

# Q1

## 2022

Fabege

### Summary, SEKm

	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales	769	707	2,951
Gross profit	547	506	2,176
Profit/loss from property management	381	346	1,537
Profit/loss before tax	3,495	1,094	6,712
Profit/loss after tax	2,782	863	5,400
Net lettings	8	36	162
Surplus ratio, %	73	72	76
Loan-to-value ratio, properties, %	35	-	36
EPRA NRV, SEK per share	179	-	171

### Jan - Mar 2022<sup>1</sup>

- Rental income totalled SEK 762m (707). On a like-for-like basis, income rose by approximately 8 per cent compared with the same period of the previous year.
- Net operating income amounted to SEK 554m (506). On a like-for-like basis, net operating income rose by 9 per cent.
- The surplus ratio stood at 73 per cent (72).

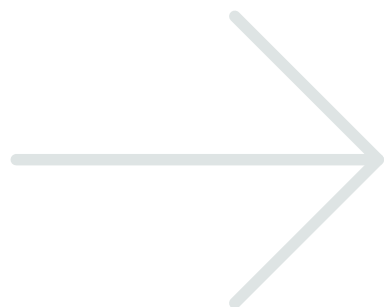
<sup>1</sup>The comparison figures for income and expense items relate to the values for January–March 2021 and, for balance sheet items, the values at 31 December 2021.

- Revenue from housing development amounted to SEK 7m and gross earnings totalled SEK -7m.
- Profit from property management totalled SEK 381m (346).
- Realised and unrealised changes in value amounted to SEK 2,159m (514) for properties and SEK 881m (234) for fixed-income derivatives.
- Profit before tax for the period amounted to SEK 3,495m (1,094).

- Profit after tax for the period came to SEK 2,782m (863), corresponding to earnings per share of SEK 8.69 (2.64).
- Net lettings during the period totalled SEK 8m (36).
- Rent levels in renegotiated leases increased by an average of 17 per cent (12).
- The equity/assets ratio stood at 51 per cent (51) and the loan-to-value ratio at 35 per cent (36).

For the definitions of the key performance indicators, see page 25.

# Message from the CEO

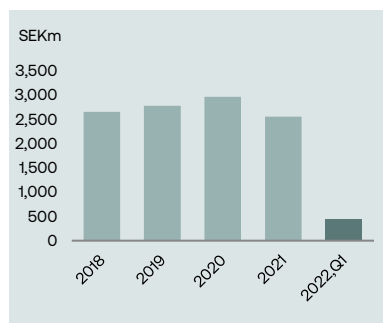


## OPERATIONAL TARGETS

- Investment volume of approximately SEK 2,500m per year.
- Net lettings of at least SEK 80m per year.
- Surplus ratio of 75 per cent.

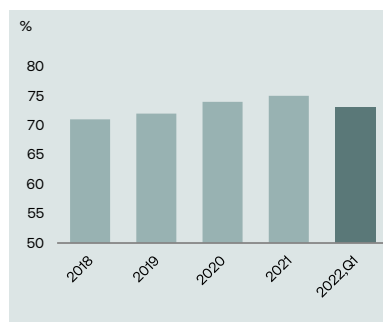


## INVESTMENT VOLUME



Target: SEK 2,500m per year over a business cycle

## SURPLUS RATIO



Target: 75%

**Nobel Peace Prize winner Ralph Bunche apparently once said “There are no warlike people, only warlike leaders.” This is an apt quote given the situation unfolding in Europe as I write this message as CEO. 24 February 2022 will go down as a dark day in history, just like 1 September 1939 and 9 April 1940. Europe and the world were thrown back 80 years in time to when another dictatorship pitted itself against democracy. History will judge Russia’s leaders harshly and the events in Ukraine will affect the world and Sweden for decades to come.**

Despite the turbulent environment, with war in Europe, rising interest rates and inflation, the Swedish property market has held up well. The transaction market during the quarter was at record levels, with deals exceeding SEK 50bn, mainly in the social and residential segments.

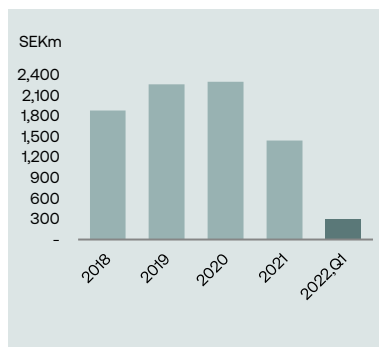
We have completed two major transactions since the beginning of the year. In January, we acquired Generatorm 10 in Flemingsberg from Skanska. This acquisition equates to development rights for around 35,000 sqm of commercial space. Together with previous acquisitions from Skanska, Fabège now has two more pieces of the puzzle in place in the development of this new town centre. Skanska will maintain its presence in the area through its At Focus project, which is good news. It is good that more property owners are involved in making the vision for the area a reality.

After the end of the period, we acquired approximately 22,000 sqm at Kabelverket 2 in Älvsjö, for SEK 812m. “We strongly believe in future growth in southern Stockholm and with this acquisition we are obtaining a good property with future potential and stable tenants that generate strong cash flow, in a location that fits well with our development strategy in the south of the city, stretching from Hammarby Sjöstad to Flemingsberg”.

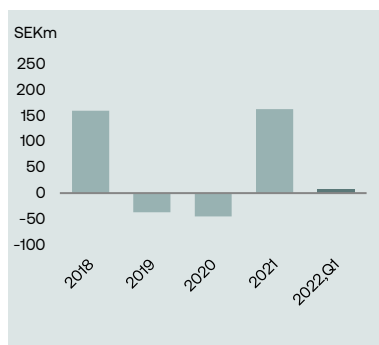
In the rental market, the positive trend of the previous quarter is continuing, with many enquiries and viewings. We are still seeing a bit of a wait-and-see attitude towards decision-making. Net lettings totalled SEK 8m, which I am pleased with, given that there is often less activity in Q1. Leases totalling SEK 20m were renegotiated, with an average rise in rental value of 17 per cent. The low volume explains the high percentage increase as, in this situation, individual contracts have a big impact. Over the full year, we believe that there will be an increase in renegotiations of around five per cent, as we previously announced.

On a like-for-like basis, income increased by around 8 per cent and the increase in value was as much as SEK 2.2bn. Strong increases in value have mainly been seen in properties in the city centre of Stockholm. This is also the submarket where there is the highest demand for premises. Around 40% of the portfolio was independently valued during the period and I feel comfortable with our valuations.

## CHANGE IN VALUE, PROJECTS



## NET LETTINGS



Target: SEK 80m per year

We launched two new projects during the period: Semaforen 1 in Arenastaden and Ackordet 1 in Haga Norra. At Semaforen we are developing a mobility hub with 530 parking spaces and at Ackordet 1 we are building an office building with a GFA of 42,000 sqm. The total investment for the two projects is estimated at SEK 1.7bn. Our total investments in commercial property development will come to around SEK 2.4bn by 2022. Then we have residential development through SHH. Higher inflation and global turmoil will ultimately create a risk of long delivery times, material shortages and higher construction costs for both materials and labour. This will not have a major impact on current projects, which are progressing as planned, but may have an effect on future procurement. This will hopefully not prevent us from starting projects, but we will need to think innovatively and keep a closer eye on spending.

As expected, the vacancy rate increased following the vacating by the Swedish Tax Agency of its previous offices in Nöten 4. The property will be adapted so that it can be rented out to several tenants.

The capital market has of course also been negatively affected by the war. The bond market is now at levels that have not been seen for many years. This being the

case, I am glad that we have a very strong balance sheet, good, long-standing relationships with all the Swedish banks and a trustworthy reputation among investors in the capital market. We also had very few defaults in 2022. I see no likelihood that we will be prevented from starting projects in the future because of a lack of access to capital. It is still just a question of finding customers and developing good products that the market wants.

During the quarter, we were also given proof of what a fantastic company Fabege is. We were named one of Sweden's best workplaces by Great Place To Work, ranking 22nd in the medium-sized organisation category. We would be nothing without our people, and as CEO I am proud every day of what we do and what we stand for. We have five strong values - we are Fast, Informal, Entrepreneurial, Business-minded and Customer-focused. These values are central to our approach and people live by them every day, whether they have worked here for six months or 30 years. This creates a great culture, which is the key to our success.

Stefan Dahlbo, CEO

## ACQUISITION IN SOUTHERN STOCKHOLM

After the end of the period, we acquired the property Kabelverket 2 in Älvsjö, with 22,000 sqm of space, for SEK 812m. The property is fully let, with annual rental income of approximately SEK 50m. The transfer of ownership will occur on 30 April 2022.

*"We strongly believe in future growth in southern Stockholm and with this acquisition we are obtaining a good property with future potential and stable tenants that generate strong cash flow, in a location that fits well with our development strategy in the south of the city, stretching from Hammarby Sjöstad to Flemingsberg," commented Stefan Dahlbo, CEO.*



# Earnings for Jan-Mar 2022<sup>1</sup>

Profit after tax for the period came to SEK 2,782m (863), corresponding to earnings per share of SEK 8.69 (2.64). Profit before tax for the period amounted to SEK 3,495m (1,094). Higher profit from property management and more significant changes in the value of both properties and fixed-income derivatives meant that profit before tax increased compared with the same period of the previous year.

