, demolition, detonation, hazardous substances and heavy lifting. In accordance with the law, Specialfastigheter appoints construction work environment coordinators with contractors who are responsible for coordinating health

and safety efforts through the entire construction process, from start to finish. Specialfastigheter regularly follows up the work environment in projects. The company reported the work-related injuries and near accidents at the 30 largest¹ contractors and their subcontractors when performing work for Specialfastigheter. The statistics are based on figures reported to Specialfastigheter by suppliers. In 2023, Specialfastigheter analysed the current delegation arrangements, existing guidelines and instructions, and the construction work environment organisation. The aim of the analysis was to present improvements to the developer's implementation of health and safety tasks to better suit the internal project form as well as upcoming changes to the Swedish Work Environment Authority's regulations coming into force on 1 January 2025. In line with the Håll Nollan initiative, Specialfastigheter's long-term target is zero accidents in construction projects. In 2023, all of the accidents reported were attributable to construction projects.

Work-related injuries and near accidents at suppliers	2021	2022	2023
Number of near accidents reported	89	197	240
Number of accidents reported	38	90	135

Specialfastigheter is not split into regions and does not have access to accident statistics broken down by gender. No work-related fatalities occurred during 2021–2023. The company complies with Swedish legislation when recording and reporting accident statistics. Because the number of work-related accidents is so low, Specialfastigheter does not find it meaningful to report accident ratios or ratios regarding work-related illnesses.

Absence due to illness, % of total working hours	2021	2022	2023
Women	1.69	1.66	2.17
Men	2.01	2.17	2.06
All employees	1.92	2.02	2.09

Absence due to illness only refers to own employees, not consultants, contractors or their subcontractors. Specialfastigheter does not report their absence due to illness separately as external human resources report any absence to their own employer and not to Specialfastigheter.

All figures pertain to 31 December in the year concerned.

¹ Based on spend Oct 2022–Sep 2023.



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - GRI Content Index
 - TCFD index
 - Assurance Report
- Other

Human rights

Specialfastigheter's most significant human rights risks have identified as located in its supply chain. Specialfastigheter has indirect impact on working conditions and human rights at suppliers and contractors by setting and following up on requirements in terms of working conditions and human rights. Specialfastigheter has a selection of policies, guidelines and instructions that govern sustainability and business ethics, including the Sustainability Policy, Code of Conduct and Supplier Code of Conduct. The internal Code of Conduct is aimed primarily at the company's employees and refers to international rules and principles for responsible business, including the UN Global Compact, the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration and the UN Convention against Corruption. Specialfastigheter's Supplier Code of Conduct applies to all of the company's suppliers and subcontractors, and encompasses human rights issues such as discrimination, freedom of association, fair working conditions, forced labour, child labour and the work environment. The Supplier Code of Conduct and Specialfastigheter's internal Code of Conduct are available at www.specialfastigheter.se. Strategic meetings with framework contract suppliers include discussions on areas covered by the Code of Conduct. There has been considerable focus on climate change in 2023.

Redress mechanisms

Specialfastigheter provides employees with a range of methods for reporting misconduct or irregularities in the form of the clearly expressed possibility of contacting their manager, their manager's manager or the HR Director. In addition, there is both an internal incident reporting system and a whistle-blower function. The whistle-blower function is available on Specialfastigheter's website. Sweden offers extensive protection for employees to report misconduct and irregularities to the media for publication and to authorities such as the Swedish Work Environment Authority through the Whistle-blower Act, the Constitution and the Whistle-blower Protection Act. There is no specific regulation in Swedish law that pertains to business-related human rights violations. However, the public mechanisms for redress in Sweden include, for example, the possibility

for stakeholders who believe they have been discriminated against by Specialfastigheter to turn to the Equality Ombudsman and the possibility to have their case tried in a court of law.

Risks in the supply chain in terms of human rights

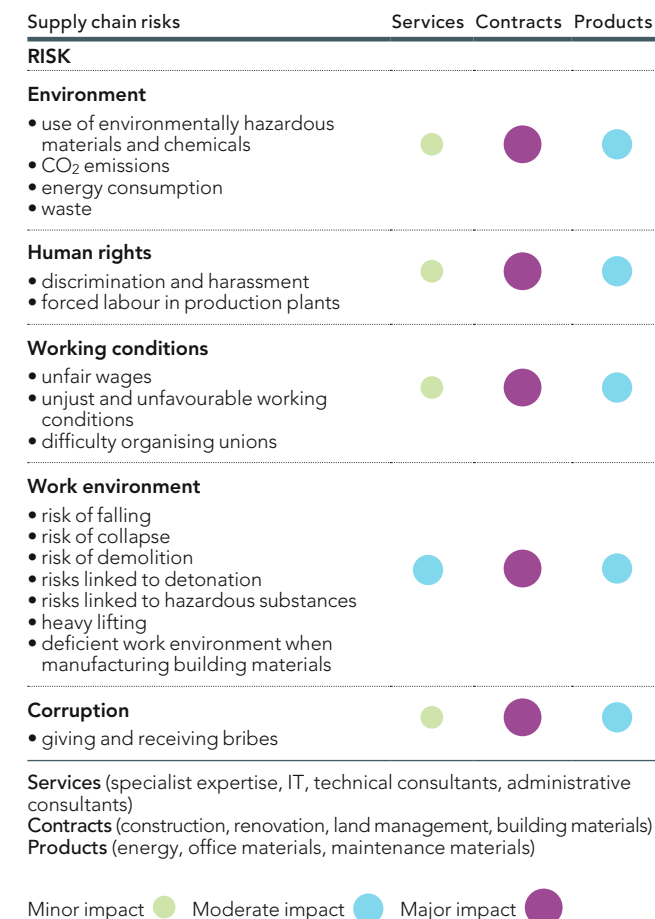
Specialfastigheter's supply chain is complex and comprises a large number of contractors and subcontractors. Risk increases as one progresses down the chain, and Specialfastigheter's ability to influence the risks decreases. The company's assessment is that the most significant risks are linked to contracts, followed by the goods and services are purchased. Risks include the risk of discrimination and harassment, forced labour in production plants, unfair working conditions and a poor work environment. To manage these risks, Specialfastigheter has a purchasing organisation in place, which comprises a central unit that procures and signs all framework agreements. During procurement overall demands are set that are supplemented by the obligatory Supplier Code of Conduct. Specialfastigheter conducts regular dialogues with its contracted suppliers and these dialogues include questions encompassed by the Supplier Code of Conduct. Specialfastigheter has identified a need to strengthen work on a sustainable supply chain and the work on due diligence. These efforts will receive increased focus within the company in the coming years. A due diligence process for human rights will be developed in 2024.

