

## Press release

January 9, 2024

18:00 CET

### **Impairment charges relating to property values**

**Skanska takes impairment charges and recognizes changes in fair market values of SEK 2.0 billion in Commercial Property Development, Residential Development and Investment Properties. The charges impact the result for Skanska in the fourth quarter of 2023. In addition, but with no impact on the results for the period, surplus value in Commercial Property Development is reduced by SEK 1.6 billion.**

The continued weakness in the property markets has led to challenges in assessing the value of property assets. The impairment charges are made to ensure that recognized values reflect Skanska's best current assessment of the underlying value of property assets.

For Commercial Property Development, total impairments amount to SEK 1.4 billion, which is primarily driven by the US portfolio. The USA remains the weakest geography. At the end of the third quarter, property assets in Commercial Property Development amounted to SEK 43 billion, of which SEK 4.0 billion had already been divested according to segment reporting. Additionally in the fourth quarter, the expected surplus value at completion of the portfolio is reduced by SEK 1.6 billion. Total expected market values at completion in the third quarter was SEK 63 billion, of which SEK 7.9 billion had already been divested according to segment reporting. The total surplus value at the end of third quarter was SEK 7.8 billion. The change in surplus value has no impact on the result for the period.

In Residential Development, the low-cost segment BoKlok remains very weak and represents the majority of the impairments. Total impairments amount to SEK 0.5 billion. At the end of the third quarter, property assets in Residential Development amounted to SEK 22 billion, of which SEK 6.4 billion had already been sold according to segment reporting.

In Investment Properties, which is the only segment that applies IAS40 and records fair market value of assets, Skanska currently holds 3 properties in Malmö and 2 properties in Stockholm. Assessed average yields are 4.8 percent in Malmö, and 4.3 percent in Stockholm. Total reduction of fair market value amounts to SEK 0.2 billion. At the end of the third quarter, we held 3 property assets in Investment Properties amounting to SEK 3.7 billion in total.

Preliminary distribution of the charges:

Asset impairment/ change in value (SEK billion)*	Land and development properties	Ongoing projects	Completed projects	Total
Nordics	0.1	0.0	0.0	0.1
Europe	0.0	0.0	0.2	0.2
USA	0.4	0.4	0.2	1.0
<b>Total Commercial Property Development</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>	<b>1.4</b>
Nordics	0.3	0.0	0.0	0.4
<i>Of which Sweden</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>
Europe	0.1	0.0	0.0	0.1
<b>Total Residential Development</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.5</b>
<b>Investment Properties</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>
<b>Total Skanska Group</b>	<b>1.0</b>	<b>0.4</b>	<b>0.6</b>	<b>2.0</b>

\*calculated sums of related line items may not agree due to rounding differences

A press conference will be held tomorrow, January 10 at 10:00 (CET), and webcasted live at [www.group.skanska.com/investors](http://www.group.skanska.com/investors). During the press conference, Skanska's President and CEO Anders Danielsson, CFO Magnus Persson and Group EVP Claes Larsson will respond to questions. To participate in the conference, with the possibility to ask questions, please join the call from your phone via the HD Audio web link here: [HD Audio link](#). If you need to call in via a telephone line, please dial +46 (0)8 5051 0031; +44 (0) 207 107 06 13 or +1 (1) 631 570 56 13.

Skanska releases its complete Year-End report for 2023 on February 9 at 07:30 am (CET).

This is information that Skanska AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the Senior Vice President Investor Relations set out below, at 18:00 CET on January 9, 2024.

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*This and previous releases can also be found at [www.skanska.com](http://www.skanska.com).*

*Skanska Group uses knowledge & foresight to shape the way people live, work, and connect. Over 135 years in the making, we're one of the world's largest project development and construction companies, with 2022 revenue totaling SEK 162 billion. We operate across select markets in the Nordics, Europe and USA. Together with our customers and the collective expertise of our 28,000 teammates, we create innovative and sustainable solutions that support healthy living beyond our lifetime.*