



QUARTIERS TIERS

P R O P E R T I E S

ANNUAL REPORT
2023

Quartiers Properties AB (publ)

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QUARTIERS PROPERTIES *in brief*

Five years of successful project development and streamlining of activities

Over the past two years, Quartiers Properties has gradually and successfully divested the property projects that have been run alongside the development of the Boho Club concept and brand. In addition to the results realised through the streamlining, the value of the Boho Club property has increased by 28% in local currency (38% in SEK) compared to 31 December 2022. This is thanks to the successful development of the hotel and restaurant business, whose sales have grown by 90% over the same period.

Since the realisation of property development projects began in 2018, Quartiers Properties has developed and realised property projects with a reported total sales value of SEK 438 million. The realised profit totals SEK 240 million. As of 31 December 2023, just 20 of the original 101 apartments remained in the Hacienda Collection, with an estimated sales value of approximately SEK 81 million. A further three apartments were divested in the first quarter of 2024.

Currently, Quartiers Properties' assets consist mainly of the Boho Club property and the adjacent Centro Forestal Sueco on Marbella's Golden Mile, as well as an operator business that has successfully established the Boho Club brand in Marbella.

The property has great development potential driven both by the expansion of the current operations and by the additional building rights that are likely to be obtained after Marbella City Council approved the Company's proposed modification.

Operator activities

The Company is now focusing entirely on operator activities relating to hotel properties, where Boho Club is the base and flagship. The hotel has 40 rooms, with two to four beds in each.

In 2023, the business generated sales of SEK 93.3 (76.3) million, corresponding to growth of 22%. EBITDA totalled SEK 14.5 (9.5) million.

Work has now begun to create a new hotel with up to 300 new rooms. This is made possible by the new building rights. The establishment of facilities under the Boho Club brand in other locations is also a great potential to capitalise on the investments in brand, concept and operation made since 2019.

Property funds

Quartiers Properties intends to continue creating value for its shareholders by capitalising on the knowledge established in the organisation in recent years.

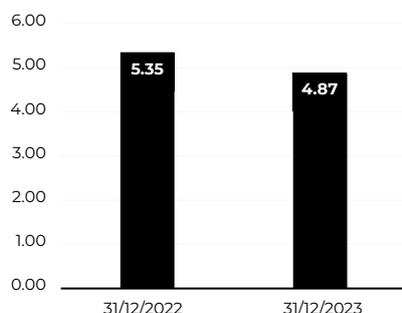
One way to do this is to find innovative and efficient capital structures to make more property acquisitions and create new revenue streams. One project being prioritised is to gradually implement a structure in 2024 that will help raise capital without necessarily doing so through a new issue in the Parent Company. This can be done partly through the cooperation with Nowonomics and partly through the ongoing process of establishing a SOCIMI in Spain, a Spanish version of a REIT (Real Estate Investment Trust).



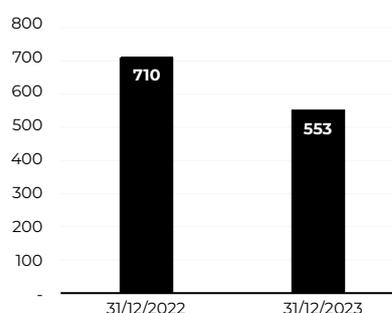
GROUP *Key figures in* SUMMARY

Key performance indicators (SEK thousand)	2023	2022	2021	2020
Sales revenue	329,790	203,387	156,476	55,800
Operating profit/loss, EBITDA	54,783	-7,208	-21,166	-29,975
Cash flow from operations and property sales*	94,395	30,592	71,837	-41,053
Property values**	552,836	721,549	709,721	754,008
Interest-bearing liabilities***	232,833	271,896	288,441	314,736
Loan-to-value (LTV)	35.21%	36.41%	33.77%	39.64%
Equity/assets ratio, carrying amount	46%	44%	41%	43%
Equity/assets ratio, property market value	75%	76%	74%	67%
Number of employees (Group)	132	104	75	68
Net asset value per ordinary share****	4.87	5.47	5.85	6.09
Equity per share	4.13	4.17	4.44	5.44
Share price per ordinary share	11.50	5.50	4.13	9.50
Market capitalisation, ordinary shares	663,516	317,334	226,261	491,668

NET ASSET VALUE PER ORDINARY SHARE SEK 4.87



PROPERTY VALUE SEK 552 MILLION



*Cash flow from operating activities plus cash flow from divestment of commercial properties.

** Most recent external valuation conducted in October 2023 by Savills Aguirre Newman in accordance with RICS (Royal Institution of Chartered Surveyors).

*** Interest-bearing liabilities are recognised in the balance sheet less capitalised financing costs, which are accrued over the term of the loan. See additional disclosures on interest-bearing liabilities.

****Equity adjusted for market valuation of the property portfolio after tax, taking into account preference shareholders' share of equity and unpaid dividends, as well as default interest on unpaid dividends.

Message from the *CEO*

Dear shareholders,

It is with great pleasure and a deep sense of responsibility that I write this CEO letter. As co-founder and in my new role as CEO, I am proud to lead this outstanding organisation.

We now stand on a solid platform thanks to the efforts of our dedicated team, and not least thanks to our former CEO Marcus, whose contributions have been fundamental to our current strength.

In my role as CEO, my main ambition is not only to preserve our heritage but to actively expand it. Thanks to the good results we achieved in 2023 and our strong financial base, we are well equipped for a new phase of expansion. My primary focus is to deepen and further develop our presence in Costa del Sol, where we have already established a strong position. By cementing our operations here, we are creating a secure foundation for future growth. At the same time, we are preparing to explore and seize new market opportunities internationally, which is the next step in our expansion strategy.

As CEO, my main task is to identify and capitalise on new business opportunities, not only to drive growth but also to further strengthen our solid foundations. Our development strategy is more than a growth plan; it is the foundation for creating more value for you, our shareholders, and for building an even more successful and attractive company.

Boho Club, our award-winning hotel, exemplifies what we can achieve and will lead our strategy to expand our presence into new markets.

The future looks incredibly exciting, and every step we take is part of the journey to fully realise the Company's potential. Now is the start of an expansive chapter.

Thank you for your continued support and trust.

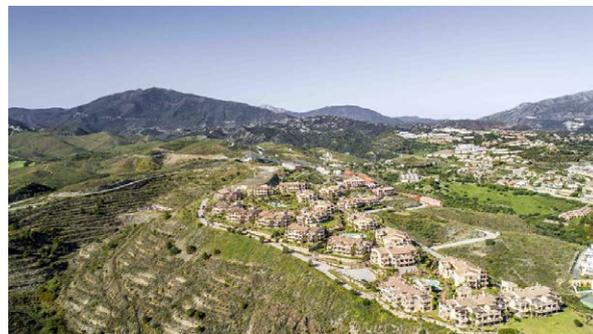


Andreas Bonnier
CEO and founder of Quartiers Properties

TEN YEARS OF SUCCESSFUL *property development*

2014

The founders, led by Andreas Bonnier, find the then abandoned Hacienda del Señorío de Cifuentes complex in Benahavís, a neighbouring municipality to Marbella. The Company is founded under the name Flexshare, because an initial concept of the apartment purchase in Benahavís was to develop timeshare housing. The company was then renamed Quarters Properties, a name derived from Andreas' background in France and the fact that the apartment complex is like a neighbourhood in itself. Quartier is the French word for neighbourhood.



2015

Quarters Properties acquires 99 finished apartments, two unfinished buildings and a plot of land with building rights for 60 new apartments.

The acquisition is financed by a loan from the Spanish bank Banco Popular (now part of Banco Santander) and equity is raised by the Company from the Swedish capital market. This marks the first time external investors join the Company's shareholder list.

2016

Quarters lists its preference shares on NGM Nordic MTF.

Renting of the 99 apartments acquired by the Company in Hacienda del Señorío de Cifuentes begins. The rentals contribute to cash flow, which is then invested in the property to increase its value.



2017

The Company acquires the Centro Forestal Sueco property, located on the so-called Golden Mile in Marbella. It is on part of this property that the Boho Club is developed and is currently operated. To finance the acquisition, the Company carries out a new issue of ordinary shares. The ordinary shares as well as the preference shares are then listed on Nasdaq First North in Stockholm.

TEN YEARS OF SUCCESSFUL *property development*

2018

The Company completes the two unfinished apartment blocks it acquired in 2015 and successfully sells them.

The current CEO is appointed after having previously been CFO of the Company since 2016.

Bank financing is obtained from Banco Sabadell for part of the renovation of what is now the Boho Club. Renovation and business development begins.

The Company expands its land ownership adjacent to Centro Forestal through the purchase of approximately 3,800 square metres of additional land for future hotel development.



2019

The Company expands its financing for the renovation of the Boho Club as planned via two new loans with Spanish investment bank Arcano Partners and investment fund Frux Capital. The renovation is completed.

The Boho Club restaurant opens in early September, and the hotel opens on 15 December.

2020

The Company starts the year with final negotiations with a major Spanish bank to refinance the loans taken out to finance the renovation. When the Covid-19 pandemic hits with full force, this funding is cancelled.

The Company manages to quickly adapt its operations, cut costs and find a solution to finance the loans anyway, plus cash flow for the foreseeable future. The solution is another loan with a US asset manager, DeShaw.



2021

Quartiers manages to manoeuvre the business well, despite the ongoing pandemic and frequent lockdowns and closures.

Despite all the challenges, Boho Club is named Spain's best luxury hotel by the Spain Luxury Hotel Awards.

TEN YEARS OF SUCCESSFUL *property development*

2022

The D.E. Shaw loan is refinanced with a more competitive loan from Alantra of EUR 18.5 million.

Twenty nine apartments are sold during the year, and the business begins the process of normalisation.

The Company breaks the 200 million mark in turnover measured in Swedish kronor.



2023

Quartiers sells the Altura160 project in Benahavís to Taylor Wimpey de España S.A.U ("Taylor Wimpey") as planned.

The transaction has a value in EUR equivalent to SEK 107.2 million, marking an important milestone for Quartiers and testifying to the Company's ability to create and realise value in its projects.

2024

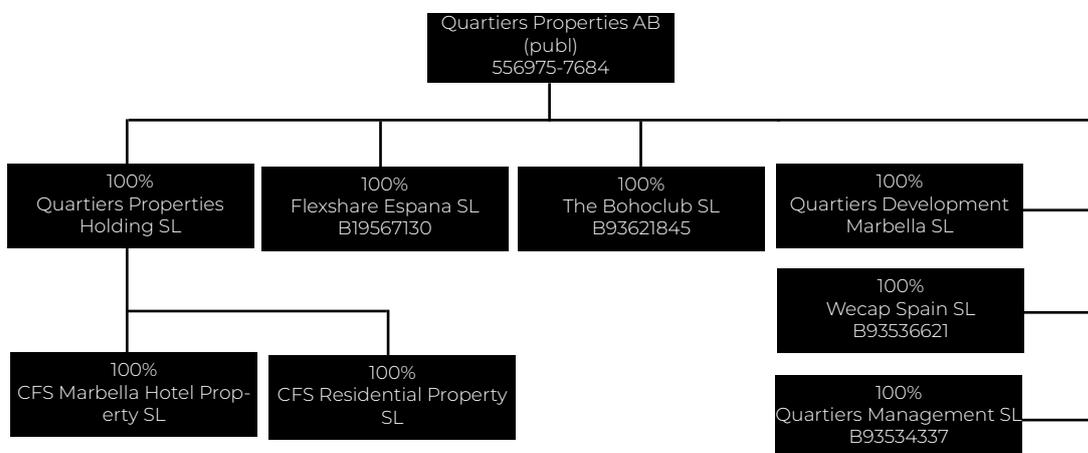
Ten years after the first initiative, Andreas Bonnier takes the step from active board member and founder to CEO, to take the Company to the next level.

Work on the development of a new hotel with around 300 rooms at the Centro Forestal Sueco property on the prestigious Golden Mile intensifies, with the procurement of a leading architectural team.





GROUP MATRIX



DESCRIPTION OF GROUP COMPANIES

Quartiers Properties AB (publ)

Quartiers Properties AB (publ) is a Swedish-registered limited liability company with registration number 556975-7684.

The Company is the Parent Company of the Group. Its activities are focused on the development and management of the holdings of the subsidiaries, as well as on issues related to the financing of the subsidiaries' activities. The Company's shares are listed on Nasdaq First North Growth Market. On 31/12/2023, all of the Group's subsidiaries are directly or indirectly 100% owned by the Parent Company.

Quartiers Properties Holding SL

Quartiers Properties Holding SL, registration number B93528750, is a Spanish holding company which owns shares in the majority of the Group's Spanish subsidiaries.