## FIRST QUARTER IN BRIEF

- Continued high activity on the rental market, in terms of viewings, negotiations and completions.
- New lettings totalled SEK 61m (101).
- Net lettings amounted to SEK 8m (36).
- Rental income totalled SEK 762m (707).
- The surplus ratio stood at 73 per cent (72).
- SHH's net sales amounted to SEK 7m and its gross earnings totalled SEK -7m.
- Profit from property management totalled SEK 381m (346).
- The property portfolio posted an unrealised growth in value of SEK 2,159m (514), of which projects accounted for SEK 225m (112).
- Unrealised changes in value in the derivatives portfolio totalled SEK 881m (234).
- After-tax profit for the quarter amounted to SEK 2,782m (863).

## RENTAL INCOME AND NET OPERATING INCOME

Rental income amounted to SEK 762 (707) and net operating income to SEK 554m (506). The increase in income was mainly due to acquisitions, relocations to project properties and changes in indices, and also includes non-recurring income of SEK 6m. On a like-for-like basis, income rose by approximately 8 per cent (-1). The increase in property expenses was mainly attributable to higher electricity costs and property taxes. Net operating income rose by approximately 9 per cent (-4) on a like-for-like basis. The surplus ratio stood at 73 per cent (72).

## PROFIT FROM HOUSING DEVELOPMENT

SHH Bostad AB is included in the Fabege Group's earnings for the fourth quarter of 2021. Revenue from housing development totalled SEK 7m during the first quarter. Housing development costs amounted to SEK -14m, of which administrative costs accounted for SEK -8m. Gross earnings thus amounted to SEK -7m and are attributable to the fact that administrative costs are recognised on an ongoing basis, while sales and project settlements are recognised on project completion. Furthermore, income from co-owned projects is recognised under associated companies.

## CENTRAL ADMINISTRATION

Central administration costs stood at SEK -25m (-32). The figure for 2021 included non-recurring costs relating to Fabege's new headquarters.

## NET FINANCIAL ITEMS

Net interest items amounted to SEK -127m (-118). The increase in interest expenses was mainly due to a higher volume of loans. Ground rent amounted to SEK -11m (-9).

## SHARE IN PROFIT OF ASSOCIATED COMPANIES

The share in the profit of associated companies came to

SEK -3m (-1) and mainly related to contributions to Arenabolaget.

## CHANGES IN THE VALUE OF PROPERTIES

The property portfolio is valued using a well-established process. The entire property portfolio is independently valued at least once a year. Approximately 40 per cent of the portfolio was independently valued in the first quarter, while the remaining properties were valued internally based on the most recent independent valuations. The total market value at the end of the period was SEK 86.0bn (83.3). Unrealised changes in value totalled SEK 2,159m (514). The average yield fell by 0.06 percentage points during the period to 3.70 per cent (3.76 at the end of the year). The yields at which transactions were made at the end of last year and at the beginning of this year have, with some lag, now affected the yield requirements in the valuations.

The realised changes in value of SEK 74m related to gains from the sale of Lagern 3, in Råsunda, to the joint venture that has been developing housing on the property.

## TAX

The tax expense for the period amounted to SEK -713m (-231). Tax was calculated at a rate of 20.6 per cent on taxable earnings. The interest deduction limitations are not expected to have a material effect on taxes paid in the current year.

## SEGMENT REPORTING

Segment reporting has been adjusted due to the acquisition of SHH.

The Property Management segment generated net operating income of SEK 531m (497), representing a surplus ratio of 76 per cent (75). The occupancy rate stood at 89 per cent (92). Profit from property management totalled SEK 390m (358). Unrealised changes in the value of properties amounted to SEK 1,934m (402).

The Property Development segment generated net operating income of SEK 15m (8), resulting in a surplus ratio of 33 per cent (30). Profit from property management totalled SEK 0m (-8). Unrealised changes in

<sup>1</sup> The comparison figures for income and expense items relate to the values for January–March 2021 and, for balance sheet items, the values at 31 December 2021.

## CHANGES IN PROPERTY VALUES, JAN-MAR 2022

Changes in property values, SEKm	
Opening fair value, 01/01/2022	83,257
Property acquisitions	144
Investments in new builds, extensions and con	436
Unrealised changes in value	2,159
Sales, disposals and other	0
Closing fair value, 31/03/2022	85,996

## AVERAGE REQUIRED RATE OF RETURN, 31/03/2022

Area	Average yield requirement, %
Stockholm city	3.35%
Solna	3.87%
Hammarby Sjöstad	4.01%
Other markets	5.08%
Average yield	3.70%

the value of properties amounted to SEK 117m (7).

In the Projects segment, unrealised changes in value of SEK 108m (105) were recognised. The change in value of the project portfolio was mainly due to development gains on major project properties.

The Housing segment generated gross earnings of SEK -7m (-). Profit from property management totalled SEK -8m (-). Further information about the breakdown by segment is provided in the segment report and segment notes on pages 10 and 23.

## FINANCIAL POSITION AND NET ASSET VALUE

Shareholders' equity amounted to SEK 46,351m (45,174) at the end of the period and the equity/assets ratio was 51 per cent (51). The dividend decided on by the Annual General Meeting reduced the equity. Equity per share attributable to Parent Company's shareholders totalled SEK 145 (141). EPRA NRV stood at SEK 179 per share (171).

## GOODWILL

The goodwill of SEK 205m recognised is entirely attributable to the acquisition of SHH Bostad AB.

## PROPERTIES

The property value recognised relates to Fabege's investment property portfolio, including project and land properties. At the end of the quarter, the total property value amounted to SEK 86.0bn (83.3).

## DEVELOPMENT PROPERTIES

This refers to ongoing in-house projects and development properties for future construction within SHH. The value at the end of the quarter totalled SEK 875m (821), of which SEK 464m relating to ongoing construction and SEK 411m to development properties for future development.

## CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 383m (335). Changes in working capital had an impact on cash flow of SEK 220m (91). Investing activities had an impact of SEK -478 (-452) on cash flow, while cash flow from financing activities totalled SEK -59m (293). In investing activities, cash flow is driven by property transactions and projects. Overall, cash and cash equivalents increased by SEK 66m (267) during the period.

## ACQUISITION OF DEVELOPMENT PROPERTY IN FLEMINGSBERG

In January, we acquired Generatorm 10, in Flemingsberg, from Skanska. The acquisition equates to development rights of approximately 35,000 sqm of commercial space.

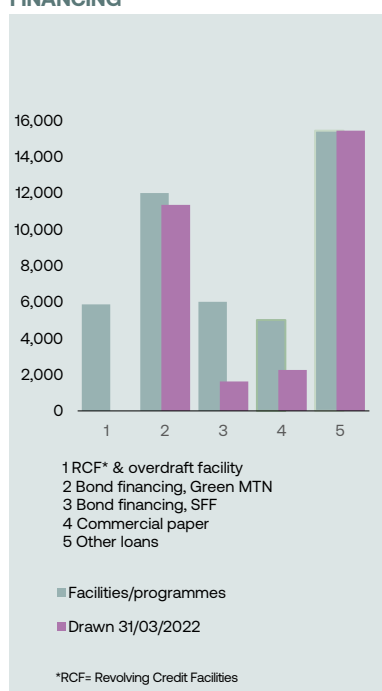
Together with previous acquisitions from Skanska at the southern approach to the area, Fabege now has two more pieces of the puzzle in place in the development of this new town centre in Flemingsberg.



# Financing

Fabege employs long-term credit facilities subject to fixed terms and conditions. The company's creditors mainly comprise the major Nordic banks and investors on the capital market.

## BREAKDOWN OF SOURCES OF FINANCING



## FINANCING

The company is striving to achieve a balance between different forms of financing on both the capital and banking markets, long-term relationships with major financial backers having high priority. Fabege's bank facilities are supplemented by a SEK 12bn MTN programme, a SEK 5bn commercial paper programme, and the possibility of borrowing a maximum of SEK 6bn via SFF's secured MTN programme.

Fabege firmly believes in the ability of the financial market to contribute to a more sustainable society, and is keen to play an active role in its transition towards greater accountability. In 2020, the target of 100 per cent green financing was reached. In June 2021, the company took the next step towards expanding its sustainable financing in the form of a loan linked to the EU's new taxonomy. In addition to stringent energy efficiency requirements, this includes climate analyses that assess risks associated with climate change such as flooding, strong winds, intense heat and other extreme weather events.

Fabege's fixed-interest term at the end of the quarter was 3.4 years. The derivatives portfolio comprised interest rate swaps totalling SEK 18,950m, maturing in 2032 and bearing fixed annual interest of between - 0.18 and 1.30 per cent.

The commercial paper market is seeing high demand for green commercial paper in particular. At the end of the quarter, outstanding commercial paper and bonds totalled SEK 14.7bn.

Net financial items included other financial expenses of SEK 8m, which mainly related to accrued credit agreement arrangement fees and costs relating to bond and commercial paper programmes. During the period, interest totalling SEK 6m (6) relating to project properties was capitalised.