New suppliers that were screened using environmental and social criteria

Our Supplier Code of Conduct contains environmental and social criteria pertaining to the following areas: the environment, information security, working conditions, human rights, work environment and business ethics. The reason the share of new agreements where suppliers have accepted Specialfastigheter's Supplier Code of Conduct remains low is that a large proportion of new agreements in 2023 were of a low-risk nature and were thus not encompassed by the Code. In accordance with Specialfastigheter's purchasing strategy the company signs, to a large extent, long-term framework agreements, meaning fewer procurements of agreements that would be subject to the Supplier Code of Conduct and self-assessment.

GRI 308-1 & 414-1	2021	2022	2023
Number of supplier code of conduct on-site audits executed	2	0	0
External review of projects performed by Rättvist byggande	0	0	3
Percentage of new agreements ¹ including the Code of Conduct under contractual terms	37%	20%	45%

¹ We report the percentage of new contracts rather than the percentage of new suppliers since it provides a more complete picture of our auditing of the supply chain.





- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - GRI Content Index
 - TCFD index
 - Assurance Report

Other

Equality and diversity

That all people are of equal value is fundamental to Specialfastigheter and is to be reflected in the corporate culture. An inclusive workplace where diversity and equality issues comprise natural and self-evident elements of daily work is of the utmost importance. Employees must feel respected and enjoy their work – everyone should have the same rights and opportunities to influence their work situation. Inclusion and diversity efforts are summarised in the company's Equal Treatment Plan, which is updated annually by the company's Equal Treatment Committee. Specialfastigheter has direct impact by promoting increased diversity at Specialfastigheter and in the property sector generally and indirect impact through diversity initiatives at customers and suppliers. All figures pertain to 31 December in the year concerned. Specialfastigheter is not divided into regions and therefore the data is not broken down by region. The calculations are based on the number of employees as of 31 December 2023. Specialfastigheter is unable to report KPIs for employees in the supply chain.

Total labour force

Gender distribution of temporary employees and permanent employees

Total number of employees	2021	2022	2023
Women	55 (31.3%)	59 (28.5%)	89 (34.50%)
Men	121 (68.8%)	148 (71.5%)	169 (65.50%)
Total	176	207	258

Total number of temporary employees	2021	2022	2023
Women	3	0	4
Men	1	1	3
Total	4	1	7

All employees with permanent positions are full-time employees. No significant seasonal variations in the number of employees occur.

Diversity of governance bodies and employees

Board, including alternates	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Under 30 years	0%	0%	0%	0%	0%	0%
30–50 years	20%	0%	40%	0%	33%	0%
Over 50 years	80%	100%	60%	100%	67%	100%
Total	45%	55%	45%	55%	50%	50%

Management	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Under 30 years	0%	0%	0%	0%	0%	0%
30–50 years	60%	0%	50%	0%	67%	0%
Over 50 years	40%	100%	50%	100%	33%	100%
Total	62%	38%	75%	25%	86%	14%

Employees	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Under 30 years	6%	3%	5%	3%	8%	2%
30–50 years	58%	55%	53%	53%	63%	54%
Over 50 years	36%	42%	42%	45%	29%	43%
Total	31%	69%	29%	72%	34%	66%

Average age	2021	2022	2023
Board, including alternates		57	55
Management		52	53
Employees		47	47

Unit	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
CEO	1	0	1	0	3	0
Accounting, Treasury and Financial Control	7	4	9	3	11	6
Purchases	6	3	6	3	7	3
IT and security	4	3	4	7	10	8
Support functions ¹	10	2	12	2	20	3
Market and Business	8	7	7	8	10	8
Property management	9	80	9	90	10	98
Projects and Technology	10	22	11	35	18	43
Total	55	121	59	148	89	169

¹ Includes the units: HR, Communication, Quality & Sustainability and Legal.

Compensation ratio between CEO and employees

The CEO's annual salary in relation to the median salary of employees is 6.11 (4.86) times higher (611%).

Employees with collective-bargaining agreements

All employees are covered by collective-bargaining agreements. Specialfastigheter belongs to the Almega employers' association and applies the civil servants' union agreement for the property sector.

Anti-corruption

Specialfastigheter's work is based on our values – we must be a good and reliable business partner. Our sustainability policy and Code of Conduct provide the basis for how the company and employees should act on ethical issues. Since 2013, an external whistle-blower function has been in place for anonymously reporting irregularities or improprieties within the organisation. Specialfastigheter has direct impact in the procurement and purchase phases, and through internal courses as well as from contact with customers and suppliers. The company has indirect impact on anti-corruption efforts at suppliers and contractors by setting and following up on anti-corruption requirements.

Due to the high pace of growth, both in terms of projects and employees, Specialfastigheter has decided to increase focus on its anti-corruption work. In late 2023, work began on analysing the operations from an anti-corruption perspective, evaluating existing anti-corruption efforts and establishing an anti-corruption programme that will be implemented to improve preventive efforts.

In 2023, a whistleblowing case concerning suspected corruption was submitted to Specialfastigheter's whistle-blower function. The case was handled by the Head of Security and the Chief Legal Officer (CLO), with the assistance of an independent external investigator. Following an exhaustive investigation, it was found that the alleged misconduct could not be substantiated. Accordingly, no disciplinary measures were taken during the year, either with regard to employees or business partners. Read more about our work with anti-corruption on page 29.