The Company also acts as a management company with functions shared by the other companies. In 2023, the transformation of the Company into a SOCIMI, a Spanish version of a REIT (Real Estate Investment Trust), starts and is expected to be finalised in the second half of 2024.

Flexshare Espana SL

Flexshare Espana SL, with company registration number B19567130, is a Spanish subsidiary that has been investing, since 2015, in apartments and real estate development projects whose value has been successfully realised over the last two years through sales to private individuals and real estate development companies.

The Bohoclub SL

Bohoclub SL, registration number B93621845, is the operating company that runs the Boho Club.

The Company only owns the operation of the Boho Club; the property is owned by CFS Marbella Hotel Property SL (see below).

CFS Marbella Hotel Property SL

CFS Marbella Hotel Property SL, registration number B93534352, owns the property where the Boho Club operates.

The property is leased to The Bohoclub SL, which in turn pays a fixed, turnover-based rent. The corporate structure is adapted to have the flexibility to separate operations from property ownership in the future.

CFS Residential Property SL

CFS Residential Property SL, registration number B93534245, is a real estate/project company that owns the project with the working name Forestal Residential.

Other companies

Quartiers Management SL, Quartiers Development Marbella SL and Wecap Spain SL were dormant as of 31 December 2023.

CORPORATE GOVERNANCE

Quartiers Properties AB (publ) is a Swedish public property company, with registered offices in Stockholm, whose shares are listed on Nasdaq First North in Stockholm. The external framework for corporate governance is the Swedish Companies Act, the Articles of Association and Nasdaq's rules for issuers on First North. The Company complies with internal regulations issued by the Board, the most important of which include the Board's rules of procedure, the CEO instructions and the Company's inside information policy. The Company is not obliged to apply the Swedish Corporate Governance Code, but does so insofar as it is financially viable given the size and nature of the business.

Principles of corporate governance within Quartiers Properties

Corporate governance within Quartiers Properties aims to support the Board of Directors and management in ensuring that all operations create long-term value for shareholders and other stakeholders.

Governance involves upholding:

- an efficient organisational structure;
- risk management and internal control systems; and
- transparent internal and external reporting.

Shareholders and the Annual General Meeting
Shareholders' influence in the Company is exercised at the AGM, which is the Company's highest decision-making body. At the AGM, each shareholder votes by right of the number of votes associated with the share type held. Quartiers Properties has two classes of shares: ordinary shares carrying ten votes and preference shares carrying one vote. At the time of publication of the Annual Report, the Company has 57,697,005 ordinary shares with 10 votes, corresponding to 576,970,050

votes, and 6,769,868 preference shares carrying one vote, corresponding to 6,769,868 votes. There are consequently a total of 64,466,873 shares and a total of 583,739,918 votes in the Company.

Board of Directors

The Company's Articles of Association state that the Board of Directors shall comprise a minimum of three and maximum of nine members, including the Chairman. The Board currently consists of four ordinary members, including two members who are independent in relation to both the Company and Company management, as well as the Company's major shareholders. One member is independent in relation to the Company and its management but not in relation to the Company's major shareholders. The Company's Board of Directors is elected at the AGM.

The election of the Board relates to the period extending up to and including the next AGM. The Company does not appoint any special committees for auditing or remuneration issues, as the entire Board is engaged in these matters. The Board shall monitor operations and actively support the development of the Company. The Board is composed of individuals with expertise and experience in business development, marketing, property and project development, financing and capital market issues.

The Chairman of the Board ensures that the Board performs its duties. The Chairman also monitors operations in consultation with the CEO and is responsible for ensuring that other Board members receive the information required in order to facilitate discussion and decisions of high quality. The Chairman is also responsible for evaluating the work of both the Board and the CEO.

Composition of the Board of Directors in 2023

Name	Role	Independent of largest shareholder	Independent of management
Jörgen Cederholm	Chair	No	Yes
Merja Rahkola	BM	Yes	Yes
Raouf Lotfi	BM	Yes	Yes
Andreas Bonnier*	BM	No	No

* Andreas took over as CEO on 1 April 2024.

CORPORATE GOVERNANCE

Annual General Meeting 2023

Quartiers Properties' 2023 Annual General Meeting was held on 15 June 2023. In addition to the mandatory agenda items stipulated in the Articles of Association, decisions were made regarding the following matters:

- The AGM re-elected Jörgen Cederholm and Andreas Bonnier as Board members and newly elected Raouf Lotfi and Merja Rahkola for the period up until the end of the next AGM. Jörgen Cederholm was re-elected chairman of the Board. In addition, the AGM re-elected registered auditing firm Öhrlings PricewaterhouseCoopers AB with principal auditor Henrik Boman for the period up until the end of the next AGM. The AGM resolved that Board fees of SEK 290,000 shall be paid to the Chairman and SEK 150,000 to each of the other Board members elected by the AGM. In addition, the Board shall be entitled to make decisions on paying Board members (personally or via companies) market-based, reasonable compensation for consulting work carried out that is not part of the usual Board-related work. The AGM resolved that fees for the auditor would be paid on an ongoing basis according to invoices approved by the Company.
- The AGM resolved to authorise the Board of Directors, up until the next AGM and within the scope of the Articles of Association, on one or more occasions, with or without deviation from shareholders' preferential rights, to decide on the issue of ordinary shares, warrants and/or convertible shares. The issue may be made against payment in cash, payment in kind and/or by offsetting, or otherwise subject to conditions. Decisions regarding the issue of shares, based on such authorisation, may generate an increase of no more than 15% in the Company's share capital, based on the size of the share capital the first time.

Nomination Committee

The 2023 AGM decided that the members of the Nomination Committee for the 2024 AGM would consist of Andreas Bonnier (as representative of Egonomics AB) and Mats Lundberg (as representative of Fastighets Aktiebolag Bränneröd and Mats Invest AB). Mats Lundberg was re-elected chairman of the Nomination Committee. The AGM likewise decided on guidelines for the Nomination Committee.

Duties of the Nomination Committee:

The Nomination Committee shall prepare proposals for the following resolutions prior to the 2024 Annual General Meeting:

1. proposal regarding the number of Board members and auditors, and deputies for these posts where appropriate;
2. proposal regarding Board member fees and remuneration for the Company's auditors;
3. proposal for election of Board members, and deputies for these posts where appropriate;
4. proposal for the election of Chairman of the Board;
5. proposal regarding election of auditors, and deputies for these posts where appropriate; and
6. proposal for decision on Nomination Committee.

Proposals for Board members and auditors prior to the 2024 AGM

The Nomination Committee has proposed re-election of the current Board members Jörgen Cederholm, Andreas Bonnier, Raouf Lofti and Merja Rahkola, and re-election of Jörgen Cederholm as Chairman of the Board.

The Nomination Committee has proposed re-election of registered audit firm Öhrlings PricewaterhouseCoopers AB for the period until the end of the next AGM. If Öhrlings PricewaterhouseCoopers AB is elected as auditors, Authorised Public Accountant Henrik Boman shall serve as principal auditor.

The Nomination Committee's proposal on Board and auditor fees

The Nomination Committee has proposed that Board fees of SEK 290,000 shall continue to be paid to the chairman and SEK 150,000 to each of the other Board members elected by the AGM.

In addition, the Board shall continue, unchanged, to be entitled to make decisions on paying Board members (personally or via companies) market-based, reasonable compensation for consulting work carried out that is not part of the usual Board-related work.

CORPORATE GOVERNANCE

Internal controls

Based on policy documents adopted by the Board of Directors, the CEO and company management are responsible for designing and documenting, as well as maintaining and testing the systems and processes required in order to minimise risk in operating activities and financial reporting. In addition to policy documents there are also delegation rules, process descriptions, checklists and job descriptions for each employee detailing their responsibilities and level of authority, as well as standardised reporting procedures.

Information and communication

The annual report, year-end report, interim reports and other regular information are produced according to Swedish law and practice. The disclosure of information is characterised by transparency and reliability. In order to ensure that external information for the equity market is issued correctly, the Company has an inside information policy that regulates how information is

to be disclosed. The aim is to create understanding and confidence in the business among shareholders, investors, analysts and other stakeholders. Quartiers Properties discloses information to shareholders and other stakeholders via public press releases, year-end and interim reports, annual reports and the Company's website.

In order to keep Quartiers Properties' shareholders and stakeholders updated about the business and its performance, current information is published regularly on the website. Events deemed to potentially affect the share price are disclosed by means of press releases. Quartiers Properties also uses other marketing channels such as Mynewsdesk for non price-sensitive information.



FINANCIAL STATEMENTS

Directors' Report

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated statement of financial position

Consolidated statement of changes in equity

Consolidated statement of cash flows

Group accounting policies and notes

Parent Company income statement

Parent Company balance sheet

Parent Company statement of changes in equity

Parent Company statement of cash flows

Parent Company accounting policies and notes

Auditor's Report

Shareholders

Annual General Meeting 2024



DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Quartiers Properties AB (publ), 556975-7684, hereby submit the annual accounts and consolidated accounts for the financial year 2023.

DIRECTORS' REPORT

THE COMPANY IN BRIEF

Quartiers Properties AB (publ) is a Swedish limited company that, via Spanish subsidiaries, owns, develops and manages properties on the Costa del Sol in southern Spain. Quartiers mainly invests in properties aimed at an affluent international target group. Operations began in July 2015. Over the past two years, the business has been streamlined by divesting apartments and property development projects and focusing on the development and operation of hotel properties.

BUSINESS CONCEPT

Quartiers' business concept is to create value in the property portfolio through value-enhancing business development in and around the properties.

STRATEGY

Through value-enhancing business development in and around the properties, values is created in the property portfolio.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In July, an extraordinary general meeting decided to resume payment of dividends on the Company's preference share, which had been cancelled since the second quarter of 2020 due to loan covenants. The first dividends were paid in September.

In August, the municipal council of Marbella Quartiers approved a proposal to modify the zoning plan for the Centro Forestal Sueco property. This will enable the development of a new and larger hotel on the property.

In October, the Company entered into a cooperation agreement with Nowonomics and its fund management company Nowo Fund Management for the development of property funds. As part of the collaboration, Quartiers invested SEK 12.6 million in Nowo through a directed share issue; SEK 6.3 million in 2023 and SEK 6.3 million in January 2024.

NET SALES

Quartiers' net sales amounted to SEK 329,789 (203,387) thousand. Revenue from operator activities was SEK 99,404 (89,116) thousand, corresponding to 12% growth. Revenue from the sale of properties totalled SEK 230,386 (114,271) thousand and related to the sale of 26 apartments in Hacienda Collection and the Altura 160 project.

COST OF PROPERTIES SOLD

The cost of properties sold totalled SEK 163,167 (111,958) thousand, comprising deferred costs of SEK 47,213 (54,509) thousand, sales costs of SEK 8,326 (6,684) thousand and the previously reported change in value of properties of SEK 49,994 (50,765) thousand.

OPERATING COSTS

Operating costs totalled SEK 103,374 (92,858) thousand. The biggest single costs comprised personnel and consulting expenses of SEK 43,650 (38,152) thousand, consumption of goods totalling SEK 25,218 (22,777) thousand, depreciation in the amount of SEK 10,501 (10,612) thousand, electricity, lighting and other operating costs of SEK 21,070 (6,666) thousand, repairs and maintenance amounting to SEK 1,514 (2,518) thousand, and association fees for the joint property association in the Company's apartment hotel of SEK 1,421 (2,513) thousand.

GROSS PROFIT

Gross profit improved by SEK 64,677 thousand and totalled SEK 63,248 (-1,429) thousand.

CENTRAL ADMINISTRATION

Costs of central administration totalled SEK 19,521 (16,448) thousand. Of the total cost, personnel costs totalled SEK 8,808 (7,921) thousand.

PROFIT/LOSS FROM FINANCIAL ITEMS

The Company's interest expenses totalled SEK 22,906 (23,551) thousand. Expensed financing costs totalled SEK 0 (6,707) thousand.

INCOME TAX

The difference between reversed deferred tax and tax paid on profit from the sale of properties is recognised as income tax. Recognised tax expenses totalled SEK -12,190 (+7,917) thousand.

PROFIT/LOSS AFTER TAX

Profit for the year totalled SEK 6,628 (-41,923) thousand.

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities amounted to SEK 7,788 (-41,505) thousand. Cash flow from the sale of operating properties totalled SEK 86,607 (73,513) thousand. Total cash flow for the year was SEK 18,367 (-31,926) thousand.

The Group's cash and cash equivalents totalled SEK 37,168 (18,905) thousand.

INVESTMENTS

Cash flow from investing activities totalled SEK 56,911 (-21,801) thousand.

DIRECTORS' REPORT

OPERATING PROPERTIES

The hotel property Boho Club is recognised as a property used in business operations. Investments in operating properties during the period amounted to SEK 22,037 (18,534) thousand. The investment mainly relates to the Boho Club project.