# 99%

Green financing  
31 March 2022

Moody's Rating

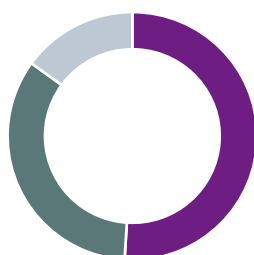
# BAA2

stable outlook

## FINANCING, 31/03/2022

	2022-03-31	2021-12-31
Interest-bearing liabilities, SEKm	30,669	30,399
of which outstanding MTN, SEKm	11,350	10,950
of which outstanding SFF, SEKm	1,624	1,524
of which outstanding commercial paper, SEKm	2,260	2,250
Undrawn facilities, SEKm	3,600	3,374
Fixed-term maturity, years	4.7	4.9
Fixed-rate period, years	3.4	3.7
Fixed-rate period, percentage of portfolio, %	75	76
Derivatives, market value, SEKm	817	-65
Average interest expenses, incl. committed credit facilities, %	1.69	1.71
Average interest expenses, excl. committed credit facilities, %	1.61	1.62
Unpledged assets, %	44.5	43.8
Loan-to-value ratio, %	35.3	36.5

## SUPPLY OF CAPITAL



■ Equity, 51%  
■ Interest-bearing liabilities 34%  
■ Other liabilities 15%

## BREAKDOWN OF COLLATERAL



■ Pledged assets 56% ■ Unpledged assets 44%

## FINANCIAL TARGETS

Fabege's Board of Directors has decided on the following financial targets for the business:

- Loan-to-value ratio of 50 per cent max.
- Interest coverage ratio of 2.2x min.
- Debt ratio of 13.0x max.
- Equity/assets ratio of 35 per cent min.

## INTEREST MATURITY STRUCTURE, 31/03/2022

	Amount, SEKm	Average interest rate, %	Percentage, %
< 1 year	9,705	3.02	31
1-2 years	2,150	0.93	7
2-3 years	2,988	0.72	10
3-4 years	2,000	0.96	6
4-5 years	4,150	0.97	14
5-6 years	2,914	1.28	10
6-7 years	2,962	1.37	10
7-8 years	2,000	0.44	7
8-9 years	400	0.60	1
9-10 years	900	0.72	3
11 years	500	0.81	1
<b>Total</b>	<b>30,669</b>	<b>1.61</b>	<b>100</b>

The average interest rate for the <1 year period includes the margin for the variable portion of the debt portfolio, as the company's interest is fixed by means of interest rate swaps, which are traded without margins.

## LOAN MATURITY STRUCTURE, 31/03/2022

	Credit agreements, SEKm	Drawn, SEKm
Commercial paper programme	2,260	2,260
< 1 year	3,472	3,312
1-2 years	7,800	3,000
2-3 years	7,188	6,288
3-4 years	2,405	2,405
4-5 years	2,950	2,950
5-10 years	5,706	5,706
10-15 years	3,529	3,529
15-20 years	1,219	1,219
<b>Total</b>	<b>36,529</b>	<b>30,669</b>

## GREEN FINANCING, 31/03/2022

	Credit facilities	Outstanding loans and bonds
Green MTN bonds, SEKm	10,950	10,950
Green bonds via SFF, SEKm	1,624	1,624
Green commercial paper, SEKm	2,250	2,250
Green loans, other, SEKm	21,087	15,463
Total green financing, SEKm	35,811	30,287
Green financing, %	100	99
Total green available borrowing facility, SEKm	71,163	
of which unrestricted green available borrowing facility, SEKm	29,207	

## GREEN FINANCING

Our green framework allows us to issue green bonds and green commercial paper and to link other loans to the framework. Green financing ensures better conditions for Fabege from both banks and the capital market, and access to more financing alternatives. The green framework has increased the proportion of green financing sources. All Fabege's creditors can now offer green financing, and the target of 100 per cent green financing was achieved just before year-end 2020/2021. Our green financing was supplemented in June 2021 by a taxonomy-adapted loan that satisfies the EU taxonomy's proposed criteria for green financing. The fall in the proportion of green financing from 100 to 99 per cent at year-end was due to the acquisition of SHH Bostad AB, whose loans were not classified as green. The aim is to convert them into green loans in 2022.

Find out more about Fabege's green financing at [www.fabege.se/en/green-financing/](http://www.fabege.se/en/green-financing/), where you will also find the investor reports.

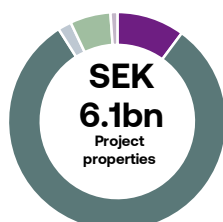
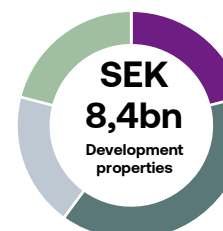
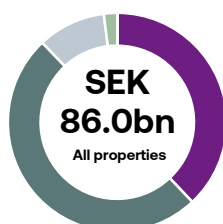
# Operations

## Jan-Mar 2022<sup>1</sup>

Activity in the rental market remained strong and in the first quarter net lettings totalled SEK 8m. Renegotiations made a 17 per cent positive contribution to the rental value of renegotiated leases. Projects proceeded according to plan. Two new projects were launched during the quarter.

### BREAKDOWN OF MARKET VALUE, 31/03/2022

■ Innerstaden ■ Solna  
■ Hammarby Sjöstad ■ Flemingsberg  
■ Övriga marknader



### PROPERTY PORTFOLIO AND PROPERTY MANAGEMENT

Fabège's property management and urban and property development activities are concentrated on a few selected submarkets in and around Stockholm: Stockholm city centre, Solna, Hammarby Sjöstad and Flemingsberg. As of 31 March 2022, Fabège owned 100 properties with a total rental value of SEK 3.4bn, lettable floor space of 1.2m sqm and a book value of SEK 86.0bn, of which development and project properties accounted for SEK 14.5bn. The financial occupancy rate for the entire portfolio, including project properties, was 89 per cent (90). The occupancy rate in the investment property portfolio was 89 per cent (90).

### NET LETTINGS

During the period, 36 (34) new leases were signed with a combined rental value of SEK 61m (101), and 93 per cent (98) of the space was attributable to green leases. Lease terminations amounted to SEK -53m (-65). Net lettings amounted to SEK 8m (36). Leases totalling SEK 20m (46) were renegotiated, with an average rise in rental value of 17 per cent (12). Leases worth SEK 57m were also extended on unchanged terms. The retention rate during the year was 88 per cent (71).

### CHANGES IN THE PROPERTY PORTFOLIO

In the first quarter, Generatorm 10, in Flemingsberg, was acquired for a purchase price of SEK 144m. There was also a property reallocation whereby Hagalund 2:10, in Haga Norra, was divided into 6 properties. The new properties are included in the upcoming subproject that is part of the further development of offices and housing in Haga Norra.

### PROJECTS AND INVESTMENTS

The purpose of Fabège's project investments in the investment property portfolio is to reduce vacancy rates and increase rents in the property portfolio, thereby improving cash flows and values. Investments during the period totalled SEK 436m (382) of existing properties and

projects, of which SEK 255m (276) related to investments in project and development properties.

The capital invested in the investment property portfolio, which amounted to SEK 181m (106) and encompassed, for example, energy investments and tenant customisations, also contributed to the total growth in value.

### COMPLETED PROJECTS

During the first quarter, the new construction of Poolen 1, in Arenastaden, was completed, and Tieto Evry moved into its premises on 31 March. Some work on the completion of the remaining vacant premises is ongoing. The occupancy rate is 82 per cent.

### MAJOR ONGOING PROJECTS

Redevelopment work continued at Glädjen 2, in Stadshagen, with a total estimated investment of SEK 183m. The first tenant moved in in June 2021. A further three new leases were signed during the quarter. The project is progressing, with customisations for future tenants, who will move in in the third and fourth quarters of 2022. The occupancy rate is 58 per cent.

The project to develop part of the Bocken 39 property, on Kungsgatan, is continuing, with the completion of office space ahead of Convendum's move in July 2022. The investment is estimated at SEK 203m.

In February, the groundbreaking ceremony was held for the construction of new premises for the Royal Swedish Opera and Royal Dramatic Theatre at Regulatorm 4 in Flemingsberg. The design work is under way and the procurement of construction services. The investment is expected to amount to SEK 445m and the property will be completed for occupancy in June 2024.

The project to construct the first office building on the newly built Ackordet 1 property (which was formerly part of Hagalund 2:10), in Haga Norra, has begun. The foundation works previously decided on have been completed and the assembly of the frame has started. The total investment is estimated to be just short of SEK 1.4bn

<sup>1</sup> The comparison figures for income and expense items relate to the values for January–March 2021 and, for balance sheet items, the values at 31 December 2021.

## TOTAL INVESTMENTS, JAN-MAR 2022

Total investments, SEKm	
Investments in investment properties	181
Investments in development properties	30
Investments in project properties	225
<b>Total investments</b>	<b>436</b>

## PROPERTY ACQUISITIONS JAN-MAR 2022

Property	Area	Category	Lettable area, sqm
<b>Q1</b>			
Generators 10	Flemingsberg	Mark	0
<b>Total</b>			<b>0</b>

and covers a GFA of just over 42,000 sqm. No leases have been signed as yet.

Work has begun on another project for the construction of a mobility hub at Semaforen 1, in Arenastaden (which was formerly part of Järva 3:17). Earthworks and the design and procurement process are ongoing. The investment is estimated at SEK 300m. The mobility hub is expected to result in a project loss of around SEK -80m, but it will resolve a parking deficit and therefore generate cost savings for other adjacent projects.

## FORTHCOMING PROJECT STARTS

In Flemingsberg, planning and design is underway for the construction of offices and laboratories for Alfa Laval. Fabège has entered into a land allocation agreement with Huddinge Municipality for the site in question and work is under way on a local development plan. The project has been expanded to cover a lettable area of more than 27,000 sqm, of which Alfa Laval is leasing more than 90 per cent. The investment is estimated at SEK 824m, excluding land acquisition, and the building will be ready for occupancy in the second quarter of 2025.

Additional project starts decided on include the redevelopment of the Påsen 1 property in Hammarby Sjöstad and tenant customisations for Convendum in the Hägern 7 property, on Drottninggatan. Furthermore, redevelopment work on Nöten 4, on Solna Strand, will begin following the departure of the Swedish Tax Agency at the end of March.