Compliance

Specialfastigheter subscribes to legal updates in all areas of law. The company has procedures and internal instructions that describe how Specialfastigheter ensures legal compliance. Responsibility for monitoring changes in legislation and for updating processes in the event of changes is allocated between different people at Specialfastigheter. We have a list of laws showing the branch of law and the person responsible for monitoring the law which is kept updated on an ongoing basis. Reviews are carried out regularly. The company has not been the subject of any corporate fines during the year.

In 2023, Specialfastigheter received one new fire-related injunction and completed one injunction received in 2021 and two injunctions received in 2022.



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - [EU Taxonomy reporting](#)
 - GRI Content Index
 - TCFD index
 - Assurance Report
- Other

EU Taxonomy reporting

Specialfastigheter is subject to an obligation to report from the 2025 financial year in conjunction with the company starting to report under the CSRD. The Taxonomy includes six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Assessment of compliance with the Taxonomy Regulation

Specialfastigheter will voluntarily report the Taxonomy-eligible proportion of the company's operations from the 2023 financial year and the ambition is to also report the Taxonomy-aligned extent of Specialfastigheter's operations from the 2024 financial year. From the 2025 financial year, reporting pursuant to the EU Taxonomy becomes mandatory for Specialfastigheter.

Within each environmental objective, sectors as well as Taxonomy-eligible activities within each sector, are listed. Construction and real estate activities comprises one sector covered by the EU Taxonomy Regulation. All of Specialfastigheter's activities are in the construction and real estate sector, which is Taxonomy-eligible in terms of climate change mitigation and adaptation. Specialfastigheter has made the assessment that the company is mainly encompassed by economic activity 7.7 Acquisition and ownership of buildings. This pertains to the company's business concept, namely, to own, develop and man-

age secure facilities. This also comprises the activity that generates the largest turnover and operating expenditure.

Specialfastigheter believes that the company can make a material contribution, in particular, to the first environmental objective, Climate change mitigation. Climate is one of our key sustainability areas and one of our material environmental topics. We have a substantial project volume for the coming years, which will entail significant climate impact from our construction. Much of our construction projects' emissions stem from the use of materials, with concrete and steel having large climate footprints in our supply chain. Energy consumption in the buildings also causes emissions.

To be Taxonomy-aligned, the economic activity must contribute substantially to at least one environmental objective and be conducted in line with the minimum safeguards. Furthermore, the activity should do no significant harm (DNSH) to any of the other environmental objectives. As Taxonomy reporting is not yet mandatory for Specialfastigheter, the proportion of Taxonomy-eligible economic activities of the company are reported for the 2023 financial year.

The Taxonomy KPIs reported by Specialfastigheter for 2023 comprise: proportion of turnover, proportion of CapEx and the proportion of OpEx from products or services associated with Taxonomy-eligible economic activities. Specialfastigheter's core activity and main turnover pertains to rental income, which is included in economic activity 7.7 Acquisition and ownership of buildings. The table presents Specialfastigheter's KPIs for the 2023 financial year based on the following definitions of turnover, operating expenditure (OpEx) and capital expenditure (CapEx):

KPIs for turnover have been defined as income from property management in the consolidated statement of comprehensive income. Turnover includes total rental income and follows the definition of turnover provided in Directive 2013/47/EU on the annual financial statements and consolidated financial statements. Turnover includes total rental income and other income, excluding other income from media and any damages.

Operating expenditure (OpEx) encompasses the Group's direct costs for ensuring the continuous and appropriate functioning of the asset. Operating expenses for building repairs that have not been capitalised in the Group, and regular maintenance. Costs for energy consumption are excluded. Corresponds to the item Maintenance in the income statement.

Capital expenditure (CapEx) is based on the same definition as in IFRS and encompasses new construction, extensions and redevelopments, and other value-generating investments pursuant to IAS 40 – Investment Property. This is before depreciation, revaluation and impairment and excluding fair value. It also includes property, plant and equipment (IAS 16), intangible assets (IAS 38) and additional right-of-use assets pursuant to IFRS 16 Leases. Goodwill is not included in intangible assets. This means that, in total, the KPI for capital expenditure consists of all investments. The Taxonomy-eligible proportion is attributable to investments in real estate that is let externally.

	Jan–Dec 2023 (SEK million)	Jan–Dec 2022 (SEK million)	Proportion of Taxonomy-eligible economic activities (%)	Proportion of Taxonomy-non-eligible economic activities (%)
Turnover	2,860	2,337	100	0
Operating expenditure (OpEx)	97	73	100	0
Capital expenditure (CapEx)	5,751	4,197	100	0

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - [EU Taxonomy reporting](#)
 - [GRI Content Index](#)
 - [TCFD index](#)
 - [Assurance Report](#)
- Other

CLIMATE SCENARIOS, 2050

Since no one can say exactly how the climate will look in the future, researchers describe how the climate can change based on various emissions scenarios. A climate scenario describes a possible climate trend based on assumptions about changes in the atmosphere based on human activity¹. The slower we act on climate change, the

larger the need will be for measures and the more they will cost. The argument around the impact and measures in both of the following scenarios is based on the assumption that Specialfastigheter will continue to work with managing and limiting the company's own climate impact as well as the impact of climate change on operations. To take

advantage of the opportunities presented by climate change, Specialfastigheter is developing highly relevant property holdings for our customers and investors by:

- investing in digitalisation and innovation that leads to space- and cost-effective premises;
- steering property development towards more redevelopment and less new construction;

- managing resources that have already been taken into use and increase circularity;
- building and developing climate-resilient/ adapted properties that ensure reliable and suitable premises; and
- increasing the use of energy-efficient technological systems and of renewable energy.

Scenario RCP² 2.6 – the scenario most in line with the Paris Agreement

A scenario where emissions peak around 2020, society transitions and the amount of greenhouse gases is halved by 2050.

Society has transitioned by:

- installing new renewable energy technology on a large scale;
- developing and investing in low-energy solutions;
- implementing robust measures in transportation, travel and infrastructure; and
- successful decisions made across national borders and technological disciplines as well as the implementation of joint regulations, taxes and fees that enable rapid reductions in emissions.