PROJECT PROPERTIES

Project properties include ongoing property development projects and apartments pending sale. Investments in project properties during the period amounted to SEK 4,716 (13,923) thousand.

FINANCING

Cash flow from financing activities was SEK -46,330 (-40,717) thousand. Cash flow includes cash flow from new share issue of SEK 0 (10,805) thousand, borrowing of SEK 0 (189,674) thousand, loan amortisation of SEK -44,705 (-230,668) thousand, financing costs of SEK 0 (10,528) thousand and dividends on preference shares of SEK 1,625 (0) thousand.

According to the terms and conditions of the preference shares, a dividend of SEK 0.96 will be paid per preference share per year. The unpaid dividends on the preference shares are accumulated and compounded at an annual interest rate of 12 percent until payment is made. The liability is not recognised and amounted to SEK 26,268 thousand at 31 December 2023, corresponding to SEK 3.88 per preference share.

ORGANISATION

The Company's staff are employed in the Spanish operating companies. The CEO and employees in administration and other Group-wide functions are employed by the Spanish holding company. Parts of the finance function have been outsourced.

At 31 December 2023, besides the CEO, the management team consisted of the CFO and three other employees. In total, the Group employed 132 people, most of whom worked in the Boho Club hotel and restaurant business.

RISK

Quartiers is continually exposed to various risks that may have a significant impact on the Company's earnings and financial position. The risk factors below have not been detailed in order of importance and are by no means comprehensive. See also the description of financial risk factors under Note 25.

Risk in operating activities

Revenues consist mainly of variable income from hotel and restaurant activities, while costs are largely fixed, in particular property costs. This implies a risk that declines in revenues cannot be offset by lower costs to the same extent.

Risk in property acquisitions

Acquiring properties is part of the Company's strategy. Property acquisitions are associated with a certain degree of inherent risk and uncertainty, including the risk that Company management's time and other resources will be used to attempt to bring about acquisitions that are not completed, the risk of paying too much for assets, the risk of erroneous measures with regard to future operating income for the acquired property, and the risk of taking over rental/cooperation agreements that are unfavourable for the Company, as well as the risk that Company management's focus is diverted from current operations.

In order to reduce the risk when making property acquisitions, the Company carries out individual analyses of each acquisition, examining legal, financial and commercial aspects.

Organisational risk

The Company is dependent on a limited number of employees who work with issues of management and development. Quartiers' ability to recruit and retain qualified and experienced management staff depends on a number of factors, some of which are, to some extent, beyond the Company's control, including competition on the labour market.

The loss of one senior or key individual due to that person resigning or retiring, for example, may mean the loss of a key area of expertise, that it is not possible to achieve established objectives or that the implementation of the Company's business strategy is negatively affected. If current key individuals leave, or if the Company is unable to recruit or retain qualified and experienced senior individuals, this may have a significant negative impact on the Company's operations, financial position and position in general.

Refinancing and interest expenses

Refinancing risk refers to the risk that it is not possible to obtain financing at all, or only at significantly increased cost. In 2023, the Company's operating expenses increased due to rising benchmark interest rates.

DIRECTORS' REPORT

To minimise the risk of it not being possible to refinance existing loans, Quartiers works proactively to maintain good relationships with banks and other capital providers.

The Company's operations are capital intensive, which means that issues relating to refinancing are given high priority and are continually followed up by the Company's management team. There is a risk that future refinancing on reasonable terms may not be possible at all, or may be only partly possible, which would have a significant negative impact on the Company's operations, financial position and earnings.

Legal risk

Property operations are highly dependent on laws and other regulations, as well as decisions by authorities with regard to the environment, safety and renting. New laws or regulations, or changes to the application of existing laws or regulations that are relevant to the Company's operations or customers' operations may have an adverse effect on the Company's operations, financial position and earnings.

Exchange rate fluctuations

The Company conducts operations in Spain and is therefore exposed to the risk of exchange rate fluctuations having a negative impact on Quartiers' income statement, balance sheet and/or cash flow. The Company's reporting currency is SEK and its most important operating currency is EUR. Foreign currency exposure arises every time the Company's operating subsidiary participates in a transaction in which it uses a currency other than the one the Company normally uses in its operations. At present, the single largest exposure is EUR/SEK. In addition, exchange rate fluctuations occur when the earnings and financial position of the foreign subsidiary are translated from EUR to SEK. See also Note 25.

Price risk

There is a risk that in the event of a sale of properties the fair value may fall short of the carrying amount.

The carrying amount comprises the purchase cost. However, the carrying amount includes value adjustments from previous periods when part of the real estate portfolio was recognised at fair value. In 2023, 26 (29) sales were completed with sales prices net of sales costs at or above the carrying amount.

PARENT COMPANY

The Parent Company's operations mainly consist of financing and managing the Company's investments in subsidiaries. The Parent Company's earnings for the financial year amounted to SEK 73,646 (-10,427) thousand. At the balance sheet date, equity totalled SEK 346,317 (277,545) thousand. The Company's equity/assets ratio was 94% (94).

EVENTS AFTER THE END OF THE FINANCIAL YEAR

In January, the second part of the investment in Nowo-nomics, SEK 6.3 million, was completed.

On 1 April 2024, Andreas Bonnier took over as CEO of the Company.

PROPOSED DISTRIBUTION OF PROFITS

The following funds are at the disposal of the AGM:

Share premium reserve	338,423,619
Retained earnings	-67,363,160
Profit/loss for the year 2023	73,646,213
Total available funds	344,705,672

The Board of Directors proposes that a dividend be paid on the Company's existing preference shares with a total amount of SEK 6,499,073. The remaining amount, i.e. SEK 338,206,599, will be carried forward.

Dividends of SEK 0.24 per preference share per quarter will be paid.

CONSOLIDATED INCOME STATEMENT

Amounts are stated in SEK thousand	Note	2023	2022
Divestment of properties	3	230,386	114,271
Revenue, operator activities	4	99,404	89,116
Total net sales		329,789	203,387
Cost of properties sold	5	-163,167	-111,958
Operating costs	6.7	-103,374	-92,858
Total operating expenses		-266,541	-204,816
Gross profit		63,248	-1,429
Central administration	6.7	-19,521	-16,448
Other operating income and expenses	8	113	57
Operating profit/loss		43,840	-17,820
- of which EBITDA		54,783	-7,208
Income from other securities and receivables held as fixed assets	14	442	0
Financial income	9	15	35
Financial expenses	9	-25,478	-32,055
Profit/loss from financial items		-25,022	-32,020
Profit/loss before tax		18,818	-49,840
Income tax	10	-12,190	7,917
PROFIT/LOSS FOR THE YEAR		6,628	-41,923

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts are stated in SEK thousand	2023	2022
Profit/loss for the year	6,628	-41,923
Other comprehensive income		
Translation differences from foreign operations	-3,667	24,716
Comprehensive income for the year	2,961	-17,208

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts are stated in SEK thousand	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating properties	11	242,751	328,782
Assets held for use	12	2,358	3,195
Equipment, tools and fixtures and fittings	13	16,073	17,120
Non-current financial assets			
Other securities held as non-current assets	14	6,893	2
Other non-current receivables		1,688	0
Total non-current assets		269,763	349,098
Current assets			
Project properties	15	110,225	156,863
Inventories	16	2,870	2,100
Trade receivables	17	83,903	2,136
Other receivables	18	8,158	15,030
Prepaid expenses and accrued income	19	4,010	3,770
Total current receivables		209,165	179,899
Cash and cash equivalents	20	37,168	18,905
Total current assets		246,333	198,804
TOTAL ASSETS		516,096	547,902

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts are stated in SEK thousand	Note	31/12/2023	31/12/2022
SHAREHOLDERS' EQUITY			
	21		
Share capital		1,612	1,612
Other contributed capital		338,423	338,423
Reserves, translation differences		41,690	45,356
Retained earnings incl. profit/loss for the year		-143,257	-145,011
Total shareholders' equity		238,468	240,380
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	10	9,026	21,343
Interest-bearing liabilities	22.25	215,210	259,297
Total non-current liabilities		224,236	280,640
Current liabilities			
Interest-bearing liabilities	22.25	8,369	12,599
Trade payables		4,878	6,161
Other current liabilities	23	39,458	6,971
Accrued expenses and deferred income	24	689	1,151
Total current liabilities		53,394	26,882
TOTAL EQUITY AND LIABILITIES		516,096	547,902

CONSOLIDATED CHANGES IN EQUITY

Amounts are stated in SEK thousand	Share capital	Other contri- buted capital	Reserves, translation differences	Retained earnings incl. profit/ loss for the year	Total equity
Opening balance at 01/01/2022	1,538	327,692	20,711	-103,158	246,783
Comprehensive income					
Profit/loss for the year	0	0	0	-41,924	-41,924
Translation differences	0	0	24,645	71	24,716
Total comprehensive income	0	0	24,645	-41,853	-17,208
Transactions with shareholders					
New share issue	74	10,731	0	0	10,805
Total transactions with shareholders	74	10,731	0	0	10,805
Closing balance at 31/12/2022	1,612	338,423	45,356	-145,011	240,380
Opening balance at 01/01/2023	1,612	338,423	45,356	-145,011	240,380
Comprehensive income					
Profit/loss for the year				6,628	6,628
Translation differences			-3,667		-3,667
Total comprehensive income			-3,667	6,628	2,961
Transactions with shareholders					
Dividend, preference shares				-4,874	-4,874
Total transactions with sharehol- ders				-4,874	-4,874
Closing balance at 31/12/2023	1,612	338,423	41,690	-143,257	238,467

CONSOLIDATED CASH FLOW STATEMENT

Amounts are stated in SEK thousand	Note	2023	2022
Cash flow from operating activities			
Operating profit/loss		43,727	-17,820
Of which profit/loss from divestment of properties		-67,218	-2,313
Depreciation, amortisation and impairment	28	10,943	10,612
Other value adjustments	28	-442	0
Interest income and similar profit/loss items		15	-35
Interest paid (attributable to financing activities)		-24,950	-23,551
Tax paid		-24,662	-3,669
Cash flow from operating activities before changes in working capital		-62,587	-36,720
Changes in working capital			
Investments in project properties		-4,716	-13,923
Sale of project properties		27,724	35,947
Change in other inventories		-770	-1,011
Change in operating receivables and liabilities		48,137	-25,798
Total change in working capital		70,375	-4,785
Cash flow from operating activities		7,788	-41,505
Cash flow from other investing activities			
Divestment of operating properties		86,607	73,513
Acquisitions and investments in operating properties		-22,037	-18,534
Investments in non-current financial assets		-6,449	0
Investments in machines and equipment		-1,210	-3,267
Cash flow from investing activities		56,911	-21,801
Cash flow from financing activities			
New share issue		0	10,805
Loans raised		0	189,674
Loan repayments		-44,705	-230,668
Other capitalised financing costs		0	-10,528
Dividend to preference shareholders		-1,625	0
Cash flow from financing activities		-46,330	-40,717
Cash flow for the year		18,369	-31,926
Cash and cash equivalents at start of period		18,905	48,736
Exchange rate differences in cash and cash equivalents		-105	2,095
Cash and cash equivalents at end of period		37,168	18,905

GROUP ACCOUNTING POLICIES AND NOTES

NOTE 1. GROUP ACCOUNTING POLICIES

1. GENERAL INFORMATION

Quartiers Properties AB (publ) (Parent Company) and its subsidiaries, referred to below as “Quartiers Properties” or “the Group”, acquire and carry out property projects in southern Spain. The Parent Company is a public limited company registered in Sweden, with registered offices in Stockholm. The head office address is Strandvägen 7A, 114 56 Stockholm, Sweden.

The annual accounts and consolidated financial statements were approved by the Board of Directors on 15 May 2024 and submitted for adoption at the Annual General Meeting on 11 June 2024. All amounts are recognised in SEK thousand, unless stated otherwise.

2. BASIS FOR PREPARATION OF THE COMPANY'S ACCOUNTS

The consolidated accounts for Quartiers Properties AB (publ) have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) approved by the EU at 31 December 2023.

The consolidated accounts have been prepared according to the cost method, with the exception of other securities held as non-current assets, which are recognised at fair value. The most important accounting policies applied in the preparation of these consolidated accounts are detailed below. These policies have been applied consistently for all the periods presented, unless otherwise stated.

The Parent Company accounts have been prepared according to RFR 2 Accounting for Legal Entities, and the Swedish Annual Accounts Act. See differing accounting policies for the Parent Company.

3. CONSOLIDATED ACCOUNTS AND CONSOLIDATION PRINCIPLES

The consolidated accounts cover the Parent Company and all companies in which the Parent Company, either directly or indirectly, controls more than 50% of the votes or in some other way has a controlling influence.