## SHH BOSTAD

SHH's property portfolio includes 27 projects, of which 9 are under construction, with an estimated investment volume of around SEK 1,150m. During the first quarter, construction started on a project in Botkyrka, the BRF project Översten. No projects were

completed during the first quarter of 2022. The BRF project Kaptinen in Botkyrka is in the process of completion, with occupants moving in in two phases; some in the fourth quarter of 2021 and some in the second quarter of 2022. A BRF project in Karlskrona was also acquired in the first quarter of 2022, together with Balder.

## HOUSING DEVELOPMENT IN JOINT VENTURES

The housing project being conducted in cooperation with Brabo in Haga Norra is proceeding according to plan. The project includes 418 apartments that are being constructed in a 3D reallocation above the facility that Fabège built for Bilja. The estimated investment totals approximately SEK 1.1bn. The project is being financed by an owner's loan. A total of 415 apartments have been sold, for 266 of which tenancy contracts have been signed, and non-binding booking agreements for 149 of them. Tenant-owners have moved in to 152 apartments. As the project is completed, the booking agreements will be converted into tenancy contracts. Work is continuing on fixtures and fittings and interior decoration. The project is expected to be completed in February 2023.

The housing project in the Lagern 3 property, in Råsunda, which is being managed alongside the TB group in a 50:50 joint venture, is almost complete. 133 of the 134 apartments included in the project have been sold and occupied by the tenant-owners. The final settlement is taking place at the end of April/early May. The capital gain of SEK 74m from the sale of the property to the joint venture during the first quarter of 2022 has been recognised as a realised change in value.

The current joint venture projects have been recognised using the equity method. Income recognition will take place on the completion of the projects.

## ONGOING PROJECTS &gt; SEK 50M, 31/03/2022

Property listing	Category	Area	Completed	Lettable area, sqm	Occupancy rate, % space <sup>1</sup>	Rental value <sup>2</sup>	Book value, SEKm	Estimated investment, SEKm	of which spent, SEKm
Poolen 1	Offices	Arenastaden	Q1-2022	28,100	82%	94	1,838	1,070	937
Glädjen 12	Offices	Marieberg	Q4-2022	11,000	56%	43	593	183	59
Bocken 39 (part of)	Offices	Norrmalm	Q3-2022	7,700	100%	67	1,559	203	102
Regulatorn 4	Workshops etc	Flemingsberg	Q2-2024	11,900	100%	24	76	430	42
Ackordet 1	Offices	Haga Norra	Q2-2024	27,000	0%	94	428	1,356	188
Semaforen 1	Parking	Arenastaden	Q4-2023	18,000	0%	14	0	300	36
<b>Total</b>				<b>103,700</b>	<b>47%</b>	<b>336</b>	<b>4,494</b>	<b>3,542</b>	<b>1,364</b>
Other land and project properties							3,181		
Other development properties							8,410		
<b>Total project, land and development properties</b>							<b>16,085</b>		

<sup>1</sup>Operational occupancy rate at 31 Mars 2022.<sup>2</sup>Rental value including additions. The annual rent for the largest projects in progress could increase to SEK 230m (fully let) from SEK 5m in annualised current rent at 31 December 2021.

## DEVELOPMENT RIGHTS, 31/03/2022

Commercial building rights				Residential building rights			
Area	Gross floor area, sqm	Legal approval, %	Book value, SEK/sqm	Area	Gross floor area, sqm	Legal binding, %	Book value, SEK/sqm
Inner city	32,900	2	7,700	Inner city	1,300	0	0
Solna	354,600	16	6,700	Solna	283,100	48	9,900
Hammarby Sjöstad	70,000	35	8,500	Hammarby Sjöstad	-	-	-
Flemingsberg	269,600	6	5,400	Flemingsberg	272,000	0	5,500
SHH Bostad	7,100	0	14,200	SHH Bostad	116,100	69	4,400
Other	20,000	15	1,500	Other	-	-	-
<b>Total</b>	<b>754,200</b>	<b>19</b>	<b>6,400</b>	<b>Total</b>	<b>672,500</b>	<b>32</b>	<b>7,100</b>

The gross floor areas and carrying amounts relate to the additional GFA covered by development rights. Development will in some cases require the demolition of existing spaces, which will impact project calculations. The volumes are not maximised. The ongoing planning work aims to increase the volume of future development rights. All agreed land allocations have been included.

## PROPERTY PORTFOLIO, 31/03/2022

Property holdings	No. of properties	Lettable area, '000 sqm	Market value SEKm	Rental value <sup>2</sup>	Financial occupancy rate %
Management properties <sup>1</sup>	59	910	71,471	2,960	89
Development properties <sup>1</sup>	19	246	8,409	260	86
Land and project properties <sup>1</sup>	22	54	6,116	140	73
<b>Total</b>	<b>100</b>	<b>1,210</b>	<b>85,996</b>	<b>3,360</b>	<b>89</b>
Of which, Inner city	27	323	32,716	1,254	87
Of which, Solna	53	738	42,654	1,657	90
Of which, Hammarby Sjöstad	11	136	8,215	379	91
Of which, Flemingsberg	7	70	2,130	68	90
Of which, Other	2	4	281	2	0
<b>Total</b>	<b>100</b>	<b>1,271</b>	<b>85,996</b>	<b>3,360</b>	<b>89</b>

<sup>1</sup>See definitions. <sup>2</sup>In the rental value, time limited deductions of about SEK 145m (in rolling annual rental value at 31 Mars 2022) have not been deducted.

## CONDENSED SEGMENT RAPPORTING

	2022 Jan-Mar	2022 Jan-Mar	2022 Jan-Mar	2022 Jan-Mar	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Mar	2021 Jan-Mar	2021 Mar	2,021 Jan-Mar
<b>SEKm</b>										
Rental income	701	45	16	0	762	661	27	19	-	707
Contract sales, residential	-	-	-	7	7	-	-	-	-	-
<b>Total net sales</b>	<b>701</b>	<b>45</b>	<b>16</b>	<b>7</b>	<b>769</b>	<b>661</b>	<b>27</b>	<b>19</b>	<b>-</b>	<b>707</b>
Property expenses	-170	-30	-8	0	-208	-164	-19	-18	-	-201
Contract costs, residential development	-	-	-	-14	-14	-	-	-	-	-
<b>Gross profit</b>	<b>531</b>	<b>15</b>	<b>8</b>	<b>-7</b>	<b>547</b>	<b>497</b>	<b>8</b>	<b>1</b>	<b>-</b>	<b>506</b>
Of which net operating income property management	531	15	8	0	554	497	8	1	-	506
Sur plus ratio, property management	76%	33%	50%		73%	75%	30%	5%	-	72%
Of which gross profit residential development	-	-	-	-7	-7	-	-	-	-	-
Central administration	-21	-3	-1	-	-25	-27	-3	-2	-	-32
Net interest income/expense	-108	-13	-6	-1	-128	-101	-13	-4	-	-118
Ground rent	-9	-	-2	-	-11	-9	-	-	-	-9
Share in profits of associated companies	-3	-	0	0	-3	-1	0	-	-	-1
<b>Profit from property management</b>	<b>390</b>	<b>-1</b>	<b>1</b>	<b>-8</b>	<b>380</b>	<b>359</b>	<b>-8</b>	<b>-5</b>	<b>-</b>	<b>346</b>
Realised changes in value properties	0	0	74	-	74	0	0	0	-	0
Unrealised changes in value properties	1,934	117	108	-	2,159	402	7	105	-	514
<b>Profit before tax per segment</b>	<b>2,324</b>	<b>116</b>	<b>183</b>	<b>-8</b>	<b>2,613</b>	<b>761</b>	<b>-1</b>	<b>100</b>	<b>-</b>	<b>860</b>
Changes in value interest rate derivatives & shares					881					234
<b>Profit before tax</b>					<b>3,494</b>					<b>1,094</b>
Market value properties	71,219	8,409	6,117	251	85,996	63,687	8,016	5,507	-	77,210
Project & development properties	-	-	-	875	875	-	-	-	-	-
Occupancy rate, %	89	-	-	-	89	92	-	-	-	91

<sup>1</sup> The comparison figures for income and expense items relate to the values for January–March 2021 and, for balance sheet items, the values at 31 December 2021.

# Fabege's sustainability work

Our ambition is not limited to developing sustainable city districts, properties and premises. We aim to contribute to a sustainable Stockholm. Our sustainability strategy is an integral part of our business concept, business model and corporate culture.

## Goals for 2030

- Carbon neutral property management.
- Halving of the climate impact of project development.

# 77

# kWh/sqm

Average energy use in 2021

### GRESB 2021

In 2021, Fabege once again achieved 93 points in GRESB's sustainability survey.



## Goals & strategy

### URBAN DEVELOPMENT

The design of the physical environment has a major impact on how we live our lives and on our well-being. Social sustainability is not a new urban planning phenomenon but is something that is constantly evolving. In Flemingsbergdalen, work is therefore continuing on the Vinnova social sustainability in the physical environment project. Our aim with this project is to explore, develop and try out solutions that add to or strengthen social perspectives and values. The objective is to design places that contribute to the well-being of their inhabitants and help them to live safely and on equal terms. The sustainability programme for the area has been developed in accordance with Citylab. Citylab is Sweden's first certification system for sustainable urban development.