Despite this:

- the average national temperature increase in Sweden will continue to rise from the current +1°C to an estimated +1.5–3°C;
- there will be more days of extreme weather and flooding, even if the physical climate effects in Sweden remain about the same as today; and
- transition risks will increase, such as political decisions to raise carbon taxes, tolls or increased prices for emission rights and energy prices will become more volatile due to uncertainties about the climate.

RISKS in RCP 2.6

In the RCP 2.6 scenario, the physical risks by 2050 will be limited, while costs connected to transition risks and a proactive climate transition will likely arise/increase. At the same time, customer and investor preferences will change and make climate-resilient properties attractive to rent or invest in.

- Increased costs for materials and energy, for example, due to regulations, taxes and fees.
- Increased costs for redevelopments and new construction due to new regulations.
- Reduced profitability through investments in new technology that are unable to meet future needs.
- Business models do not change quickly enough, undermining Specialfastigheter's relevance.
- The value of the portfolio is negatively affected due to parts of the portfolio not meeting energy performance requirements.
- Major fluctuations in the climate lead to uncertain conditions for designing technological installations.
- Physical damage to properties due to extreme weather increases the need for maintenance and repairs.
- Limited access to electricity and capacity in the power grid due to increased electrification in society.

OPPORTUNITIES in RCP 2.6

- Lower long-term costs due to own production of renewable energy.
- Higher demand from customers for sustainable, climate-adapted properties.
- Increased value of property holdings due to climate adaptation measures.
- Increased income due to increased demand for forest.
- Lower finance costs due to high adaptive capacity.
- Long-term, stable ownership through the state with clear guidelines for climate work.

Scenario RCP 8.5 – the scenario with continued high emissions of carbon dioxide

A scenario with an emissions trend that largely resembles current levels.

This scenario leads to a society where:

- behaviour and requirements from customers and investors change slowly;
- demand for climate-smart products is low;
- unsustainable consumption and behaviour are predominant;
- dependence on fossil fuel and energy intensity remain high; and
- national and international political climate initiatives and partnerships fail.

In this scenario:

- emissions continue to increase at the current rate until 2050;
- the average national temperature increase in Sweden rises to an estimated 2–4°C;
- the number of days with extreme weather and flooding will increase further; and
- sea levels will rise.

RISKS in RCP 8.5

In the RCP 8.5 scenario, the physical risks will accelerate while costs will be incurred for managing acute climate-related damage and events. The situation will be more reactive and event driven.

- Physical damage to properties due to extreme weather will lead to serious interruptions in operations and periodic building closures.
- Property value will be negatively affected through reduced demand for properties that are not adapted.
- Limited access to energy, electricity and capacity in the power grid due to increased energy needs in society.
- Operations will be affected by sudden and extreme weather events that mean that operations need to act urgently.
- Major fluctuations in the climate lead to uncertain conditions for designing technological installations.
- Obsolete properties with delayed adaptations or none at all to assets that are exposed to extreme weather.
- Lack of demand for sustainable properties entails competitive advantages for actors with less ambitious sustainability agendas.

OPPORTUNITIES in RCP 8.5

- Increased income from own production of renewable energy.
- Reduced exposure to rising prices of fossil fuel energy.
- Reduced exposure to material shortages due to increased use of recycled material and greater flexibility with regard to choice of material.
- Long-term, stable ownership through the state with clear guidelines for climate work.

¹ Source: <https://www.smhi.se/klimat/framtidens-klimat/framtidens-klimat>.
² Representative Concentration Pathway.



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - [GRI Content Index](#)
 - TCFD index
 - Assurance Report
- Other

GRI Content Index

Specialfastigheter reports its work with sustainability pursuant to the GRI Standards 2021 for the 2023 financial year, that is for the period from 1 January 2023 to 31 December 2023. GRI 1: Foundation 2021 has been used for the preparation of the report but none of the GRI sector standards (since there are no applicable standards for properties).

GRI Standard	Disclosure	Disclosure title	Page reference	Omissions		
				Requirements omitted	Reason	Explanation
General disclosures						
The organisation and its reporting practices	2-1	Organisational details	42, 43			
	2-2	Entities included in the organisation's sustainability reporting	42, 86			
	2-3	Reporting period, frequency and contact point	94			
	2-4	Restatements of information	94, 110			
	2-5	External assurance	94, 110			
Activities and employees	2-6	Activities, value chain and other business relationships	13, 17, 23, 29			
	2-7	Employees	33, 102			
	2-8	Workers who are not employees	102	The company has no access to data that would enable the reporting of KPIs for employees at suppliers, including consultants.	The information is not available or is incomplete.	Within the framework of the alignment with the CSRD, Specialfastigheter is striving to obtain access to data from suppliers.
Governance	2-9	Governance structure and composition	49–56			
	2-10	Nomination and selection of the highest governance body	49	The only stakeholder involved in the nomination of the Board is the Swedish state, the sole owner of Specialfastigheter.	Not applicable.	
	2-11	Chair of the highest governance body	49			
	2-12	Role of the highest governance body in overseeing the management of impacts	49–52, 94	At present, the Board mainly manages financial impacts, while impacts on environmental and social sustainability are largely delegated to functions within the company.	The information is not available or is incomplete.	Development work is planned to increase the Board's oversight and management of sustainability impacts.
	2-13	Delegation of responsibility for managing impacts	51–52, 94			
	2-14	Role of the highest governance body in sustainability reporting	94			
	2-15	Conflicts of interest	49–50, 53–54			
	2-16	Communication of critical concerns	51	For security reasons, we cannot divulge the nature of the incidents.	Confidentiality restrictions.	
	2-17	Collective knowledge of the highest governance body	51			
	2-18	Evaluation of the performance of the highest governance body	50	While no external evaluation is conducted, the board conducts a self-evaluation each year.	Not applicable.	