The Group controls a company when it is exposed to, or is entitled to a variable return from its holding in the company, and has the opportunity to affect such return via its influence in the company. Subsidiaries are included in the consolidated accounts as of the date that the controlling influence is transferred to the Group. They are excluded from the consolidated accounts from and including the date that the controlling influence ceases.

The Group's acquisitions are recognised in accordance with the purchase method. The purchase consideration for the acquisition of a subsidiary consists of the fair value of transferred assets, liabilities and the shares issued by the Group.

The purchase consideration also includes the fair value of all assets or liabilities resulting from a contingent consideration arrangement and supplementary payments. Acquisition-related costs are expensed as they arise. Any changes to contingent consideration and supplementary payments are recognised in subsequent periods in the consolidated income statement.

Intra-Group transactions and balance sheet items, as well as unrealised gains and losses on transactions between Group companies, are eliminated on consolidation. The accounting policies for subsidiaries have been amended, where appropriate, to ensure consistent application of the Group's policies.

At the balance sheet date, Quartiers owned no shares in companies classified as jointly owned companies.

4. FOREIGN CURRENCY TRANSLATION

The various divisions in the Group use the local currency as their functional currency, as the local currency has been defined as the currency that is used in the primary financial environment in which the respective division chiefly operates. The Swedish krona (SEK), which is the Parent Company's functional currency and the Group's reporting currency, is the currency used in the consolidated accounts.

The Group's foreign operations are converted to the Group's functional currency, SEK, by converting the balance sheets at the exchange rate on the balance sheet date, with the exception of equity, which is converted at the historical rate. The income statement is recalculated monthly at the average exchange rate for the month. Any translation differences that arise are recognised in other comprehensive income. Accumulated translation differences are included in consolidated equity under 'Reserves, translation differences'. Transactions in foreign currency are translated using the exchange rate at the point of transaction.

5. CHANGES TO REGULATIONS

New and amended standards that came into force in 2023 have not had a material effect on Quartiers' results or financial position. No forthcoming amendments published by the IASB have been early adopted or are expected to have a material impact on the Group.

6. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The Group makes estimates and assumptions about the future. By definition, the resulting accounting estimates will rarely correspond to the actual outcome. The estimates and assumptions that represent a significant risk of material adjustments to the carrying amounts of assets and liabilities during the coming financial period are presented below.

Classification of properties

When a property is acquired, an assessment is made of whether the property will be retained, sold or developed for the Company's own operations. The analysis considers such issues as market development, the Company's organisational resources and consolidated cash flow. The assessment has an impact on the Group's earnings and financial position, as the various types of property are treated differently in accounting terms.

Investment properties are properties that are held for the purposes of generating rental income and an appreciation in value. Investment properties are recognised at fair value. At the balance sheet date, no properties met the criteria to be classified as investment properties.

Properties acquired for the purposes of running a business, primarily hotel operations, are classified as operating properties and recognised at cost.

Properties acquired for the purposes of selling once they have been developed (project properties) are recognised as inventory at cost, or net realisable value, if the latter is lower.

Gains or losses from property sales

Revenue from property sales is usually recognised at the handover date, unless the buyer took possession at an earlier date. The assessment of the point of revenue recognition takes account of what is agreed between the parties regarding risks and benefits and involvement in ongoing management.

Property valuations

The Company continually assesses the carrying amount of its properties. The most recent external valuation was conducted on 31/10/2023 by Savills Aguirre Newman in accordance with RICS (Royal Institution of Chartered Surveyors). No external valuation has been made of the Company's holdings of apartments, as these are sold off on an ongoing basis.

The total value of the property portfolio as of 31/12/2023 was SEK 552,836 thousand, compared to a book value of SEK 352,975 thousand. A smaller part of the property portfolio is carried at market value as at 31 December 2018, when the reclassification of the properties from investment properties to operating properties took place.

Credit risk in receivables

The Group has limited receivables from tenants. In addition, receivables from buyers may arise from the sale of property. As at 31 December 2023, there was a receivable from a buyer in connection with the sale of Altura 160, which is secured by a bank guarantee.

Claims arising via invoicing after property sale contracts have been entered into are recognised in the balance sheet at nominal value and as prepaid income (contract debt) until such time as control passes to the buyer. There was no contract liability at 31/12/2023.

NOTE 2. SEGMENT REPORTING

ACCOUNTING POLICY

The performance of the business is measured and reported by operator activities, which since autumn 2023 have consisted entirely of the Boho Club hotel and restaurant business, and property development. Both segments and all properties are located in Spain. Central administration and business development costs related to new projects are reported together under 'other'.

	Operator activities	Property Development	Other	Total	Operator activities	Property Development	Other	Total
	01/01/2023 to 31/12/2023				01/01/2022 to 31/12/2022			
Revenue	99,404	230,386		329,789	89,116	114,271		203,387
Operating expenses	-92,430	-163,167	-19,408	-275,006	-82,246	-111,958	-16,391	-210,595
EBITDA	6,973	67,218	-19,408	54,783	6,870	2,313	-16,391	-7,208
Depreciation, amortisation and impairment	-10,943			-10,943	-10,611			-10,611
Operating profit/loss	-3,970	67,218	-19,408	43,840	-3,741	2,313	-16,391	-18,820
Operating properties								
Investments	22,037			22,037	38,427			38,427
Reclassifications	-11,481			-11,481				
Divestments		87,855		87,855		106,938		106,938
Project properties								
Investments		4,716		4,716		4,586		4,586
Reclassifications		11,481		11,481				
Divestments		62,472		62,472		1,134		1,134

NOTE 3. DIVESTMENT OF PROPERTIES

ACCOUNTING POLICY

Revenue from the divestment of properties is recognised in accordance with IFRS 15. Revenue is usually recognised at the handover date, unless the buyer took possession at an earlier date. The assessment of the point of revenue recognition takes account of what is agreed between the parties regarding risks and benefits and involvement in ongoing management.

With regard to sales made in 2023, the transfer of control to the buyer occurs when final inspection is complete and the buyer has taken possession of the property. Claims arising via invoicing after property acquisition contracts have been entered into are recognised in the balance sheet at nominal value and as prepaid income until such time as control passes to the buyer.

Apartments are sold on an ongoing basis, and as of 31 December 2023, 20 of the original 101 apartments remained and are reported as project properties.

CREDIT RISK

The income is only recognised when the property has been taken over, so there is little credit risk in the income. As of 31 December 2023, there was a receivable related to the sale of Altura 160 of SEK 80,996 thousand, which was secured by a bank guarantee, so there was no credit risk.

	2023	2022
Sale of Los Flamingos plots	11,002	0
Sale of Altura 160	107,292	0
Sale of apartments in the Benahavis apartment hotel	112,092	114,271
Total	230,386	114,271

In total, the Company sold 26 (29) apartments in 2023

NOTE 4. REVENUE, OPERATOR ACTIVITIES

ACCOUNTING POLICY

Revenues from the operator business relate to the management of a hotel, restaurant and a concierge service. The revenues mainly come from accommodation, food and drink, and a conference business. Revenues from the operator business are recognised in the period when the services were provided. Advances received are recognised as accrued income. Income is recognised exclusive of VAT and discounts, and after elimination of intra-Group sales. Rental income and significant rental discounts are recognised on an accrual basis during the year.

CREDIT RISK

Almost 99% of revenues are paid in advance to a booking agency or at the point that the service is used. The remaining one percent relates to receivables from long-stay guests who are invoiced monthly.

LEASE INCOME

As at 31 December 2023, the Company had terminated its long-term lease. All other rental income relates to rental as part of the hotel business.

	2023	2022
Hacienda Apartment Hotel		
Long-term rental income	292	810
Short-term rental income	7,866	14,053
Other income	342	632
Total Hacienda Apartment Hotel income	8,500	15,495
Boho Club		
Restaurant	30,210	25,844
Hotel	44,989	38,198
Other income	15,705	9,580
Total income Boho Club	90,903	73,621
Total	99,404	89,116

NOTE 5. COST OF PROPERTIES SOLD

ACCOUNTING POLICY

Quartiers' cost of sold properties comprises costs arising in connection with the sale of a property, and includes production and selling expenses. The costs are recognised in the same period that revenue from the sold properties is recognised. The cost of properties sold also includes previously recognised unrealised appreciation in accordance with IAS 40 Investment Properties.

	2023	2022
Hacienda		
Acquisition cost	47,213	54,328
Increase in value previously recognised but unrealised	49,994	50,765
Selling cost	8,326	6,865
Recognised production expense	105,533	111,958
Altura 160		
Acquisition cost	42,997	0
Selling cost	0	0
Recognised production expense	42,997	0
Los Flamingos		
Acquisition cost	14,637	0
Selling cost	0	0
Recognised production expense	14,637	0
Total		
Acquisition cost	104,847	54,328
Increase in value previously recognised but unrealised	49,994	50,765
Selling cost	8,326	6,865
Recognised production expense	163,167	111,958

NOTE 6. OPERATING COSTS AND CENTRAL ADMINISTRATION

ACCOUNTING POLICY

Operating costs

Quartiers' operating costs comprise costs arising in connection with the operation and leasing of property. Significant recurring cost items are made up of fees to Spanish owner associations (the equivalent of cooperative associations), repair and maintenance costs, electricity and lighting and consultancy and employee expenses. See Note 11 regarding accounting policies for depreciation/amortisation.

Central administration

Quartiers' central administration costs include the Group's administrative expenses, such as personnel costs, travel expenses, consultancy fees, marketing costs and costs relating to financial and other administration. These costs are recognised in the period to which they relate.

OPERATING COSTS	2023	2022
Consultancy and personnel costs	43,650	38,152
Consumption of goods	25,218	22,777
Depreciation, amortisation and impairment	10,501	10,612
Repairs and maintenance	1,514	2,518
Association fees (Apartment complex in Benahavís)	1,421	2,513
Electricity and lighting	5,184	6,666
Other operating costs	15,885	9,620
Total	103,374	92,858

CENTRAL ADMINISTRATION	2023	2022
Wages and salaries	8,808	7,921
Consultancy fees	2,755	436
Bank and financing costs	34	108
Advertising & PR	891	387
Other	7,033	7,157
Total	19,521	16,009

AUDIT COSTS

Audit assignment relates to the review of the annual accounts and accounting records, and the Board of Directors and CEO's management, and other tasks that the Company's auditor is obliged to perform. The cost is recognised under central administration on the line Other.

	2023	2022
PwC		
Audit assignment	1,301	928
Audit activities other than audit assignment	0	0
Total	1,301	928

NOTE 7. EMPLOYEE BENEFITS

ACCOUNTING POLICY

Employee benefits

Employee benefits are recognised at the rate at which employees have performed services in exchange for remuneration. Benefits include a fixed salary, holiday pay, variable salary and, where applicable, other benefits.

Pension obligations

In 2023, no contributions were paid for defined contribution pension plans. The Group has no other payment obligations.

Termination benefits

Termination benefits are paid when an employee's contract is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for such benefits.

Average no. of employees	2023	Share, %	2022	Share, %
Men	54	56	57	57
Women	47	44	44	43
Total	101	100	101	100

All employees have been based in Spain.

Gender balance in the company management	2023	2022
Percentage who are women		
Board of Directors	25%	0%
Other senior executives	0%	20%
Salaries, other remuneration and social security contributions	2023	2022
Chairman of the Board	290	290
Board members	450	450
Total Board fees	740	740
Chief Executive Officer	2,804	2,473
Other senior executives	1,434	1,372
Other employees	34,805	29,581
Total salaries and other remuneration	39,044	33,426
Social security contributions		
Pension costs	0	0
Other social security charges according to law and agreements	9,924	9,291
Total social security contributions	9,924	9,291
Total salaries, remuneration, social security contributions and pension costs	48,968	42,717

REMUNERATION OF THE CEO AND THE BOARD OF DIRECTORS

The CEO of the Company has received remuneration totalling the equivalent of SEK 2,804 (2,473) thousand, consisting of a fixed salary of EUR 13,000 (13,000) per month including compensation instead of pension insurance.

In addition to his fixed salary, the CEO is contractually entitled to remuneration of EUR 3,000 per month that is paid 18 months in arrears after the end of the calendar year and is conditional upon his continued employment. In addition, bonuses may be paid. In 2023, payment of variable remuneration and bonuses was made in the amount of EUR 94 (63) thousand.

In accordance with the AGM's decision, the Board of Directors receives fees of SEK 740 (740) thousand, of which SEK 290 (290) thousand to the Chairman of the Board and SEK 150 (150) thousand to the other members. In addition, consultancy fees and salary for work other than Board work have been paid in the amount of SEK 1,068 (1,158) thousand.

PENSIONS AND SEVERANCE PAY

The Company has no contractual pension schemes. There is a mutual notice period of six months on termination of the employment contract.