### REDUCED PROJECT CARBON FOOTPRINTS

The targets and roadmap that we have established in support of the Paris Agreement via the Science Based Targets initiative form the backbone of Fabege's work on climate issues. By 2030, Fabege will have reduced its carbon footprint from construction projects, so that its life-cycle analysis will show a halving of its CO<sub>2</sub>e/GFA compared with 2019. Achieving this target will require us to use innovative approaches in our project development, involving reuse, the choice of materials, new technology and the imposing of stringent requirements during procurement processes. Work has begun on the design of the car park in Solna Business Park. The construction of the pilot Hållbarhetshuset (Sustainability Building) building development, in Haga Norra, is also under way, and is largely being built from materials from Bilia's demolished former property. So far, the share of recycled building materials is around 70%.

Fabege has a long-term, target-based and integrated approach to creating more sustainable properties. Our ultimate long-term goal is for Fabege's property

management to be carbon neutral, as measured in kg CO<sub>2</sub>e/sqm, by 2030. By this we mean that we will have control over all the emissions associated with our operations, and we will minimise emissions to the greatest possible extent using the tools available. We will compensate for emissions over which we have no control via carbon offsetting, for example investments in additive technology that reduces the amount of carbon dioxide in the atmosphere.

### ENERGY EFFICIENCY TARGETS

Fabege's energy efficiency targets are divided into phases. In 2019, we already exceeded the Swedish Energy Agreement's target of 50 per cent more efficient energy use by 2030 compared with 2005. In 2021, Fabege's average energy use was 77 kWh/sqm (cumulative twelve-month result). The target is average energy use of 77 kWh/sqm by 2023. The portfolio is divided into two parts: newer properties that received planning permission after 2012 and have a target of 50 kWh/sqm, and older properties that have a target of 85 kWh/sqm.

### ENVIRONMENTAL CERTIFICATION OF PROPERTIES

Fabege's objective is for the company's entire property portfolio to be certified to BREEAM-SE/BREEAM In-Use standard. All project properties and investment properties have been certified since 2019. Fabege's new builds are certified according to BREEAM-SE, ambition level Excellent, and our investment properties according to BREEAM In-Use, ambition level Very Good. 62 of Fabege's 94 properties were certified at the end of the period. Overall, this represents 83 per cent of the total combined area of Fabege's existing portfolio. The properties for which certification has not yet begun are land and development properties for future project development.

In 2022, work is continuing on the upgrading of several BREEAM In-Use certifications in the existing portfolio.

### A GREEN FABEGE ACCORDING TO CICERO

In autumn 2020, CICERO Shades of Green carried out an assessment of Fabege. The results reveal that 95 per cent of Fabege's revenue and investments for 2020 were classified as green. Furthermore, Fabege received CICERO's highest rating of 'Excellent' in an assessment of the company's sustainability governance. Find out more at [www.fabeg.se/en](http://www.fabeg.se/en).

### THE EU TAXONOMY

Fabège is subject to the EU's Non-Financial Reporting Directive. In accordance with the mandatory reporting for the 2021 financial year, Fabège is reporting the extent to which the Group's activities are covered by the EU taxonomy. This information is published as part of the 2021 Annual Report and Sustainability Report, on page 61.

### CERTIFIED PROPERTIES, 31/03/2022

System	Quantity	Sqm, GLA	Target
BREEAM In-Use	47	693,332	66%
BREEAM-SE	12	318,793	30%
BREEAM Bespoke	1	7,364	1%
Miljöbyggnad	2	28,035	3%
<b>Total certified properties</b>	<b>62</b>	<b>1,047,523</b>	<b>100%</b>

### SUSTAINABILITY PERFORMANCE MEASURES

	2022, Q1	2021	2020	Target
Energy performance, kWh/sqm Atemp	25	77	74	Max. 77 kWh/sqm Atemp
Proportion of renewable energy, %	96	95	96	100
Environmental certification, number of properties	62	59	59	
Environmental certification, % of total area	83	81	82	100
Green leases, % of newly signed space	93	96	96	100
Green leases, % of total space	86	80	73	100
Green financing, %	99	99	100	100
Satisfied employees, confidence rating, %		86	79	2021 minst 85%
GRESB, points		93	93	>90

5 properties have EPC level A energy performance certificates, which corresponds to almost 20 per cent of the total area covered by the investment property portfolio.

All housing new builds are certified according to the Nordic Ecolabel.

### SOCIAL SUSTAINABILITY INITIATIVES

Fabège collaborates with municipalities, authorities, other property owners and associations to create safe and attractive areas. We are continuing to focus on social sustainability in urban planning and projects as we develop the physical environment in our city districts. Fabège's actions are centred on education, leisure time, health and work.

Examples of initiatives:

- BID (business improvement district) started in Flemingsberg
- Homework club in Flemingsberg
- Changers Hub in Huddinge
- TalangAkademin in Huddinge
- Support for the Stockholm City Mission
- Street Gallery, Solna Business Park
- Support for local sports clubs
- Pep Parks in Solna
- Vinnova 'Social sustainability in the physical environment' project
- Nature and the environment guide, contain teaching materials for grades 4, 5 & 6

### ABOUT THE SUSTAINABILITY REPORT

The following is a quarterly follow-up of Fabège's work on sustainability issues. The starting point is Fabège's annual Sustainability Report. The quarterly report has not been prepared in accordance with the GRI guidelines and therefore does not address certain issues. An overall picture of the company's sustainability work is published once a year in the Sustainability Report; more information is available at [www.fabeg.se/en/sustainability](http://www.fabeg.se/en/sustainability).

# Other financial information

## SENSITIVITY ANALYSIS – PROPERTY VALUES

Change in value, %	Impact on earnings after tax, SEKm	Equity/assets ratio, %	Loan-to-value ratio, %
+1	671	50.9%	35.5%
0	0	50.7%	35.7%
-1	-671	50.4%	35.8%

Earnings and key performance indicators are affected by realised and unrealised changes in the value of properties. The table shows the effect of a 1 percentage point change in value after the deduction of deferred tax.

## SENSITIVITY ANALYSIS – CASH FLOW AND EARNINGS

	Change	Effect, SEKm
Rental income, total	1%	30.5
Rent level, commercial income	1%	28.6
Financial occupancy rate	1 percentage point	33.6
Property expenses	1%	-7.1
Interest expenses, LTM <sup>1</sup>	+/-1 percentage point	73 / 4
Interest expenses, longer term perspectiv	1 percentage point	306.7

The sensitivity analysis shows the effects on the Group's cash flow and earnings on an annualised basis after taking into account the full effect of each parameter.

## RENTAL INCOME – TREND FOR THE NEXT FOUR QUARTERS



The graph above shows the trend in contracted rental income, including announced occupancies and departures and renegotiations, but excluding letting targets. The graph is therefore not a forecast, but instead aims to show the rental trend for the existing contract portfolio on the balance sheet date.

## HUMAN RESOURCES

At the end of the period, 217 people (191) were employed by the Group.

## PARENT COMPANY

Sales during the period amounted to SEK 81m (74) and earnings before appropriations and tax totalled SEK 768m (130). Net investments in property, equipment and shares came to SEK 0m (2).

## EVENTS AFTER THE BALANCE SHEET DATE

On 1 April, the Kabelverket 2 property, in Älvsjö, was acquired for SEK 812m. See page 3 for further information.

## LEASE MATURITY STRUCTURE

Maturity, year	No. of leases	Annual rent, SEKm	Percentage, %
2022	596	679	23%
2023	299	375	12%
2024	213	274	9%
2025	132	326	11%
2026	99	353	12%
2027+	73	862	29%
<b>Commercial</b>	<b>1,412</b>	<b>2,868</b>	<b>95%</b>
Housing leases	119	12	0%
Indoor and outdoor parking	730	127	4%
<b>Total</b>	<b>2,261</b>	<b>3,007</b>	<b>100%</b>

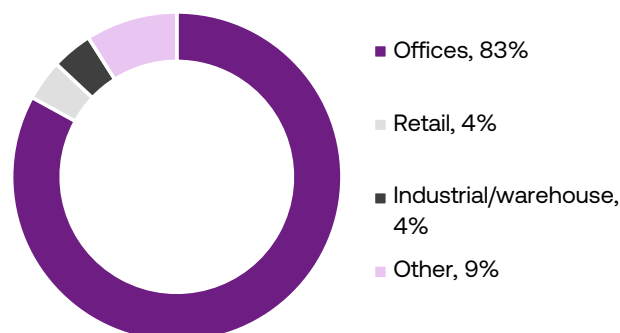
<sup>1</sup>Of which just over SEK 173m has already been renegotiated for 2022.

## BIGGEST CUSTOMERS

	Share, %	Year of expiry
SEB	7%	2037
ICA Fastigheter Sverige AB	4%	2030
Telia Company	4%	2031
TietoEvy	3%	2029
Swedbank	2%	2029
Carnegie Investment Bank AB	2%	2027
Migrationsverket	2%	2028
Bilia AB	2%	2041
Svea Ekonomi AB	2%	2027
Statens Skolverk	2%	2024
<b>Total</b>	<b>30%</b>	

<sup>1</sup>Percentage of contracted rent.

## RENTAL VALUE PER CATEGORY



## OPPORTUNITIES AND RISKS

Risks and uncertainties relating to cash flow from operations relate primarily to changes in rents, vacancies and interest rates. The effect of the changes on consolidated profit, including a sensitivity analysis, and a more detailed description of risks and opportunities, are presented in the section on Risks and opportunities in the 2021 Annual Report (pages 74–83).