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - [GRI Content Index](#)
 - TCFD index
 - Assurance Report
- Other

GRI Standard	Disclosure	Disclosure title	Page reference	Omissions		
				Requirements omitted	Reason	Explanation
Governance	2-19	Remuneration policies	50	Remuneration is not currently linked to sustainability criteria.	The information is not available or is incomplete.	Not encompassed by the Principles for remuneration and other terms of employment for senior officers of state-owned enterprises.
	2-20	Process to determine remuneration	50	The Board and the owner are involved in remuneration questions through the Remuneration Committee. No other stakeholders.	Not applicable.	
	2-21	Annual total compensation ratio	102	The data includes only salary from employment.	The information is not available or is incomplete.	Plan to provide full disclosure in future annual reports.
Strategy, policies and practices	2-22	Statement on sustainable development strategy	6–7			
	2-23	Policy commitments	15, 33, 45, 49–51, 95, 101–102	The company currently has no due diligence provisions in its internal policy documents. The company currently has no specific wording on people from stakeholder groups at particular risk of vulnerability in its sustainability policy.	The information is not available or is incomplete.	The company plans to develop a due diligence process in 2024 and to develop human rights policies.
	2-24	Embedding policy commitments	15, 29, 33, 102			
	2-25	Processes to remediate negative impacts	15, 29, 101–102	Specialfastigheter has no regular redress mechanisms.	The information is not available or is incomplete.	Specialfastigheter will evaluate the implications of a redress mechanism.
	2-26	Mechanisms for seeking advice and raising concerns	15, 29			
	2-27	Compliance with laws and regulations	102			
	2-28	Membership associations	95			
Stakeholder engagement	2-29	Approach to stakeholder engagement	13, 24, 29, 95			
	2-30	Collective bargaining agreements	102			
GRI 3: Material topics 2021	3-1	Process to determine material topics	95			
	3-2	List of material topics	96			

SPECIFIC DISCLOSURES

GRI 200: Economic topics

GRI 205: Anti-corruption 2016	3-3	Management of material topics	29, 45, 95–96, 102			
	205-3	Confirmed incidents of corruption and actions taken	15, 102			

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - [GRI Content Index](#)
 - TCFD index
 - Assurance Report
- Other

GRI Standard	Disclosure	Disclosure title	Page reference	Omissions			
				Requirements omitted	Reason	Explanation	
SPECIFIC DISCLOSURES							
GRI 300: Environment							
GRI 301: Materials 2016	3-3	Management of material topics	95				
		Share of A and B classed material registered in the SundaHus database (own indicator)	95, 99	Own key metrics since we are currently unable to report material pursuant to the GRI Standards.	The information is not available or is incomplete.	We report the share of registered materials that meet classes A and B in the SundaHus material database.	
GRI 302: Energy 2016	3-3	Management of material topics	31–32, 95–97				
	302-1	Energy consumption within the organisation	97				
	302-3	Energy intensity	25				
GRI 304: Biodiversity 2016	3-3	Management of material topics	95–96, 99				
		IUCN Red List species and national conservation list species with habitats in areas affected by operations	99	The report includes the findings of the inventories of nature conservation values conducted in 2023.	The information is not available or is incomplete.	The work is under development.	
GRI 305: Emissions 2016	3-3	Management of material topics	95–97				
		305-1	Direct (Scope 1) GHG emissions	97	Includes emissions from backup power. We do not report biogenic carbon emissions separately.	The information is not available or is incomplete.	
		305-2	Energy indirect (Scope 2) GHG emissions	32, 97			
		305-3	Other indirect (Scope 3) GHG emissions	97–98	The scope 3 reporting only encompasses the data that is currently available to us. We are unable to report different types of GHGs separately. We do not report biogenic emissions separately.	The information is not available or is incomplete.	
		305-4	GHG emissions intensity	98			
GRI 306: Waste 2020	3-3	Management of material topics	95–96, 99				
		306-3	Waste generated	99	Does not encompass the total quantity of waste generated and is not broken down by composition.	The information is not available or is incomplete.	Inadequate statistics from construction projects.
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	29, 95–96, 101				
		308-1	New suppliers that were screened using environmental criteria	29, 101	The assessment is not a regular due diligence since the review is performed as part of the contract process and audits are carried out on existing contracted suppliers.	The information is not available or is incomplete.	

- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - [GRI Content Index](#)
 - TCFD index
 - Assurance Report
- Other

GRI Standard	Disclosure	Disclosure title	Page reference	Omissions		
				Requirements omitted	Reason	Explanation
SPECIFIC DISCLOSURES						
GRI 400: Social						
GRI 403: Occupational Health and Safety 2018						
	3-3	Management of material topics	95–96, 100			
	403-1	Occupational health and safety management system	33, 45, 100			
	403-2	Hazard identification, risk assessment, and incident investigation	33, 45, 100			
	403-3	Occupational health services	33, 100			
	403-4	Worker participation, consultation, and communication on occupational health and safety	100			
	403-5	Worker training on occupational health and safety	15, 33, 100			
	403-6	Promotion of worker health	15, 33, 100			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	15, 33, 100			
	403-9	Work-related injuries	100	We do not report frequency.	The information is not available or is incomplete.	The number of injuries and accidents is so few that reporting frequency becomes irrelevant.
GRI 405: Diversity and equal opportunity 2016						
	3-3	Management of material topics	95–96, 100, 102			
	405-1	Diversity of governance bodies and employees	33, 102			
GRI 414: Supplier Social Assessment 2016						
	3-3	Management of material topics	29, 95–96, 101			
	414-1	New suppliers that were screened using environmental criteria	29, 101	The assessment is not a regular due diligence since the review is performed as part of the contract process and audits are carried out on existing contracted suppliers.	The information is not available or is incomplete.	We primarily assess our contracted suppliers. A due diligence process for human rights will be developed in 2024.



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - GRI Content Index
 - [TCFD index](#)
 - Assurance Report
- Other

TCFD index

The TCFD has developed a framework intended to guide organisations in their work to identify and report financial risks and opportunities entailed by climate change and the transition to a low-carbon economy. It describes the company's governance and strategy regarding climate issues as well as associated risks and opportunities.

This Annual Report and Sustainability Report includes Specialfastigheter's Task Force on Climate Related Financial Disclosures (TCFD) report, which describes the company's strategic work with climate-related risks and opportunities. The goal is to continue to develop climate efforts according to the TCFD's recommendations.