SHARE-BASED PAYMENTS

There are no outstanding option programmes or other share-based payments.

REMUNERATION AND OTHER BENEFITS IN 2023

	Basic salary/board fees	Variable remuneration	Total
Chairman of the Board	290	622	912
Other Board members	896	0	896
Chief Executive Officer	2,224	580	2,804
Other senior executives (3)	1,434	0	1,434
Total	4,844	1,202	6,046

BOARD OF DIRECTORS FEES

		2023	2022
Jörgen Cederholm	Chairman of the Board	290	290
Andreas Bonnier	Member of the Board of Directors	150	150
Jimmie Hall	Member of the Board of Directors	0	150
Sten Andersen	Member of the Board of Directors	0	150
Merja Rahkola	Member of the Board of Directors	150	0
Raouf Lotfi	Member of the Board of Directors	150	0
Total		740	740

NOTE 8. OTHER OPERATING INCOME AND EXPENSES

ACCOUNTING POLICY

Other income and expenses include income and expenses that are not part of the Company's normal operations.

NOTE 9. FINANCE INCOME AND COSTS

ACCOUNTING POLICY

Finance income and costs refer to interest income from bank deposits, receivables, financial investments, positive exchange rate differences on financial items and gains from the divestment of financial investments. Such income is recognised in the period to which it relates.

FINANCIAL INCOME	2023	2022
Interest income	15	35
Total	15	35

FINANCIAL COSTS	2023	2022
Interest expenses	22,944	23,551
Other financing costs	2,007	6,707
Exchange rate differences	528	1,797
Total	25,478	32,055

NOTE 10 INCOME TAX/TAX ON EARNINGS FOR THE PERIOD

ACCOUNTING POLICY

The tax expense for the period includes current and deferred tax. Current tax is calculated on the basis of the tax rules enacted or substantively enacted at the balance sheet date in those countries in which the Parent Company and its subsidiaries operate and generate taxable revenue.

Deferred tax is recognised according to the balance sheet method on all temporary differences arising between the taxable value of the assets and liabilities and their carrying amounts in the consolidated accounts. If the temporary difference arises on initial recognition of an asset acquisition, however, deferred tax is not recognised.

Deferred income tax is calculated using the tax rates enacted or substantively enacted at the balance sheet date and that are expected to apply when the deferred tax claim in question is realised, or the deferred tax liability is settled.

Deferred tax claims relating to loss carry-forwards or other tax deductions are recognised to the extent it is likely that future profits will be available, against which the loss carry-forwards can be offset.

INCOME TAX	2023	2022
Tax on earnings for the period	-24,816	-4,771
Deferred income tax relating to temporary differences	12,626	12,688
Total recognised tax	-12,190	7,917
Reconciliation of effective tax		
Recognised profit/loss before tax	18,818	-49,841
Tax according to current tax rate of 20.6%	-3,877	10,267
Non-deductible costs	-71	-68
Tax-related losses for which no deferred tax asset is recognised	-8,778	-1,724
Effect of foreign tax rate, 25% (25)	536	-558
Recognised effective tax of 43.8% (4.5)	-12,190	7,917

Deferred tax on temporary differences

Temporary differences	Deferred tax assets		Deferred tax liabilities		Net	
	2023	2022	2023	2022	2023	2022
Surplus values, properties	0	0	-9,026	-21,343	-9,026	-21,343
	0	0	-9,026	-21,343	-9,026	-21,343

Change in deferred tax	Recognised in income statement	Amount at end of period
Deductible temporary differences	-11,753	9,026

Excess value in real estate relates to properties in Spain which until 2018 were accounted for as investment properties in accordance with IAS 40, but are now included in Operating and Project Properties. The prevailing tax rate is 25% (25). An income tax rate of 25% has therefore been used in the Group.

The Group has loss carry-forwards of SEK 226,528 (198,176) thousand, of which SEK 43,205 (41,218) thousand is attributable to the Parent Company. Losses can be offset against future revenues with no time limit. No deferred tax asset for loss carry-forwards is recognised as it is uncertain when taxable surpluses will be available against which a tax asset can be used.

NOTE 11. OPERATING PROPERTIES

ACCOUNTING POLICY

The Group's property holdings that are classed as operating properties are properties for which Quartiers is also an operator. Operating properties are recognised at cost less any depreciation and potential impairment losses. Impairment requirements are tested by comparing the carrying amount with a third-party market valuation at the balance sheet date. The market valuation is made using the comparable sales method.

The operating properties consist of several components with varying useful lives. The primary classification is buildings and land. There is no depreciation on land components that are deemed to have an unlimited useful life. The buildings comprise several components with varying useful lives. Additional expenses are added to the cost only if it is likely that the future economic benefits associated with the asset will be received by the Company, and the cost can be reliably determined. All other additional expenses are recognised as a cost in the period in which they arise.

DEPRECIATION

The purchase cost of operating properties is divided across components and depreciated over between 20 and 100 years. Depreciation is recognised as property expenses.

Component	Number of years	Component	Number of years
Interior surfaces	20	Structure	100
Fixtures and fittings	25	Roof	50
Land improvements	33	Façade	50

	2023	2022
Opening carrying amount	328,782	373,178
Divestments	-87,855	-106,938
Investments	22,037	38,427
Depreciation/amortisation	-7,968	-8,773
Exchange rate differences	-763	32,888
Reclassification	-11,481	0
Closing carrying amount	242,751	328,782
Details about operating properties		
Cost	258,672	254,947
Accumulated depreciation	-15,920	-35,759
Unrealised adjustments in value	0	109,594
Carrying amount	242,751	328,782

Cost refers to initial acquisition and investments. Unrealised value adjustments relate to properties in Spain which until 2018 were reported as investment properties in accordance with IAS 40, but are now included in Operating Properties and Project Properties.

NOTE 12. LEASEHOLD ASSETS

ACCOUNTING POLICY

Assets related to leases are recognised as right-of-use assets. Apart from leases of machinery and equipment, the Company has no rights of use for rented premises or other rights of use. The Company has no lease contracts shorter than one year or less than USD 5 thousand. The right-of-use asset is initially recognised at the present value of future payments discounted at the marginal lending rate. The asset is then depreciated on a straight-line basis over the expected economic life of the asset. The Company does not have any warrants as at 31 December 2023.

The carrying amount at the balance sheet date was SEK 2,358 (3,195) thousand. The reported value breaks down into cars amounting to SEK 309 (425) thousand, and furniture and fittings amounting to SEK 2,049 (2,769) thousand.

Items affecting profit or loss relating to leasing

	2023	2022
Depreciation/amortisation of right-of-use assets	759	144
Interest on lease liabilities	38	41
Lease expenses	797	185

In 2023, cash flow was affected by SEK 650 (1,192) thousand related to leasing. Future cash flows and ageing analysis related to leases are disclosed in Note 25, Lease liabilities.

NOTE 13. EQUIPMENT, TOOLS AND FIXTURES AND FITTINGS

ACCOUNTING POLICY

All property, plant and equipment is recognised at cost less depreciation, amortisation and impairment. Cost includes expenditure that can be directly attributed to the acquisition of the asset. Depreciation to reduce the asset's cost down to its estimated residual value over its useful life is carried out on a straight-line basis over 5 years.

The recoverable amount and useful life of an asset is reviewed on each balance sheet date and adjusted as required. The carrying amount of an asset is immediately written down to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less selling costs and its value in use.

Gains and losses on divestment are established via a comparison between the sales revenue and the carrying amount, less selling costs, and recognised in 'Other operating income and expenses' in the income statement.

	31/12/2023	31/12/2022
Accumulated purchase costs		
Start of year	26,417	17,794
New acquisitions	1,210	7,057
Exchange rate differences	-54	1,566
Total	27,573	26,417
Accumulated scheduled depreciation		
Start of year	-9,298	-6,989
Depreciation for the year	-2,216	-1,997
Exchange rate differences	14	-312
Total	-11,500	-9,298
Carrying amount at end of period	16,073	10,805

NOTE 14. OTHER SECURITIES HELD AS NON-CURRENT ASSETS

ACCOUNTING POLICY

Other securities held as non-current assets relate to publicly listed shares and are recognised at fair value.

The item other securities held as non-current assets consists entirely of publicly listed shares.

	31/12/2023	31/12/2022
Accumulated purchase costs		
Start of year	2	37
Acquisitions	6,448	0
Divestments	0	-35
Total	6,450	2
Accumulated revaluations		
Start of year	0	0
Revaluation for the year	443	0
Total	443	0
Carrying amount at end of period	6,893	2

NOTE 15. PROJECT PROPERTIES

ACCOUNTING POLICY

The portion of the Group's property holdings that relates to project properties is recognised as inventories, as the intention is to sell the properties on completion. Project properties are continually valued at cost or at net realisable value if the latter is lower.

The cost of project properties includes expenses relating to the acquisition of land and project planning/property development and expenses pertaining to new construction, extensions and/or refurbishment. The net realisable value is the estimated sales value in operating activities less estimated completion and selling costs.

	2023	2022
Opening carrying amount	156,863	141,390
Investments in properties	4,716	4,586
Divestments	-62,472	-1,134
Exchange rate differences	-364	12,021
Reclassifications	11,481	0
Closing carrying amount	110,225	156,863

NOTE 16. INVENTORIES

The item inventories consists entirely of raw materials, mainly for the restaurant business.

ACCOUNTING POLICY

Inventories are recognised at the lower of cost and net realisable value. Cost is established using the first in first out method (FIFO). Recognised at cost less deductions for obsolescence.

NOTE 17. TRADE RECEIVABLES

ACCOUNTING POLICY

Trade receivables are recognised according to the principles described in Note 25 concerning financial assets measured at amortised cost.

TRADE RECEIVABLES	31/12/2023	31/12/2022
Receivables from sold properties	80,996	141
Hacienda	694	362
Boho Club	2,214	1,633
Total	83,903	2,136

AGE ANALYSIS	31/12/2023	31/12/2022
Not overdue	83,903	2,136
Total	83,903	2,136

Receivables from sold properties refers to secured receivables on the sale of Altura 160.

NOTE 18. OTHER RECEIVABLES

ACCOUNTING POLICY

Other receivables classified as financial instruments are recognised according to the principles described in Note 25 concerning financial assets measured at amortised cost.

	31/12/2023	31/12/2022
VAT-related receivables	117	1,057
Other items	8,041	13,974
Total	8,158	15,030

NOTE 19. PREPAID EXPENSES AND ACCRUED INCOME

ACCOUNTING POLICY

Prepaid expenses and accrued income are recognised according to the principles described in Note 25 concerning financial assets measured at amortised cost.

	31/12/2023	31/12/2022
Prepaid expenses	3,782	3,565
Accrued income	227	205
Total	4,010	3,770

NOTE 20. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents are financial instruments and include, in both the balance sheet and the statement of cash flows, bank deposits with maturities falling due within three months of the date of acquisition.

The Company's cash and cash equivalents consist primarily of bank balances in euros.

NOTE 21. SHAREHOLDERS' EQUITY

ACCOUNTING POLICY

Ordinary shares and preference shares are classified as equity. Share capital corresponds to the Parent Company's share capital and comprises issued ordinary and preference shares. Other contributed capital consists of capital contributed by the shareholders in addition to share capital. Reserves for translation differences comprise such translation differences as are recognised in other comprehensive income. Retained earnings including earnings for the period comprise accumulated earnings from the Group's activities, less dividends to shareholders.

Dividends on preference shares are recognised as a liability in the consolidated financial statements in the period in which the dividend was adopted by the AGM.

A specification of changes in equity can be found in the statement of changes in equity, which follows immediately after the balance sheet.

NUMBER OF SHARES AND WARRANTS

Share capital in the Parent Company, Quartiers Properties AB (publ), amounts to SEK 1,612 (1,612) thousand and is allocated among 64,466,873 shares. Of these shares, 57,697,005 are ordinary shares and 6,769,868 are preference shares. The Company's ordinary and preference shares are subject to trading on Nasdaq First North. The shares have a quota value of SEK 0.025 per share. Ordinary shares carry ten votes and preference shares carry one vote each. All shares registered at the balance sheet date are fully paid.

Preference shares take precedence over ordinary shares for an annual dividend corresponding to SEK 0.96, with payment made quarterly. Following the resolution by the meeting of the shareholders, the Company is entitled to redeem the preference shares for a redemption amount of SEK 12 per share. All shares carry the same right to the Company's remaining net assets, in addition to which preference shares entitle holders to receive SEK 12 per share from the Company's remaining assets and any remaining amount before distribution is made to owners of ordinary shares. The Company is prevented from paying dividends as part of the loan terms of the Company's investment loans. For the preference shares, this means that the dividend is accumulated and accrues interest at a rate of 12%. At the balance sheet date, the outstanding amount including interest amounted to SEK 26,268 (12,480) thousand.