Properties are recognised at fair value and changes in value are recognised in profit or loss. The effects of changes in value on consolidated profit, the equity/assets ratio and the loan-to-value ratio are also presented in the section on Risks and opportunities and the sensitivity analysis in the 2021 Annual Report. Financial risk, defined as the risk of insufficient access to long-term funding through loans, and Fabege's management of this risk, are also described in the Risks and opportunities section of the 2021 Annual Report (pages 74–83).

Faberge's aims for the capital structure are to have an equity/assets ratio of at least 35 per cent and an interest coverage ratio of at least 2.2x. The target for the loan-to-value ratio is a maximum of 50 per cent max. The debt ratio should be a maximum of 13x.

Russia's invasion of Ukraine has created global turmoil, which has had a negative effect on the financial markets. Delivery delays and price increases are also a concern and could affect future projects particularly. Since the start of the pandemic, we have specifically commented on its risks and impact. As we no longer believe there are specific risks associated with the pandemic, this section has been deleted. No material changes in the company's assessment of risks have arisen, aside from the above, since the publication of the 2021 Annual Report.

## SEASONAL VARIATIONS

Expenses for the running and maintenance of properties are subject to seasonal variations. For example, cold and snowy winters give rise to higher costs for heating and snow clearance, while hot summers result in higher cooling costs. Activity in the rental market is seasonal. Normally, more business transactions are completed in the second and fourth quarters, which means that net lettings in these quarters are often higher.

## MARKET OUTLOOK

Activity on the rental market gradually increased in the autumn, with more viewings, negotiations and completions. We feel that the Stockholm market is stable, with healthy demand for office premises in all our submarkets. New lettings and renegotiations are being completed at good rent levels. Autumn and winter saw record-high transactions in our market, which is reflected in lower required rates of return and positive changes in value.

Faberge has a strong financial position. We have created new investment opportunities in our areas through the acquisitions that were completed during the year. With the acquisition of SHH we have taken a step towards more comprehensive urban development that extends to housing as well. Faberge's hallmark is stability – we have a portfolio of modern properties in attractive locations, stable customers and committed employees. We are well-placed to take on the challenges and opportunities open to us on the market over the coming year.

## ACCOUNTING POLICIES

Faberge prepares its consolidated financial statements according to International Financial Reporting Standards (IFRS). This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

Disclosures in accordance with IAS 34 Interim Financial Reporting can be found both in the notes and in other sections of the Interim Report.

The company has received government support in the form of the rent support package, which is recognised as a reduction in rental income. This is recognised in profit or loss in the same period as the fall in income for which the support is intended, to the extent that it is deemed reasonably likely that the conditions have been satisfied and the support has been received/will be received. There are no contingent liabilities linked to the government support. The Group has not received any other forms of government support.

The Group has applied the same accounting policies and valuation methods as in the last annual report.

New or revised IFRS standards or other IFRIC interpretations that came into effect after 1 January 2022 have not had any material impact on the consolidated financial statements. The Parent Company prepares its financial statements in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act, and has applied the same accounting policies and valuation methods as in the last annual report.

Stockholm, 26 April 2022

Stefan Dahlbo  
CEO

*This Interim Report has not been reviewed by the company's auditors.*

# Share information

Fabege's shares are listed on NASDAQ Stockholm, where they are included in the Large Cap segment.

## OWNERS\*

Fabege had a total of 46,054 known shareholders on 31 March 2022, including 61.8 per cent Swedish ownership. The 15 largest shareholders control 47.9 per cent of the total number of shares and votes.

## DIVIDEND POLICY

Fabege aims to pay a dividend to its shareholders comprising the part of the company's profit that is not required for the consolidation or development of the business. Under current market conditions, this means that the dividend is expected to account, on a lasting basis, for at least 50 per cent of the profit from ongoing property management and the gains realised on the sale of properties after tax.

## ACQUISITION AND TRANSFERRING OF TREASURY SHARES\*

The 2022 AGM passed a resolution authorising the Board, for the period until the next AGM, to acquire and transfer shares in the company. Share buybacks are subject to a limit of 10 per cent of the total number of shares outstanding at any time. Just over 2.3 million shares were repurchased over the period. The company held 11,784,877 treasury shares on 31 March. The repurchases were made at an average price of SEK 125.81 per share. The holding represents 3.56 per cent of the total number of registered shares.

## LARGEST SHAREHOLDERS, 31/03/2022\*

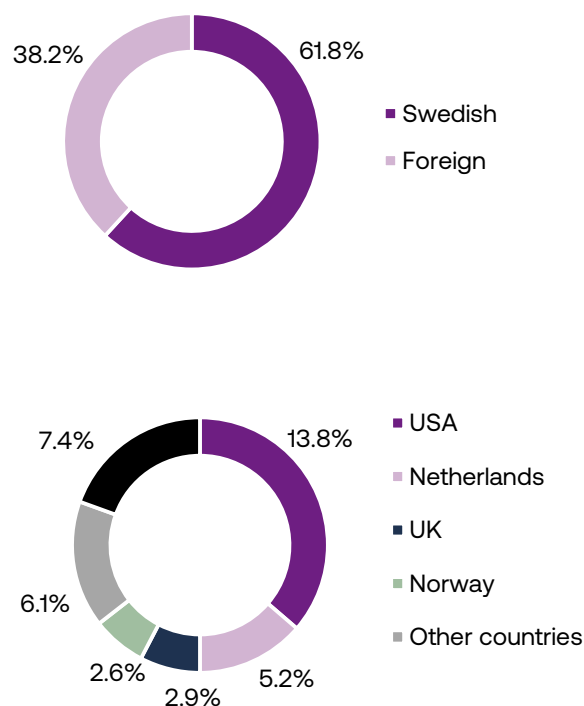
	Number of shares*	Proportion of capital, %	Proportion of votes, %
Erik Paulsson & company	52,108,718	16.3	16.3
BlackRock	15,745,399	4.9	4.9
Länsförsäkringar Funds	11,361,249	3.6	3.6
Handelsbanken Funds	10,458,139	3.3	3.3
Vanguard	9,833,745	3.1	3.1
Mats Qviber and family	7,106,054	2.2	2.2
APG Asset Management	6,874,676	2.2	2.2
E.N.A City Aktiefond	6,530,000	2.0	2.0
The Fourth Swedish National Pension Fund	6,134,163	1.9	1.9
Norges Bank	5,385,251	1.7	1.7
Folksam	5,109,423	1.6	1.6
AFA Insurance	4,329,698	1.4	1.4
The Third Swedish National Pension Fund	4,156,136	1.3	1.3
BNP Paribas Asset Management	4,074,509	1.3	1.3
Nordea Funds	3,538,487	1.1	1.1
<b>Total 15 largest shareholders</b>	<b>152,745,647</b>	<b>47.9</b>	<b>47.9</b>
<b>Total no. of shares outstanding</b>	<b>318,998,267</b>	<b>96.4</b>	<b>96.4</b>
Treasury shares	11,784,877	3.6	3.6
<b>Total no. of registered shares</b>	<b>330,783,144</b>	<b>100</b>	<b>100</b>

## SALES & TRADING, 31/03/2022\*

	Fabege
Lowest price, SEK	114.80
Highest price, SEK	160.50
VWAP, SEK	136.20
Average daily turnover, SEK	81,870,736
Number of traded shares	189,887,254
Average number of transactions	2,266
Number of transactions	715,932
Average value per transaction, SEK	36,136
Daily turnover relative to market capitalisation	0.18

## OWNERSHIP STRUCTURE, 31/03/2022\*

	Number of shares	Capital & votes, %
Foreign institutional owners	100,733,349	30.5
Other owners	74,282,224	22.5
Swedish institutional owners	73,946,924	22.4
Swedish private individuals	45,470,159	13.7
Anonymous ownership	24,565,611	7.4
Treasury shares	11,784,877	3.6
<b>Total</b>	<b>330,783,144</b>	<b>100</b>



\*Source: Holdings by Modular Finance AB. Data compiled and processed from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

# Financial data

## Group

### Condensed statement of comprehensive income

SEKm	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	LTM Apr-Mar
Rental income <sup>1</sup>	762	707	2,889	2,944
Sales residential projects	7	-	62	69
<b>Net Sales</b>	<b>769</b>	<b>707</b>	<b>2,951</b>	<b>3,013</b>
Property expenses	-208	-201	-704	-711
Residential projects expenses	-14	-	-71	-85
<b>Gross profit</b>	<b>547</b>	<b>506</b>	<b>2,176</b>	<b>2,217</b>
<i>of which gross profit property management</i>	<i>554</i>	<i>506</i>	<i>2,185</i>	<i>2,232</i>
Surplus ratio, %	73%	72%	76%	74%
<i>of which gross profit property projects</i>	<i>-7</i>	<i>-</i>	<i>-9</i>	<i>-16</i>
Central administration	-25	-32	-110	-103
Net interest expense	-127	-118	-495	-504
Ground rent	-11	-9	-36	-38
Share in profit of associated companies	-3	-1	2	0
<b>Profit/loss from property management</b>	<b>381</b>	<b>346</b>	<b>1,537</b>	<b>1,572</b>
Realised changes in value of properties	74	0	56	130
Unrealised changes in value of properties	2,159	514	4,585	6,230
Unrealised changes in value, fixed-income derivatives	881	234	532	1,179
Changes in value of shares	0	0	2	2
<b>Profit/loss before tax</b>	<b>3,495</b>	<b>1,094</b>	<b>6,712</b>	<b>9,113</b>
Current tax	0	0	0	0
Deferred tax	-713	-231	-1,312	-1,794
<b>Profit/loss for period/year</b>	<b>2,782</b>	<b>863</b>	<b>5,400</b>	<b>7,319</b>
<i>Items that will not be restated in profit or loss</i>				
Revaluation of defined-benefit pensions	0	0	6	6
<b>Comprehensive income for the period/year</b>	<b>2,782</b>	<b>863</b>	<b>5,406</b>	<b>7,325</b>
Of which attributable to non-controlling interests	0	0	0	0
<b>Total comprehensive income attributable to Parent Company shareholders</b>	<b>2,782</b>	<b>863</b>	<b>5,406</b>	<b>7,325</b>
Earnings per share, SEK	8.69	2.64	16.73	22.76
No. of shares outstanding at period end, thousands	318,998	326,206	321,332	318,998
Average no. of shares, thousands	320,165	327,110	322,743	321,608

<sup>1</sup>On-charging, service and other income amounts to SEK 29m (SEK 32m) for the period January–Mars 2022.