Disclosure	Page reference
GOVERNANCE	
A) Describe the Board's oversight of climate-related risks and opportunities.	Pages 51–52
B) Describe management's role in assessing and managing climate-related risks and opportunities.	Pages 46, 51–52, 94
STRATEGY	
A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Pages 46, 96 and 104
B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Page 104
C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Pages 26, 46 and 104
RISK MANAGEMENT	
A) Describe the organisation's processes for identifying and assessing climate-related risks.	Pages 26, 44 and 46
B) Describe the organisation's processes for managing climate-related risks	Pages 26, 44 and 46
METRICS AND TARGETS	
A) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pages 44, 46, 95–96, 104
B) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pages 31–32, 44, 46, 97–98, 104
C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Pages 31–32



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report**
 - EU Taxonomy reporting
 - GRI Content Index
 - TCFD index
 - [Assurance Report](#)
- Other

Assurance Report

[Unofficial translation] Auditor's limited assurance report on Specialfastigheter Sverige AB's Sustainability Report and statement regarding the Statutory Sustainability Report.

To the general meeting of the shareholders of Specialfastigheter Sverige AB, company registration number 556537-5945

Introduction

We have been engaged by the Board of Directors of Specialfastigheter Sverige AB ("Specialfastigheter") to undertake a limited assurance engagement of Specialfastigheter's Sustainability Report for 2023. The company has defined the scope of the Sustainability Report on page 42. The Statutory Sustainability Report is defined on page 42. The section on the EU Taxonomy on page 103 has not been included within the scope of our mandate nor in this statement.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Swedish Annual Accounts Act respectively. The applicable criteria are explained on page 105 of the Sustainability Report and comprise the applicable parts of the sustainability reporting framework published by the Global Reporting Initiative (GRI) Standards, as well as the accounting and calculation principles that the company has developed and disclosed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the procedures we have performed, and to provide a statement on the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. A limited assurance engagement consists of making inquiries, primarily of persons

responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. We have conducted our examination regarding the Statutory Sustainability Report in accordance with FAR's recommendation RevR 12, *the Auditor's Opinion on the Statutory Sustainability Report*. An examination according to RevR 12 has a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The audit firm applies the International Standard on Quality Management (ISQM) 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We are independent in relation to Specialfastigheter in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters

that could have been identified if an audit had been performed. The stated conclusion based on a limited assurance engagement and an examination according to RevR 12, therefore does not have the same degree of certainty as a conclusion based on an audit.

Our review of the Sustainability Report is based on the criteria defined by the Board of Directors and Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

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

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 13 March 2024

Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorised Public Accountant



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other**
 - Property holdings
 - Definitions

Other



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

[Property holdings](#)

[Definitions](#)

Property holdings

NAME	LOCATION	MUNICIPALITY	NUMBER OF BUILDINGS	LAND AREA, SQ M	OWNED NET FLOOR AREA, SQ M
Asptuna	Norsborg	BOTKYRKA	21	125,582	6,169
Beateberg	Trångsund	HUDDINGE	6	26,584	5,872
Berga	Helsingborg	HELSINGBORG	8	31,077	5,226
Bergnäset Luleå	Luleå	LULEÅ	4	22,000	3,949
Bergsjön	Göteborg	GOTHENBURG	7	18,680	4,284
Bergsmansgården	Fjugesta	LEKEBERG	7	21,400	3,452
Bondsjö	Härnösand	HÄRNÖSAND	0	35,441	0
Borås	Borås	BORÅS	10	55,720	8,024
Borås Remand centre	Borås	BORÅS	0	5,202	0
Brinkeberg	Vänersborg	VÄNERSBORG	3	48,049	7,412
Brättegården	Vänersborg	VÄNERSBORG	17	98,300	5,047
Bårhult	Landvetter	HÄRRYDA	0	20,361	0
Bärby	Uppsala	UPPSALA	21	191,907	7,966
Ekebylund	Rosersberg	SIGTUNA	12	12,180	2,289
Eknäs	Enköping	ENKÖPING	12	65,870	4,592
Energyda	Malmö	MALMÖ	0	13,097	0
Fagared	Lindome	MÖLNDAL	16	378,805	7,252
Flygvapenmuseum	Linköping	LINKÖPING	6	71,853	17,328
FOI Umeå	Umeå	UMEÅ	4	290,535	13,575
Folåsa	Vikingstad	LINKÖPING	23	153,604	8,479
Formgivaren	Solna	SOLNA	1	9,169	34,967
Fortunagården	Värnamo	VÄRNAMO	5	19,043	1,901
Fosie	Malmö	MALMÖ	4	33,109	10,024
Färingsö	Svartsjö	EKERÖ	8	47,559	4,912
Färöarna	Kista	STOCKHOLM	1	6,559	24,658
Granhult	Ramsberg	LINDESBERG	9	37,222	2,161
Gruvberget	Åmotsbruk	BOLLNÄS	32	106,054	4,511
Gudhem	Gudhem	FALKÖPING	20	217,084	10,914
Gävle	Gävle	GÄVLE	5	40,113	7,929
Hall	Södertälje	SÖDERTÄLJE	20	588,803	37,533
Halldalen	Södertälje	SÖDERTÄLJE	36	635,882	8,496
Halmstad	Halmstad	HALMSTAD	5	42,579	5,457
Haparanda	Haparanda	HAPARANDA	7	21,631	4,366
Hessleby	Mariannelund	EKSJÖ	15	500,060	7,189
Hinseberg	Frövi	LINDESBERG	19	372,932	13,525
Horngäddan	Borås	BORÅS	0	8,056	0



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

[Property holdings](#)

[Definitions](#)