EARNINGS PER SHARE

The calculation of earnings per ordinary share has been based on earnings for the year attributable to the Parent Company's ordinary shareholders amounting to SEK 6,628 (-41,924) thousand, having taken account of the preference shares' portion of earnings for the year of SEK 4,874 (0) thousand. Earnings less the preference shares' portion, SEK 1,754 (-41,924) thousand, have been divided by a weighted average number of ordinary shares during the year, amounting to 57,697,005 (56,726,238). The number of shares before dilution equals the number of shares after dilution.

Weighted average number of outstanding ordinary shares	31/12/2023	31/12/2022
Opening total number of shares	57,697,005	54,784,703
Effect of newly issued shares	0	1,941,535
Average number of ordinary shares	57,697,005	56,726,238
Average number of ordinary shares before and after dilution	57,697,005	56,726,238

NOTE 22. INTEREST-BEARING LIABILITIES

This note contains information about the Company's contractual terms and conditions for interest-bearing liabilities. For further information about the relevant accounting policy and the Company's exposure to interest rate risk and risk of exchange rate fluctuations, please refer to Note 25.

Quartiers' interest-bearing liabilities consist mainly of investment loans and, to a lesser extent, property loans with Spanish banks. The lender in the investment loan is Spanish Alteralia Real Estate Debt SL, and the loan originally totalled EUR 18,500 thousand and was secured against the Boho Club and CFS Residential properties, as well as pledges on a number of the Company's subsidiaries.

In 2023, amortisation of EUR 500 thousand took place. The interest rate is linked to Euribor 3 months plus a margin of 5.70%, which includes a variable component linked to the loan ratio on the Company's pledged assets. The total interest rate at 31/12/2023 was 9.625%. The loan has a maturity date of June 2027.

	31/12/2023	31/12/2022
Long-term		
Property loans	19,523	56,882
Lease liabilities	0	192
Investment loans	199,728	207,756
Capitalised borrowing costs	-4,041	-5,533
Total	215,210	259,297
Short-term		
Property loans	3,963	7,539
Lease liabilities	407	865
Investment loans	8,211	8,407
Capitalised borrowing costs	-4,212	-4,212
Total	8,369	12,599
Total interest-bearing liabilities	223,579	271,896

	2023	2022
Liabilities at start of year	271,896	288,444
Loans raised	0	189,674
Capitalised interest	0	0
Capitalised borrowing costs	1,492	-4,338
Repayments	-44,705	-230,668
Currency adjustment	5,104	0
Liabilities at year-end	223,579	271,896

NOTE 23. OTHER CURRENT LIABILITIES

	31/12/2023	31/12/2022
VAT liability	21,033	800
Tax debt	10,278	0
Advances received	1,029	2,807
Other	7,118	3,365
Total	39,458	6,971

NOTE 24. ACCRUED EXPENSES AND DEFERRED INCOME

	31/12/2023	31/12/2022
Other accrued expenses	689	1,151
Total	689	1,151

NOTE 25. FINANCIAL INSTRUMENTS AND FINANCING

ACCOUNTING POLICY

Financial instruments recognised in the balance sheet are classified in accordance with IFRS 9 in three different categories: financial assets and financial liabilities measured at fair value via profit or loss, financial assets and financial liabilities measured at fair value via other comprehensive income, and financial assets and financial liabilities measured at amortised cost.

The classification depends on the purpose for which the financial asset or liability was acquired. Financial instruments are initially measured at fair value plus transaction expenses, with the exception of the category financial instruments recognised at fair value via profit or loss, for which transaction expenses are not included. Purchases and sales of financial assets are recognised at the transaction date, which is the date that the Company commits to purchase or sell the asset in question. A financial asset is removed from the balance sheet when the rights in the contract are realised, fall due or the Company no longer has control over the asset. A financial liability is removed from the balance sheet when the obligation in the contract has been fulfilled or in some other way discharged.

Financial assets

The categories that are relevant to Quartiers regarding financial assets are amortised cost and fair value via profit or loss.

Financial assets are measured following initial recognition at amortised cost according to the effective interest rate method if they are held for the purposes of obtaining contractual cash flows, and at specific dates they give rise to cash flows that are exclusively payments of principal and interest on the outstanding principal. Quartiers' financial assets that are included in this category are trade receivables, cash and cash equivalents and other receivables. However, the trade receivables' expected maturities are short, which is why the value is recognised at a nominal amount without discounting. Trade and loan receivables are recognised at the amount that is expected to be paid, i.e. after deductions for bad debts. See Impairment Loss below regarding the assessment of need for impairment. Cash and cash equivalents and other assets with short maturities are recognised at nominal value.

Financial assets measured at fair value through profit or loss consist exclusively of quoted shares, valued at level one. Financial assets in this category are measured continually at fair value, with changes in value

recognised in profit or loss. This category includes smaller listed holdings, the value of which is estimated by referring to listed market prices.

Financial assets recognised at fair value at the balance sheet date refer to publicly listed shares at a value of SEK 6,893 (2) thousand.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or fair value via profit or loss.

Quartiers' liabilities consist primarily of liabilities to credit institutions, other loans and operating liabilities such as trade payables. Financial liabilities are classified as current if they fall due within one year or earlier. Otherwise they are recognised as non-current liabilities. Borrowing costs related to major borrowings are capitalised and recognised as a deduction from the liability and are amortised on a straight-line basis over the life of the loan. Other borrowing costs are recognised in profit or loss in the period to which they refer. Accrued interest is recognised as the short-term portion of current liabilities from credit institutions, in cases where the interest is expected to be settled within 12 months of the balance sheet date.

Trade payables and other short-term operating liabilities that constitute financial liabilities are recognised at nominal value due to the short maturity.

It is estimated that the fair value of short- and long-term borrowings corresponds almost exactly to their carrying amounts. Collateral is pledged in the Company's properties.

Borrowings are classified as Level 2 in the fair value hierarchy, in accordance with IFRS 13. The property loans are at variable interest rates, as is the financing loan that was raised in June 2022 and which will run for five years until June 2027. The loan carries an interest rate of Euribor 3 months plus 6%, which at 31/12/2023 meant an interest rate of 9.625%.

The refinancing terms are not deemed to have changed appreciably since the loans were raised, which means that the carrying amount is considered to be consistent with the fair value.

Lease liabilities

For leases with a term of more than 12 months and leases with a value of more than USD 5 thousand, a lease liability is recognised under interest-bearing liabilities. Lease liabilities comprise the net present value of future payments less the margin loan interest.

Impairment

At each balance sheet date Quartiers assess whether there are objective grounds for there being a need for the impairment of a financial asset. A provision for depreciation in the value of trade receivables is made based on an assessment of expected credit losses. Significant financial difficulties of a debtor, the likelihood of a debtor entering administration or undergoing financial reorganisation and missed or overdue payments (overdue by more than 30 days) are regarded as indicators of a possible need for the impairment of a trade receivable.

At the balance sheet date, trade receivables totalled EUR 83,903 thousand. Of the accounts receivable at 31 December 2023, SEK 80,996 thousand, corresponding to 97% of the purchase price claim, was secured through a bank guarantee. No loss provision has been recognised.

FINANCIAL RISK AND RISK MANAGEMENT

Through its operations, the Group is exposed to a number of different financial risks. Quartiers is mainly exposed to interest rate risk, liquidity and financing risk, and foreign exchange risk.

Responsibility for the Group's financial transactions and financial risk lies directly with the Chief Executive Officer. The overall risk management objective is to have cost-effective financing and to ensure liquidity. Regular cash flow forecasts are the main control mechanism. Finance issues of strategic significance are handled by the Board.

A) Interest rate risk

Interest rate risk is the risk that changes in interest rate levels will have a negative impact on the Group's net earnings. The Group's interest rate risk arises mainly from long-term borrowings with variable interest rates. Loans raised with variable rates expose the Group to interest rate risk with regard to cash flow. Most of the Group's loans are in euros. The Company's interest rate risk follows Euribor.

In 2023, interest rates have risen sharply, which has gradually increased the Company's interest costs. Moreover, inflation impacts Quartiers' expenses via, for example, higher running and maintenance costs. In addition, a change in interest rate levels in the economy affects the market's yield requirements for properties, which in turn can impact the market value of the

Company's property portfolio. In 2023, improvements in property yields have compensated for higher yield requirements, resulting in higher property values.

The Company's borrowing consists partly of property loans that are continuously amortised and as the underlying properties are sold. Since these properties are mainly apartments with a sales rate of about two per month, the loan is decreasing rapidly. The property loans thus represent a small and shrinking part of the Company's total interest-bearing liabilities.

The Company's interest-bearing liabilities currently consist mainly of an investment loan of EUR 18,500 thousand. The interest rate is Euribor 3-month with a current supplement of 5.7%. Since the Company raised the loan in June 2022, the 3-month Euribor has increased from negative to 3.625%. A change in Euribor of +/- 1% affects net interest revenues by SEK -2,333 thousand.

B) Liquidity and financing risk

Liquidity risk is the risk of the Group having insufficient cash and cash equivalents to pay its commitments with regard to financial liabilities. The objective of the Company's liquidity management is to minimise the risk of the Group having insufficient cash and cash equivalents to fulfil its commercial obligations. Cash flow forecasts are regularly prepared for management.

The Company's mortgages are subject to covenants relating mainly to the cash flow from the operation of the mortgaged properties. Under the current loan terms, Quartiers needs to generate cash flow to cover 120% of the total of repayments, interest and investments ("debt service ratio"). If the Company fails to do so, capital injections are required from other parts of the Group's operations.

In order to generate cash flow, Quartiers is selling low-rent flats in the holiday flat complex in Benahavís. In 2023, a total of 26 apartments were sold with a total purchase price received, after deduction of selling costs, of SEK 109,460 thousand.

Refinancing risk refers to the risk of not being able to obtain financing at all, or only at significantly increased costs. 94% of the loans have a maturity of 3.5 years or more, so there is no refinancing requirement at present. However, new projects may have to be postponed if funding cannot be obtained.

C) Foreign exchange risk

Quartiers' foreign exchange risk relates primarily to its income statement and balance sheet in foreign currency, which is translated into Swedish kronor. Since the entire operating business takes place in Spain, the euro is the Company's functional currency. Translation differences arise when translating from the functional currency to the reporting currency of Swedish kronor.

The translation of foreign net assets affected Quartiers' equity by SEK 3,667 (24,716) thousand.

Quartiers does not currently hedge translation exposures in foreign currency. Increased borrowing in euros is resulting in a gradual reduction in the translation exposure.

SENSITIVITY ANALYSIS

The majority of the Company's transactions, as well as assets and liabilities, are in EUR. Exchange rate fluctuations therefore have a significant impact on carrying amounts. Changes to interest expenses primarily affect earnings before tax.

	Change, %	Effect on the value of properties, SEK thousand	Change in borrowings, SEK thousand	Effect on equity, net SEK thousand	Effect on earnings before tax, SEK thousand
Exchange rate change	+/- 1.0%	+/-3,530	+/-2,333	+/-1,197	+/- 2 333
Interest expense at current fixed interest period	+/- 1.0%				1,197

CAPITAL STRUCTURE

The Group's objective with regard to its capital structure is to ensure the Group's ability to continue operations, so that it can continue to generate a return for its shareholders and benefit to other stakeholders. A well organised capital structure is important in order to maintain the Company's cost of capital at the minimum level possible. See also the Liquidity and Financing Risk section above.

Quartiers Properties assesses capital on the basis of its debt/equity ratio, as do other companies in the same industry. This key ratio is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings (including short- and long-term borrowings in the consolidated balance sheet), less cash and cash equivalents. Total capital is calculated as equity in the consolidated balance sheet plus net debt. The debt/equity ratio at 31/12/2023 was 45% (52). Net debt decreased in 2023 by SEK 76,326 thousand, totalling SEK 186,411 thousand.

In 2023, a decision was made to pay dividends on the Company's preference shares in the amount of SEK 4,874 thousand, of which SEK 1,625 thousand was paid in 2023.

Debt/equity ratio	31/12/2023	31/12/2022
Interest-bearing liabilities	231,832	281,641
Less: Cash and cash equivalents	-37,168	-18,905
Net debt	194,664	262,737
Total capital	433,132	503,117
Debt/equity ratio	45%	52%

LEASE LIABILITIES

Apart from leases relating to tangible assets Quartiers has no leases that come under IFRS 16.

MATURITY ANALYSIS

The maturity analysis of borrowings below examines the Group and Parent Company's financial liabilities broken down by the time remaining on the balance sheet date, up until the contractual maturity date. The amounts stated in the table are the contractual, undiscounted cash flows. Both contractual repayments in 2023 and redemption of loans on sold apartments are reported as property loans with a maturity period of <1 year.