<sup>2</sup>Earnings per share are the same before and after dilution.

### Condensed statement of financial position

SEKm	2022 Mar 31	2021 Mar 31	2021 31 Dec
<b>Assets</b>			
Goodwill	205	-	205
Properties	85,996	77,210	83,257
Right-of-use asset	1,092	897	1,092
Other property, plant and equipment	20	14	22
Derivatives	817	60	121
Non-current financial assets	756	1,536	832
Development properties	875	-	821
Current assets	1,384	528	1,411
Short-term investments	95	95	96
Cash and cash equivalents	197	287	131
<b>Total assets</b>	<b>91,437</b>	<b>80,627</b>	<b>87,988</b>
<b>Equity and liabilities</b>			
Shareholders' equity	46,351	40,882	45,174
Deferred tax	10,317	8,519	9,603
Other provisions	197	182	197
Interest-bearing liabilities <sup>1</sup>	30,669	27,321	30,399
Lease liability	1,092	897	1,093
Derivatives	1	422	186
Non-interest-bearing liabilities	2,810	2,404	1,336
<b>Total equity and liabilities</b>	<b>91,437</b>	<b>80,627</b>	<b>87,988</b>

<sup>1</sup>Of which current, SEK 3,311m (2,798).

## Group

## Condensed statement of changes in equity

SEKm	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total shareholders' equity
Shareholders' equity, 1 January 2021, according to adopted Statement of financial position	5,097	3,017	33,428	41,542	0	41,542
Profit/loss for the period			5,400	5,400	0	5,400
Other comprehensive income			6	6		6
<b>Total income and expenses for the period</b>			<b>5,406</b>	<b>5,406</b>	<b>0</b>	<b>5,406</b>
TRANSACTIONS WITH SHAREHOLDERS						
Share buybacks			-613	-613		-613
Cash dividend			-1,161	-1,161		-1,161
<b>Total transactions with shareholders</b>			<b>-1,774</b>	<b>-1,774</b>	<b>0</b>	<b>-1,774</b>
Shareholders' equity, 31 December 2021, according to adopted Statement of financial position	5,097	3,017	37,060	45,174	0	45,174
Profit/loss for the period			2,782	2,782		2,782
Other comprehensive income			0	0		0
<b>Total income and expenses for the period</b>			<b>2,782</b>	<b>2,782</b>	<b>0</b>	<b>2,782</b>
TRANSACTIONS WITH SHAREHOLDERS						
Share buybacks			-329	-329		-329
Approved but unpaid dividend			-1,276	-1,276		-1,276
Cash dividend				0		0
<b>Total transactions with shareholders</b>			<b>-1,605</b>	<b>-1,605</b>	<b>0</b>	<b>-1,605</b>
Shareholders' equity, 31c Mar 2022	5,097	3,017	38,237	46,351	0	46,351

## Statement of cash flows

SEKm	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
<b>Operations</b>			
Net operating income	547	506	2,176
Central administration	-25	-32	-110
Reversal of depreciation	2	1	7
Interest received	3	4	20
Interest paid	-144	-144	-535
Income tax paid	0	0	0
<b>Cash flow before changes in working capital</b>	<b>383</b>	<b>335</b>	<b>1,558</b>
<b>Change in working capital</b>			
	-54	-	-94
Change in current receivables	-12	-179	-59
Change in current liabilities	286	270	112
<b>Total change in working capital</b>	<b>220</b>	<b>91</b>	<b>-41</b>
<b>Cash flow from operating activities</b>	<b>603</b>	<b>426</b>	<b>1,517</b>
<b>Investing activities</b>			
Business acquisition, net cash outflow	26	-	-734
Investments in new-builds, extensions and conversions	-443	-376	-1,890
Acquisition of properties	-144	-270	-735
Divestment of properties	-	604	309
Other non-current financial assets	83	-410	72
<b>Cash flow from investing activities</b>	<b>-478</b>	<b>-452</b>	<b>-2,978</b>
<b>Financing activities</b>			
Dividend to shareholders	-	-	-1,161
Treasury share buybacks	-329	-359	-613
Borrowings	4,809	4,312	14,958
Repayment of debt	-4,539	-3,660	-11,612
<b>Cash flow from financing activities</b>	<b>-59</b>	<b>293</b>	<b>1,572</b>
Cash flow for the period	66	267	111
Cash and cash equivalents at beginning of period	131	20	20
<b>Cash and cash equivalents at end of period</b>	<b>197</b>	<b>287</b>	<b>131</b>

## Group

### Key performance indicators

	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
<b>Financial<sup>1</sup></b>			
Return on equity, %	24.3	8.4	12.5
Interest coverage ratio, multiple	4.1	3.9	4.1
Equity/assets ratio, %	51	51	51
Loan-to-value ratio, properties, %	35	35	36
Debt ratio, multiple	14.4	13.7	14.7
Debt/equity ratio, multiple	0.7	0.7	0.7
<b>Share-based<sup>1</sup></b>			
Earnings per share, SEK <sup>2</sup>	8.69	2.64	16.73
Equity per share, SEK	145	126	141
Cash flow from operating activities per share, SEK	1:88	1:30	4:70
Average no. of shares, thousands	320,165	323,206	322,743
No. of shares outstanding at end of period, thousands	318,998	327,110	321,332
<b>Property-related</b>			
No. of properties	100	89	94
Carrying amount, properties, SEKm	85,996	77,210	83,257
Lettable area, sqm	1,210,000	1,221,000	1,247,000
Projekt & development properties, SEKm	875	-	821
Financial occupancy rate, %	89	91	90
Total return on properties, %	3.3	1.3	8.7
Surplus ratio, %	73	72	76

<sup>1</sup>Unless otherwise stated, the key performance indicator is not defined under IFRS. See definitions.

<sup>2</sup>Definition according to IFRS.

### EPRA key performance indicators

	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
EPRA Earnings (income from property mgmt after tax), SEKm	337	305	1,356
EPRA Earnings (EPS), SEK/share	1:05	0:93	4:20
EPRA NRV (long-term net asset value), SEKm	57,128	50,927	54,842
EPRA NRV, SEK/share	179	158	171
EPRA NTA (long-term net asset value), SEKm	53,924	48,512	52,037
EPRA NTA, SEK/share	169	150	162
EPRA NDV (net asset value), SEKm	47,627	42,046	45,174
EPRA NDV, SEK/share	149	130	141
EPRA Vacancy rate, %	11	9	10

### Deferred tax

	2022	2021	2021
	Mar 31	Mar 31	31 Dec
<b>Deferred tax attributable to:</b>			
- tax loss carryforwards, SEKm	-445	-600	-532
- difference between carrying amount and tax value of properties, SEKm	10,619	9,200	10,174
- derivatives, SEKm	169	-77	-13
- other, SEKm	-26	-4	-26
<b>Net debt, deferred tax, SEKm</b>	<b>10,317</b>	<b>8,519</b>	<b>9,603</b>

## Quarterly Group overview

### Condensed income statement

	2022		2021		2020			
SEKm	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Rental income	762	746	721	715	707	703	696	696
Sales property projects	7	62	-	-	-	-	-	-
<b>Net sales</b>	<b>769</b>	<b>808</b>	<b>721</b>	<b>715</b>	<b>707</b>	<b>703</b>	<b>696</b>	<b>696</b>
Property expenses	-208	-177	-152	-174	-201	-175	-158	-170
Costs property projects	-14	-71	-	-	-	-	-	-
<b>Gross profit</b>	<b>547</b>	<b>560</b>	<b>569</b>	<b>541</b>	<b>506</b>	<b>528</b>	<b>538</b>	<b>526</b>
<i>of which gross profit property management</i>	<i>554</i>	<i>569</i>	<i>569</i>	<i>541</i>	<i>506</i>	<i>528</i>	<i>538</i>	<i>526</i>
<b>Surplus ratio</b>	<b>73%</b>	<b>76</b>	<b>79%</b>	<b>76%</b>	<b>72%</b>	<b>75%</b>	<b>77%</b>	<b>76%</b>
<i>of which gross profit property projects</i>	<i>-7</i>	<i>-9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Central administration	-25	-25	-24	-30	-32	-24	-21	-25
Net interest expense	-127	-130	-124	-122	-118	-116	-119	-116
Ground rent	-11	-9	-9	-9	-9	-8	-8	-8
Share in profit of associated companies	-3	22	-9	-11	-1	-10	-14	-18
<b>Profit/loss from property management</b>	<b>381</b>	<b>418</b>	<b>404</b>	<b>369</b>	<b>346</b>	<b>370</b>	<b>-376</b>	<b>359</b>
Realised changes in value of properties	74	0	0	56	0	24	0	0
Unrealised changes in value of properties	2,159	2165	881	1025	514	799	391	-304
Unrealised changes in value, fixed-income derivatives	881	140	124	34	234	87	-24	-49
Changes in value, equities	0	0	1	0	0	-1	0	0
<b>Profit/loss before tax</b>	<b>3,495</b>	<b>2723</b>	<b>1411</b>	<b>1484</b>	<b>1094</b>	<b>1279</b>	<b>743</b>	<b>6</b>
Current tax	0	0	0	0	0	-1	0	0
Deferred tax	-713	-465	-315	-301	-231	-244	-169	-21
<b>Profit/loss for the period</b>	<b>2,782</b>	<b>2,258</b>	<b>1,096</b>	<b>1,183</b>	<b>863</b>	<b>1,034</b>	<b>574</b>	<b>-15</b>