NAME	LOCATION	MUNICIPALITY	NUMBER OF BUILDINGS	LAND AREA, SQ M	OWNED NET FLOOR AREA, SQ M
Hornö	Enköping	ENKÖPING	16	398,223	4,099
Huddinge	Huddinge	HUDDINGE	1	8,016	8,970
Hällby	Kvicksund	ESKILSTUNA	23	258,596	12,025
Hässleholm	Hässleholm	HÄSSLEHOLM	4	16,116	7,865
Högkvarteret	Stockholm	STOCKHOLM	5	24,610	41,000
Högsbo	Västra Frölunda	GOTHENBURG	8	35,588	10,366
Johannisberg	Kalix	KALIX	13	128,570	7,917
Kalmar	Kalmar	KALMAR	3	4,857	2,993
Karlskoga	Karlskoga	KARLSKOGA	11	79,485	7,687
Karlsvik	Höör	HÖÖR	13	96,879	3,606
Klarälvsgården	Deje	FORSHAGA	7	243,800	2,755
Kolpenäs	Södertälje	SÖDERTÄLJE	0	4,028	0
Konstnären	Solna	SOLNA	0	7,560	0
Kristallen	Lund	LUND	1	2,647	10,423
Kristianstad Vä	Kristianstad	KRISTIANSTAD	6	43,019	7,068
Kronoberg	Stockholm	STOCKHOLM	7	42,358	163,000
Kumla	Kumla	KUMLA	31	520,310	48,595
Lejonet	Luleå	LULEÅ	2	10,596	21,800
Ljungaskog	Örkelljunga	ÖRKELLJUNGA	18	281,202	6,805
Ljungbacken	Uddevalla	UDDEVALLA	25	272,091	8,995
Ljustadalen	Sundsbruk	SUNDSVALL	4	37,555	1,371
Luleå	Luleå	LULEÅ	6	41,085	6,247
Lunden	Lund	LUND	1	26,391	4,621
Långanäs	Eksjö	EKSJÖ	30	434,995	8,946
Lövsta	Vagnhärad	TROSA	34	498,222	8,940
Mariefred	Mariefred	STRÄNGNÄS	17	150,080	8,290
Nereby	Härestad	KUNGÄLV	18	162,660	3,826
Norrtälje	Norrtälje	NORRTÄLJE	18	191,228	18,588
Nya Saltvik	Härnösand	HÄRNÖSAND	10	295,597	23,911
Nyköping	Nyköping	NYKÖPING	4	23,144	9,454
Rebecka	Skå	EKERÖ	23	220,995	6,564
Renforsen	Vindeln	VINDELN	6	32,056	2,406
RPK Göteborg	Hisings Backa	GOTHENBURG	1	25,417	4,462
Runnagården	Örebro	ÖREBRO	13	77,522	4,198
Ryds Brunn	Ryd	TINGSRYD	7	21,620	4,852
Råby	Lund	LUND	4	0	3,770



About Specialfastigheter

CEO's statement

Operating environment

The offering

Sustainable operations

The properties

Administration Report

Corporate governance

Financial statements and notes

Auditor's report

Sustainability Report

Other

[Property holdings](#)

Definitions

NAME	LOCATION	MUNICIPALITY	NUMBER OF BUILDINGS	LAND AREA, SQ M	OWNED NET FLOOR AREA, SQ M
Rådhuset	Stockholm	STOCKHOLM	1	13,595	22,765
Räddningsskolan Revinge	Södra Sandby	LUND	22	472,000	17,912
Räddningsskolan Sandö	Sandöverken	KRAMFORS	38	433,348	30,805
Rällsögården	Kopparberg	LJUSNARSBERG	19	1,297,250	6,602
Rödjan	Mariestad	MARIESTAD	14	496,720	8,697
Sagsjön	Lindome	MÖLNDAL	5	60,000	2,153
Skenäs	Vikbolandet	NORRKÖPING	21	1,637,649	13,971
Skogome	Hisings Backa	GOTHENBURG	13	295,699	12,240
Skänninge	Skänninge	MJÖLBY	22	172,008	24,050
Stigby	Visingsö	JÖNKÖPING	18	78,146	7,214
Storboda	Rosersberg	SIGTUNA	6	88,466	6,536
Sundbo	Fagersta	FAGERSTA	29	386,758	9,630
Svartsjö	Svartsjö	EKERÖ	12	47,688	7,157
Svartsjö Bostäder	Svartsjö	EKERÖ	7	7,000	909
Sörbyn	Hörnefors	UMEÅ	21	861,265	8,767
Tegeludden	Stockholm	STOCKHOLM	1	3,504	14,812
Tidaholm	Tidaholm	TIDAHOLM	12	536,363	14,108
Tillberga	Västerås	VÄSTERÅS	11	64,251	15,445
Tre Vapen	Stockholm	STOCKHOLM	3	94,224	66,458
Tygelsjö	Tygelsjö	MALMÖ	20	120,662	11,870
Tysslinge	Södertälje	SÖDERTÄLJE	10	174,795	5,548
Täby	Täby	TÄBY	3	25,288	4,286
Umeå	Umeå	UMEÅ	7	38,034	6,783
Vemyra	Sollefteå	SOLLEFTEÅ	12	173,400	4,293
Ystad	Ystad	YSTAD	8	59,550	11,623
Åby	Uppsala	UPPSALA	22	134,363	4,540
Åstorp	Åstorp	ÅSTORP	2	17,939	4,895
Älvgården	Hedemora	HEDEMORA	20	75,600	6,995
Österåker	Åkersberga	ÖSTERÅKER	7	405,000	10,898
Östfora	Järlåsa	UPPSALA	9	112,790	3,507
Öxnevall	Öxnevall	MARK	16	114,641	6,681



- About Specialfastigheter
- CEO's statement
- Operating environment
- The offering
- Sustainable operations
- The properties
- Administration Report
- Corporate governance
- Financial statements and notes
- Auditor's report
- Sustainability Report
- Other**
 - Property holdings
 - [Definitions](#)

Definitions

Financial key performance indicators

Return on equity, %

Net profit for the period in relation to average equity. Return on equity is used to illustrate the ability to generate profit on the owner's capital.

Return on total capital, %

Net profit for the year plus financial expenses in relation to average total assets. Return on total capital is used to illustrate the ability to generate profit on the assets after excluding any effects from financing.