31/12/2023	<1 year	1-2 years	2-5 years	>5 years
Property loans	2,643	2,783	9,271	6,773
Investment loans	11,063	696	199,728	0
Leases	264	79	0	0
Trade payables	4,878	0	0	0

Investment loans relate mainly to loans of EUR 18,000 thousand with a maturity date of June 2027.

CLASSIFICATION OF FINANCIAL INSTRUMENTS

	Financial assets/liabilities measured at fair value via profit or loss		Financial assets/liabilities measured at amortised cost	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Assets in the balance sheet				
Other securities held as non-current assets	6,893	2		
Other non-current receivables			1,688	
Trade receivables			83,903	2,136
Other receivables			8,158	14,191
Cash and cash equivalents			37,168	18,905
Total	6,893	2	130,917	35,232
Liabilities in the balance sheet				
Non-current interest-bearing liabilities			215,210	259,297
Current interest-bearing liabilities			8,369	12,599
Trade payables			4,878	6,161
Other liabilities			29,181	6,971
Total	0	0	257,638	285,029

NOTE 26. PLEDGED ASSETS

ACCOUNTING POLICY

Security is pledged for the Group's obligations primarily in the form of property mortgage deeds. In addition, shares in subsidiaries have been pledged.

	31/12/2023	31/12/2022
For liabilities to credit institutions		
Property mortgages	63,619	196,470
Total	63,619	196,470
Collateral provided for investment loans		
Property mortgages	216,319	196,319
Pledged shares in subsidiaries	14,770	14,384
Total	78,389	210,703

NOTE 27. CONTINGENT LIABILITIES

The Company had no contingent liabilities at the balance sheet date.

NOTE 28. CASH FLOW STATEMENT

ACCOUNTING POLICY

The cash flow statement illustrates the change in cash and cash equivalents and the Group's available liquidity for the period. The cash flow statement has been prepared according to the indirect method, which means that operating earnings are adjusted for transactions that do not result in incoming or outgoing payments during the period.

	2023	2022
Depreciation, amortisation and impairment	10,943	10,612
Value adjustment financial assets	-442	0
Total	10,501	10,612

NOTE 29. TRANSACTIONS WITH RELATED PARTIES

In addition to board fees, Board members received consulting fees of SEK 622 thousand during the year

On 4 October, the Company signed an agreement regarding an investment in and cooperation with Nowonomics AB (publ). Company board member Andreas Bonnier is also a founder and shareholder (8.53%) in Nowonomics AB through the company Egonomics AB.

NOTE 30. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In January, the second part of the investment in Nowonomics of SEK 6.3 million was completed.

On 1 April 2024, Andreas Bonnier took over as CEO of the Company.

PARENT COMPANY INCOME STATEMENT

Amounts are stated in SEK thousand	Note	2023	2022
Net sales	2	2,732	9,014
Other operating income		192	0
Total operating income		2,924	9,014
Operating expenses			
Other external expenses	3	-4,996	-10,498
Personnel costs	4	-856	-973
Total operating expenses		-5,852	-11,471
Operating profit/loss		-2,928	-2,456
Financial items	5		
Income from investments in Group companies		76,775	0
Income from other securities and receivables held as fixed assets		442	0
Interest income and similar profit/loss items		1,797	10,030
Interest expenses and similar profit/loss items		-2,440	-18,001
Profit/loss from financial items		76,574	-7,971
Profit/loss before tax		73,646	-10,427
Tax on profit for the year	6	0	0
PROFIT/LOSS FOR THE YEAR		73,646	-10,427

PARENT COMPANY BALANCE SHEET

Amounts are stated in SEK thousand	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Property, plant and equipment			
Equipment, tools and fixtures and fittings	7	2,286	2,286
Non-current financial assets			
Holdings in subsidiaries	8	289,153	291,475
Other securities held as non-current assets		6,892	0
Other non-current receivables		1,688	0
Non-current receivables from group companies	9	66,576	0
Total non-current assets		366,595	293,761
Current assets			
Current receivables			
Other current receivables	10	165	264
Prepaid expenses and accrued income	11	124	108
Financial investments		0	2
Cash and cash equivalents		2,410	193
Total current assets		2,699	567
TOTAL ASSETS		369,295	294,329

PARENT COMPANY BALANCE SHEET

Amounts are stated in SEK thousand	Note	31/12/2023	31/12/2022
EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
Restricted shareholders' equity			
Share capital		1,612	1,612
Total restricted shareholders' equity		1,612	1,612
Unrestricted shareholders' equity			
Other contributed capital		338,422	338,423
Retained earnings		-67,363	-52,061
Profit/loss for the year		73,646	-10,427
Total unrestricted shareholders' equity		344,706	275,934
TOTAL SHAREHOLDERS' EQUITY		346,317	277,546
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	14.18	8,211	7,129
Total non-current liabilities		8,211	7,129
Current liabilities			
Trade payables		249	486
Current liabilities to Group companies	15	9,739	6,485
Other current liabilities	16	4,090	1,532
Accrued expenses and deferred income	17	689	1,151
Total current liabilities		14,767	9,654
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		369,295	294,329

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts are stated in SEK thousand	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Total shareholders' equity
Opening balance at 01/01/2022	1,538	327,691	-52,061	277,168
Comprehensive income				
Profit/loss for the year			-10,427	-10,427
Total comprehensive income			-10,427	-10,427
Transactions with shareholders				
New share issue	74	10,731	0	10,805
Closing balance at 31/12/2022	1,612	338,422	-62,488	277,546
Opening balance at 01/01/2023				
	1,612	338,422	-62,488	277,546
Comprehensive income				
Profit/loss for the year			73,646	73,646
Total comprehensive income			73,646	73,646
Transactions with shareholders				
Dividend on preference shares			-4,874	-4,874
Closing balance at 31/12/2023	1,612	338,422	6,283	346,318

PARENT COMPANY STATEMENT OF CASH FLOWS

Amounts are stated in SEK thousand	2023	2022
Cash flow from operating activities		
Operating profit/loss	-2,928	-2,445
Adjustments for non-cash items		
Interest received	1,797	10,030
Interest paid	-2,439	-18,012
Cash flow from operating activities before changes in working capital	-3,570	-10,427
Changes in working capital		
Increase/decrease in other current receivables	84	-104
Increase/decrease in trade payables	-237	277
Increase/decrease in other current liabilities	4,377	1,509
Cash flow from operating activities	654	-8,745
Cash flow from investing activities		
Investments in non-current financial assets	-6,449	0
Investments in property, plant and equipment	0	-2,286
Investments in subsidiaries	-32,676	-31,312
Repayment of shareholder contributions	34,999	39,082
Increase/decrease in non-current receivables from subsidiaries	7,313	166,333
Cash flow from investing activities	3,187	171,817
Cash flow from financing activities		
New share issue	0	10,805
Borrowings	0	792
Amortisation	0	-191,457
Dividend on preference shares	-1,625	0
Cash flow from financing activities	-1,625	-179,860
Cash flow for the period	2,216	-16,789
Cash and cash equivalents at start of period	193	16,982
Cash and cash equivalents at end of period	2,410	193

PARENT COMPANY ACCOUNTING POLICIES AND NOTES

NOTE 1. PARENT COMPANY ACCOUNTING POLICIES

The Parent Company applies RFR 2 Accounting for Legal Entities. The Parent Company applies accounting policies that differ from those of the Group in the situations detailed below.

Differences between the Group and Parent Company's accounting policies

RFR 2 states that a legal entity must apply the same IFRS/IAS standards as those applied in the consolidated accounts to the extent possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and taking account of the relationship between accounting and taxation.

Format

The income statement and balance sheet follow the format stipulated in the Swedish Annual Accounts Act. The statement of changes in equity also follows the Group's format, but follows the columns stated in the Swedish Annual Accounts Act restricted and unrestricted shareholders' equity. This means there are differences in item names compared with the consolidated accounts, primarily regarding finance income and costs and equity.

State aid

The Parent Company did not receive any state aid in 2023.

Holdings in subsidiaries

Investments in subsidiaries are recognised at cost less any impairment. Cost includes acquisition-related expenses and any contingent considerations.

When there is an indication that investments in subsidiaries have declined in value, a calculation is done of the recoverable amount. If this is lower than the carrying amount, an impairment is made.

Financial instruments

IAS 39 is not applied in the Parent Company and financial instruments are measured at cost.

Leases

The Parent Company recognises financial lease agreements as operating leases. Lease payments are expensed as an operating expense on a straight-line basis over the term of the lease. Variable rents are expensed in the periods in which they arise.

NOTE 2. NET SALES

ACCOUNTING POLICY

The Parent Company's net sales comprise administration and project management services regarding the Group's Spanish subsidiaries. Such income is recognised in the period to which it relates.

NOTE 3. OTHER EXTERNAL EXPENSES

	2023	2022
PwC – Öhrlings Pricewaterhousecoopers AB		
Audit assignment	324	440
Audit activities in addition to the audit assignment	0	0
Total	324	440

NOTE 4. SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY CONTRIBUTIONS

The CEO is employed by and receives salary from the subsidiary Quartiers Properties Holding SL. See Note "Group" for details of the remuneration and other benefits of the CEO.

	2023	2022
Average no. of employees		
Men	0	0
Women	0	0
Total	0	0
Salaries and other remuneration		
Chairman of the Board	290	290
Board members	450	450
Total Board fees	740	740
Social security contributions		
Pension costs to CEO	0	0
Other social security charges according to law and agreements	233	233
Total social security contributions	233	233
Total salaries, remuneration, social security contributions and pension costs	973	973

NOTE 5. PROFIT/LOSS FROM FINANCIAL ITEMS

	2023	2022
Income from investments in Group companies		
Dividend QPH	301	0
Dividend Wecap	1,149	0
Dividend Flexshare	75,325	0
Total	76,775	0
Income from other securities and receivables held as fixed assets		
Unrealised profit	442	0
Total	442	0

	2023	2022
Interest income and similar profit/loss items		
Interest income from receivables from Group companies	1,294	9,461
Other interest income	14	569
Exchange rate differences	139	0
Other financial income	349	0
Total financial income	1,797	10,030
Interest expenses and similar profit/loss items		
Interest costs on borrowings	1,082	14,316
Interest expense from liabilities to Group companies	1,340	548
Impairments on shares in subsidiaries	0	0
Exchange rate differences	15	2,587
Other financial costs	3	516
Total financial costs	2,440	17,966

NOTE 6. TAX

	31/12/2023	31/12/2022
Reconciliation of effective tax		
Recognised profit/loss before tax	73,646	-10,427
Tax according to current tax rate of 20.6% (21.4)	15,171	-2,148
Non-deductible costs	0	0
Non-taxable income	-15,579	2
Tax-related losses	-407	-2,146
Recognised effective tax	0	0

There are loss carry-forwards totalling SEK 43,205 (41,226) thousand. Losses can be offset against future revenues with no time limit. No deferred tax assets on loss carry-forwards are recognised.

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

The Parent Company's inventory relates to art that is not depreciated and is valued at cost.

	31/12/2023	31/12/2022
Opening carrying amount	2,286	0
Purchases	0	2,286
Depreciation/amortisation	0	0
Closing carrying amount	2,286	2,286

NOTE 8. INVESTMENTS IN SUBSIDIARIES

ACCOUNTING POLICY

Investments in subsidiaries are recognised in the Parent Company at cost. Where the carrying amount of the investments exceeds the subsidiaries' fair value, impairment losses are charged to profit or loss. If an impairment previously implemented is no longer justified, it is reversed.

Name Corp. reg. no	Regis- tered office	Share of equity	Share of voting power	Carrying amount 31/12/2023	Carrying amount 31/12/2022
Flexshare España S.L. B19567130	Málaga	100%	100%	22,231	58,016
Quartiers Properties Holding SL B93528750	Málaga	100%	100%	106,386	128,724
Wecap Spain SL B93536621	Málaga	100%	100%	1,377	2,691
The Boho Club SL B93621845	Málaga	100%	100%	159,087	102,044
Quartiers Development Marbella S.L.	Málaga	100%	100%	35	0
Quartiers Management SL	Málaga	100%	100%	35	0

CHANGE FOR THE YEAR	31/12/2023	31/12/2022
Opening accumulated purchase costs	291,475	299,245
Shareholder contributions made	32,606	31,312
Repaid shareholder contributions	-34,999	-39,082
Acquisition	71	0
Closing accumulated purchase costs	289,153	291,475
Impairments	0	0
Closing carrying amount	289,153	291,475

NOTE 9. NON-CURRENT RECEIVABLES FROM GROUP COMPANIES

ACCOUNTING POLICY

Receivables from Group companies are recognised at cost.

Receivables from Group companies are non-current and are expected to continue in order to manage cash flow in the subsidiaries. Interest on the receivables is capitalised on an ongoing basis.

	31/12/2023	31/12/2022
Opening carrying amount	0	160,118
Additional receivables	66,576	0
Repayment	0	-166,333
Conversion to shareholder contributions	0	0
Repayment of shareholder contributions	0	0
Reclassification	0	6,215
Closing carrying amount	66,576	0

NOTE 10. OTHER CURRENT RECEIVABLES

ACCOUNTING POLICY

Other short-term receivables are stated at cost.

	31/12/2023	31/12/2022
VAT-related receivables	98	208
Other receivables	68	56
Closing carrying amount	165	264

NOTE 11. PREPAID EXPENSES AND ACCRUED INCOME

	31/12/2023	31/12/2022
Prepaid expenses	124	108
Total	124	108

NOTE 12. SHAREHOLDERS' EQUITY

ACCOUNTING POLICY

The income statement and balance sheet follow the format stipulated in the Swedish Annual Accounts Act. The statement of changes in equity also follows the Group's format, but follows the columns stated in the Swedish Annual Accounts Act restricted and unrestricted shareholders' equity.

NUMBER OF SHARES AND WARRANTS

Share capital in the Parent Company, Quartiers Properties AB (publ), amounts to SEK 1,612 (1,612) thousand and is allocated among 64,466,873 shares. Of these shares, 57,697,005 are ordinary shares and 6,769,868 are preference shares. The Company's ordinary and preference shares are subject to trading on Nasdaq First North. The shares have a quota value of SEK 0.025 per share. Ordinary shares carry ten votes and preference shares carry one vote each. All shares registered at the balance sheet date are fully paid.

Preference shares take precedence over ordinary shares for an annual dividend corresponding to SEK 0.96, with payment made quarterly. Following the resolution by the meeting of the shareholders, the Company is entitled to redeem the preference shares for a redemption amount of SEK 12 per share. All shares carry the same right to the Company's remaining net assets, in addition to which preference shares entitle holders to receive SEK 12 per share from the Company's remaining assets and any remaining amount before distribution is made to owners of ordinary shares. The Company is prevented from paying dividends as part of the loan terms of the Company's investment loans. For the preference shares, this means that the dividend is accumulated and accrues interest at a rate of 12%. At the balance sheet date, the outstanding amount including interest amounted to SEK 26,268 (20,727) thousand.

NOTE 13. APPROPRIATIONS

The following funds are at the disposal of the AGM:

Share premium reserve	338,423,619
Retained earnings	-67,363,160
Profit/loss for the year 2023	73,646,213
Total available funds	344,705,672

The Board of Directors proposes that a dividend be paid on the Company's existing preference shares, amounting to SEK 6,499,073.28. The remaining amount, i.e. SEK 338,206,599, will be carried forward.

Dividends of SEK 0.24 per preference share per quarter will be paid.

NOTE 14. INTEREST-BEARING LIABILITIES

	31/12/2023	31/12/2022
Short-term loans from lenders other than credit institutions	8,211	7,129
Total	8,211	7,129

Maturity analysis

31/12/2023	<1 year	1-2 years	2-5 years	>5 years
Investment loans	0	8,211	0	0

NOTE 15. CURRENT LIABILITIES WITH GROUP COMPANIES

	31/12/2023	31/12/2022
Opening carrying amount	6,485	0
Refunds	7,182	0
Reclassification	-2,300	6,215
Additional liabilities	-1,629	270
Closing carrying amount	9,739	6,485

	31/12/2023	31/12/2022
Wecap Spain	0	-4,828
CFS Marbella Hotel SL	11,088	12,670
Flexshare Espana SL	-271	-2,625
Quartiers Properties Holding SL	-2,133	-1,505
Boho Club SL	1,054	2,683
Total	9,739	6,485

NOTE 16. OTHER CURRENT LIABILITIES

	31/12/2023	31/12/2022
Other	4,090	1,532
Total	4,090	1,532

NOTE 17. ACCRUED EXPENSES AND DEFERRED INCOME

	31/12/2023	31/12/2022
Other accrued expenses	689	1,151
Total	689	1,151

NOTE 18. FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

All financial conditions described for the Group (see Group Note 22) apply to the Parent Company as well, apart from the fact that the Parent Company applies the exception for IFRS 9 according to RFR 2.

SEK thousand	Financial assets/liabilities measured at fair value via profit or loss		Financial assets/liabilities measured at amortised cost	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Assets in the balance sheet				
Non-current receivables from group companies				
Other non-current receivables			1,688	0
Other receivables			165	264
Other securities held as non-current assets	6,892	2		
Cash and cash equivalents			2,410	193
Total	6,892	2	2,575	457
Liabilities in the balance sheet				
Trade payables			249	486
Current liabilities to Group companies			9,739	6,485
Interest-bearing liabilities			8,211	7,129
Other current liabilities			4,090	1,532
Total	0	0	22,289	197,914

NOTE 19. PLEDGED ASSETS

ACCOUNTING POLICY

The Parent Company has pledged shares in subsidiaries as collateral for loans.

	31/12/2023	31/12/2022
Pledged shares in subsidiaries	14,770	14,384

NOTE 20. EVENTS AFTER BALANCE SHEET DATE

In January, the second part of the investment in Nowonomics of SEK 6.3 million was completed.

On 1 April 2024, Andreas Bonnier took over as CEO of the Company.

CERTIFICATION BY THE BOARD OF DIRECTORS AND THE CEO

The consolidated accounts and annual accounts have been prepared in accordance with the international accounting standards referred to in the European Parliament and Council's regulation (EC) no 1606/2002 dated 19 July 2002 regarding the application of international accounting standards and generally accepted accounting principles, and provide a true and fair view of the Group and Parent Company's position and performance. The Directors' Report for the Group and the Parent Company gives an accurate overview of performance.

Stockholm, 15 May 2024

Jörgen Cederholm
Chairman of the Board

Andreas Bonnier
Board Member and CEO

Merja Rahkola
Board member

Raouf Lotfi
Board member

Our Auditor's Report was submitted on the date indicated by our electronic signature

Öhrlings PricewaterhouseCoopers AB

Henrik Boman
Chartered Public Accountant



Revisionsberättelse

Till bolagsstämman i Quartiers Properties AB (publ), org.nr 556975-7684

Rapport om årsredovisningen och koncernredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen och koncernredovisningen för Quartiers Properties AB (publ) för år 2023. Bolagets årsredovisning och koncernredovisning ingår på sidorna 14-58 i detta dokument.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av moderbolagets finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Koncernredovisningen har upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av koncernens finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt International Financial Reporting Standards (IFRS), såsom de antagits av EU, och årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens och koncernredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer koncernens rapport över totalresultatet och koncernens rapport över finansiell ställning samt resultaträkningen och balansräkningen för moderbolaget.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionsred i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisorsred i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Annan information än årsredovisningen och koncernredovisningen

Detta dokument innehåller även annan information än årsredovisningen och koncernredovisningen och återfinns på sidorna 1-13 och 62-63. Det är styrelsen och verkställande direktören som har ansvaret för denna andra information.

Vårt uttalande avseende årsredovisningen och koncernredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen och koncernredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen och koncernredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter. Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen och koncernredovisningen upprättas och att de ger en rättvisande bild enligt årsredovisningslagen och, vad gäller koncernredovisningen, enligt IFRS, så som de antagits av EU, och årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning och koncernredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen och koncernredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets och koncernens förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.



Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen och koncernredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionsred i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen och koncernredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen och koncernredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen och koncernredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Quartiers Properties AB (publ) för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionsred i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisionsred i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets och koncernens verksamhetsart, omfattning och risker ställer på storleken av moderbolagets och koncernens egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets och koncernens ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionsred i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda



ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Stockholm den dag som framgår av vår elektroniska signatur

Öhrlings PricewaterhouseCoopers AB

Henrik Boman
Auktoriserad revisor

SHAREHOLDER INFORMATION

Quartiers Properties has two classes of shares outstanding, in the form of ordinary shares and a series of preference shares. The ordinary and preference shares in Quartiers Properties have been traded on Nasdaq First North Stockholm since 21 June 2017. The market value of the Company's ordinary shares on 31 December 2023 totalled SEK 663.5 million, based on a closing price for the share of SEK 11.50.

Preference shares take precedence over ordinary shares for an annual dividend corresponding to SEK 0.96 per share, with payment being made quarterly. For a period from Q2 2020 to June 2022, the Company was prevented from paying dividends due to conditions in the loan agreement. Dividends were reintroduced as of the third quarter of 2023. Unpaid dividends are accumulated and included in the preferential amount that the preference shares have over the ordinary shares.

WARRANTS

There were no outstanding warrants in the Company

at 31 December 2023.

AUTHORISATION

The 2023 AGM resolved to authorise the Board of Directors, up until the next AGM and within the scope of the Articles of Association, on one or more occasions, with or without deviation from shareholders' preferential rights, to decide on the issue of shares (ordinary shares and/or preference shares). When deciding on the number of preference shares to be issued, the Board of Directors shall ensure that the Company is able to fulfil its commitments relating to dividends for preference shares, in accordance with the decision regarding the distribution of profit.

The issue may be made against payment in cash, payment in kind and/or by offsetting, or otherwise subject to conditions. Decisions on share issues based on this authority may result in an increase in the Company's share capital by a maximum of 15%. For private cash issues the subscription price must be set on a market basis.

MARKET MAKER AND CERTIFIED ADVISER

Mangold is the Company's certified adviser, while ABGSC is the Company's market maker for the ordinary shares. Mangold can be contacted on +46 8 503

TEN LARGEST SHAREHOLDERS – 31 DECEMBER 2023

#	Owner	Ordinary shares	Preference shares	Capital	Votes
1	House of K Holding Limited	8,597,273	-	13.34%	14.90%
2	Fastighets Aktiefbolag Bränneröd	7,284,000	100,000	11.45%	12.62%
3	Egonomics AB	6,050,000	-	9.38%	10.49%
4	Rocet AB	5,608,922	-	8.70%	9.72%
5	Bosmac Invest AB	4,000,000	-	6.20%	6.93%
6	LMK companies & Foundation	4,575,000	1,054,000	8.73%	7.93%
7	SIX SIS AG	3,909,590	-	6.06%	6.78%
8	Bernt Lundberg Fastigheter Lund AB	2,580,228	-	4.00%	4.47%
9	Avanza Pension	2,024,472	707,944	4.24%	3.51%
10	CS Client Omnibus ACC	1,451,705	10,000	2.27%	2.52%
	Other	11,615,815	4,897,924	25.62%	20.13%
	Total	57,697,005	6,769,868	100.00%	100.00%

Source: Euroclear

ANNUAL GENERAL MEETING 2024

The shareholders in Quartiers Properties AB (publ), corp. reg. no 556975-7684 ("the Company"), are hereby invited to attend the Annual General Meeting on Tuesday, 11 June 2024 at 11.00 a.m. at Qap Legal Advisors located at Norrlandsgatan 7 in Stockholm, Sweden.

Eligibility and registration

Shareholders wishing to attend the AGM must:

- (i) be entered in the share register maintained by Euroclear Sweden AB no later than Friday, 31 May 2024,
- (ii) notify the Company of their participation no later than Tuesday, 4 June 2024.

Notification must be given in writing by email to info@qaplegal.com or by ordinary post to Qap Legal Advisors AB, attn. "Annual General Meeting Quartiers Properties", Norrlandsgatan 7-9, 111 43 Stockholm, Sweden.

The notification shall state the full name, personal identity or registration number, shareholding, address, telephone number and, where applicable, information about representatives, proxies or assistants (maximum 2).

The notification shall be accompanied, where appropriate, by powers of attorney, registration certificates and other authorisation documents.

Proxy voting etc.

If a shareholder is to be represented by a proxy, the proxy must bring a written, dated and signed power of attorney to the AGM. The power of attorney may not be older than one (1) year from the date of issue. If the power of attorney is issued by a legal entity, the proxy must also carry the current registration certificate or equivalent authorisation document for the legal entity. A proxy form will be available on the Company's website no later than three (3) weeks before the Annual General Meeting and will be sent to shareholders who request it and provide their postal address.

FINANCIAL CALENDAR

Annual General Meeting 2024	11 June 2024
Quarterly Report Jan–Mar 2024	16 May 2024
Quarterly Report Apr–Jun 2024	18 July 2024
Quarterly Report Jul–Sep 2024	8 Nov 2024
Year-End Report 2024	20 Feb 2025

CONTACT

Andreas Bonnier, CEO

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Jörgen Cederholm, Chairman of the Board

Email:
jorgen.cederholm@quartiersproperties.se



QUARTIERS TIERS

P R O P E R T I E S

Contact

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