Loan-to-value ratio, %

The interest-bearing net loan liabilities (that is, interest-bearing liabilities less cash and cash equivalents and interest-bearing investments) in relation to the fair value of investment properties at the end of the period. The loan-to-value ratio is used to illustrate financial risk.

Yield, %

Net operating income divided by the average fair value of investment properties. Yield is used to illustrate the earning capacity of investment properties in relation to the fair value of investment properties.

Net operating income, SEK million

Income from property management less property expenses. Net operating income is used to illustrate the earning capacity of investment properties.

Profit from property management, SEK million

This is calculated as the sum of net operating income, administrative expenses and net financial items. Profit from property management is used to illustrate earning ability after taking into consideration funding costs and administration.

Specialfastigheter presents certain alternative performance measures (APMs) in interim reports and annual reports that are not defined according to IFRS. The company believes that these APMs provide valuable supplementary information to investors and the company's management when evaluating the company's earnings and financial position. Because all companies do not calculate financial measurements the same way, these are not always comparable with those APMs used by other companies. Amounts are given in SEK million.

Average loan-to-maturity, year

Average remaining time until maturity for interest-bearing liabilities, derivatives, cash and cash equivalents including interest-bearing liquid investments with respect to guaranteed loan commitments. Average loan-to-maturity is used to illustrate the company's refinancing risk.

Average interest rate, %

Average interest rate for interest-bearing liabilities, derivatives, cash and cash equivalents including interest-bearing liquid investments. Average interest rate is used to illustrate financial risk.

Average fixed-interest period, years

Average remaining term until re-fixing interest rates for interest-bearing liabilities, derivatives, cash and cash equivalents including interest-bearing liquid investments. The average fixed-interest period is used to illustrate interest-rate risk.

Adjusted return on equity, %

Net profit/loss, after add-back of changes in value and associated deferred tax, in relation to average equity. Return on equity is used to illustrate the ability to generate profit on the owner's capital and is one of the company's overall strategic targets.

Adjusted return on operating working capital, %

Earnings before taxation excluding unrealised changes in value for financial instruments and investment properties, and net interest items in relation to average operating working capital. The return on operating working capital illustrates the company's profitability independent of financial assets and independent of financing.

Net loan liabilities

All loans are included in gross debt. Net loan liabilities includes some current receivables, cash and cash equivalents, and collateral transfers for derivative instruments. Provisions for pensions or similar are not included.

Operating working capital

Equity plus net loan liabilities.

Interest coverage ratio, cash-flow based

Profit/loss before tax after adding financial expenses, changes in value and gains/losses on property sales, divided by financial expenses excluding changes in value of financial derivatives. Interest coverage ratio is used to illustrate the sensitivity of earnings to changes in interest rates.

Equity/assets ratio, %

Adjusted equity on the balance-sheet date as a percentage of total assets. The equity/assets ratio is used to illustrate financial stability and is one of the company's overall strategic targets.

Property related key performance indicators

Equity, SEK million

Recognised equity. Equity is used to describe the owner's capital.

Rent per sq m, SEK

Annual rent divided by the lettable floor space in square metres at the end of the year.

Net floor area (NFA), sq m

Estimated lettable floor space in square metres.

Secure facilities

Properties that have been adapted for operations with specific security requirements in terms of operational, personal, information or physical security.

Occupancy rate, %

Total floor space of let premises in relation to total lettable floor space.

Surplus ratio, %

Net operating income divided by income from property management. Surplus ratio is used to illustrate how large a portion of rental income remains after property expenses, in %.

Sustainability key performance indicators and definitions

Green appendices

Specialfastigheter's green appendices (also known as green leases) are a standardised template developed by the Swedish Property Federation for reducing the environmental impact from premises. The agreement sets out the landlord's responsibilities, the tenant's responsibilities and shared responsibilities, and details the measures agreed by the landlord and tenant to reduce environmental impact through information and collaboration in terms of energy and indoor environment, material selection and waste management.

Green bonds

Bonds intended to finance environmentally sustainable projects. Our framework is based on the Green Bond Principles.

Carbon dioxide, CO₂

When fossil fuels are burned, carbon dioxide – a greenhouse gas – is released.

CO₂ emissions, tonnes

We report CO₂ emissions from energy purchased for our properties such as electricity, district heating and how large a proportion is not renewable; biofuel, electric heating, bio oil, oil and gas.

Whistle-blower function

A function that can be used by employees or external parties to anonymously report suspicions of irregularities or other unsatisfactory conditions.

Greenhouse gases

Greenhouse gases is an umbrella term for many different gases that increase the greenhouse effect.

Reporting calendar and Annual General Meeting

Annual General Meeting

18 April 2024, in Stockholm and digitally

Reporting calendar

Interim report January–March 2024
18 April 2024

Interim report January–June 2024
12 July 2024

Interim report January–September 2024
18 October 2024

Addresses

Specialfastigheter Sverige Aktiebolag (Publ)
Company registration number: 556537-5945

Head Office, Linköping

Box 632, SE 581 07 Linköping
Street address:
Gamla Tanneforsvägen 92, Linköping
Telephone: +46 10-788 62 00

Head Office, Stockholm

Box 6073, SE 102 32 Stockholm
Street address:
Torsgatan 21, Stockholm
Telephone: +46 10-788 62 00

Gothenburg

Street address:
Kämpegatan 6
SE 411 04 Gothenburg
Telephone: +46 10-788 62 00

Lund

Box 4017, SE 227 21 Lund
Street address:
Traktorvägen 6, Lund
Telephone: +46 10-788 62 00

Sundsvall

Box 37, 851 02 Sundsvall
Street address: Sjögatan 15
SE 852 34 Sundsvall
Telephone: +46 10-788 62 00

Örebro

Street address:
Nygatan 31
SE 702 11 Örebro
Telephone: +46 10-788 62 00

info@specialfastigheter.se
www.specialfastigheter.se
www.linkedin.com/company/
specialfastigheter-sverige-ab

Production: Specialfastigheter in collaboration with Hallvarsson & Halvarsson | Photos: Specialfastigheter's image bank | Printing: Larsson Offsettryck AB