### Condensed financial position

	2022		2021		2020			
SEKm	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Assets</b>								
Goodwill	205	205	-	-	-	-	-	-
Properties	85,996	83,257	80,369	78,842	77,210	76,648	75,399	73,565
Right-of-use asset, leasehold	1,092	1,092	897	897	897	897	942	942
Other property, plant and equipment	20	22	21	21	14	15	15	15
Derivatives	817	121	94	57	60	20	11	19
Non-current financial assets	756	832	1,595	1,529	1,536	1,108	1,011	948
Development properties	875	821	-	-	-	-	-	-
Current assets	1,384	1,411	449	535	528	350	396	457
Short-term investments	95	96	96	95	95	108	108	107
Cash and cash equivalents	197	131	85	259	287	20	727	282
<b>Total assets</b>	<b>91,437</b>	<b>87,988</b>	<b>83,605</b>	<b>82,235</b>	<b>80,627</b>	<b>79,166</b>	<b>78,609</b>	<b>76,335</b>
<b>Equity and liabilities</b>								
Shareholders' equity	46,351	45,174	43,007	41,911	40,882	41,542	40,844	40,278
Deferred tax	10,317	9,603	9,135	8,821	8,519	8,288	8,045	7,875
Other provisions	197	197	181	182	182	183	179	180
Interest-bearing liabilities	30,669	30,399	28,393	28,268	27,321	26,669	26,205	24,694
Lease liability	1,092	1,093	897	897	897	897	942	942
Derivatives	1	186	299	386	422	617	695	679
Non-interest-bearing liabilities	2,810	1,336	1,693	1,770	2,404	970	1,699	1,687
<b>Total equity and liabilities</b>	<b>91,437</b>	<b>87,988</b>	<b>83,605</b>	<b>82,235</b>	<b>80,627</b>	<b>79,166</b>	<b>78,609</b>	<b>76,335</b>

### Key performance indicators

	2022		2021		2020			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Financial<sup>1</sup></b>								
Return on equity, %	24.3	12.5	10.3	11.4	8.4	10	5.7	-0.1
Interest coverage ratio, multiple <sup>2</sup>	4.1	4.1	4.3	4.1	3.9	4.3	4.3	4.3
Equity/assets ratio, %	51	51	51	51	51	52	52	53
Loan-to-value ratio, properties, %	35	36	35	36	35	35	35	34
Debt ratio, multiple	14.4	14.7	14	14.1	13.7	13.2	12.9	12.1
Debt/equity ratio, multiple	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6
<b>Share-based<sup>1</sup></b>								
Earnings per share for the period, SEK <sup>2</sup>	8.69	7.02	3.40	3.67	2.64	7.65	1.75	-0.05
Equity per share, SEK	145	141	134	130	126	127	124	123
Cash flow from operating activities per share, SEK	1.88	1.03	1.36	1.01	1.30	0.61	1.40	0.89
No. of shares outstanding at the end of the period, thousands	318,998	321,332	321,998	321,998	323,206	326,206	328,206	328,283
Average no. of shares, thousands	320,165	321,665	321,998	322,602	327,110	328,317	329,211	329,533
<b>Property-related</b>								
Financial occupancy rate, %	89	90	91	91	91	91	91	92
Total return on properties, %	3.3	8.7	1.9	2.1	1.3	1.8	1.3	0.3
Surplus ratio, %	73	76	79	76	72	77	77	76

<sup>1</sup>Unless otherwise stated, the key performance indicator is not defined under IFRS. Please refer to definitions.

<sup>2</sup>Definition according to IFRS.

## Group

# Reconciliation of key performance indicators

The reconciliation of the financial key performance indicators that Fabege reports is presented below.

	2022	2021	2021
	Mar 31	Mar 31	31 Dec
<b>Equity/assets ratio</b>			
Shareholders' equity, SEKm	46,351	40,882	45,174
Total assets, SEKm	91,437	80,627	87,988
<b>Equity/assets ratio</b>	<b>51%</b>	<b>51%</b>	<b>51%</b>
<b>Loan-to-value ratio, properties</b>			
	2022	2021	2021
	Mar 31	Mar 31	31 Dec
Interest-bearing liabilities, SEKm	30,669	27,321	30,399
Carrying amount, properties, SEKm	85,996	77,210	83,257
	875	-	821
<b>Loan-to-value ratio, properties</b>	<b>35%</b>	<b>35%</b>	<b>36%</b>
<b>Debt ratio</b>			
	2022	2021	2021
	Mar 31	Mar 31	31 Dec
Net operating income, SEKm	2,232	2,098	2,185
Central administration, SEKm	-102	-102	-110
<b>Total, SEKm</b>	<b>2,130</b>	<b>1,996</b>	<b>2,075</b>
Interest-bearing liabilities, SEKm	30,669	27,321	30,399
<b>Debt ratio, multiple</b>	<b>14.4</b>	<b>13.7</b>	<b>14.7</b>
<b>Interest coverage ratio, multiple</b>			
	2022	2021	2021
	Mar 31	Mar 31	31 Dec
Net operating income, SEKm	554	506	2,185
Ground rent, SEKm	-11	-9	-36
Central administration, SEKm	-25	-32	-110
<b>Total, SEKm</b>	<b>518</b>	<b>465</b>	<b>2,039</b>
Net interest expense, SEKm	-127	-118	-495
<b>Interest coverage ratio, multiple</b>	<b>4.1</b>	<b>3.9</b>	<b>4.1</b>
<b>Return on equity</b>			
	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Profit/loss for the period, SEKm	2,782	863	5,400
Average equity, SEKm	45,762	41,212	43,358
<b>Return on equity</b>	<b>24.3%</b>	<b>8.4%</b>	<b>12.5%</b>
<b>Total return on properties</b>			
	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Net operating income, SEKm	554	506	2,185
Unrealised and realised changes in the value of properties, SEKm	2,233	514	4,641
Market value including investments for the period, SEKm	83,763	77,210	78,672
<b>Total return on properties</b>	<b>3.3%</b>	<b>1.3%</b>	<b>8.7%</b>
<b>Debt/equity ratio</b>			
	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Interest-bearing liabilities, SEKm	30,669	27,321	30,399
Shareholders' equity, SEKm	46,351	40,882	45,174
<b>Debt/equity ratio</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
<b>Equity per share</b>			
	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Shareholders' equity, SEKm	46,351	40,882	45,174
No. of shares outstanding at end of period, million	319	323	321
<b>Equity per share</b>	<b>145</b>	<b>127</b>	<b>141</b>
<b>Cash flow per share</b>			
	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Cash flow from operating activities, SEKm	603	426	1,517
Average number of shares, million	320	327	323
<b>Cash flow per share</b>	<b>1.88</b>	<b>1.30</b>	<b>4.70</b>

## Group

## Reconciliation of key performance indicators

	2022 Jan-Mar			2021 Jan-Mar			2021 Jan-Dec		
	NRV	NTA	NDV	NRV	NTA	NDV	NRV	NTA	NDV
<b>EPRA NRV, EPRA NTA &amp; EPRA NDV</b>									
Shareholders' equity, SEKm	46,351	46,351	46,351	40,882	40,882	40,882	45,174	45,174	45,174
Reversal of approved but unpaid dividend, SEKm	1,276	1,276	1,276	1,164	1,164	1,164	-	-	-
Reversal of fixed-income derivatives according to balance sheet, SEKm	-816	-816	-816	362	362	362	65	65	65
Reversal of deferred tax according to balance sheet, SEKm	10,317	10,317	10,317	8,519	8,519	8,519	9,603	9,603	9,603
Deduction of actual deferred tax, SEKm	-	-3,204	-3,204	-	-2,415	-2,415	-	-2,805	-2,805
Deduction of fixed-income derivatives according to balance sheet, SEKm	-	-	816	-	-	-362	-	-	-65
Deduction of deferred tax according to balance sheet after adjustment of estimated actual deferred tax, SEKm	-	-	-7,113	-	-	-6,104	-	-	-6,798
<b>NAV</b>	<b>57,128</b>	<b>53,924</b>	<b>47,627</b>	<b>50,927</b>	<b>48,512</b>	<b>42,046</b>	<b>54,842</b>	<b>52,037</b>	<b>45,174</b>
Number of shares outstanding, millions	318.9	318.9	318.9	323.2	323.2	323.2	321.3	321.3	321.3
<b>NAV per share, SEK</b>	<b>179</b>	<b>169</b>	<b>149</b>	<b>158</b>	<b>150</b>	<b>130</b>	<b>171</b>	<b>162</b>	<b>141</b>

	2022 Jan-Mar		2021 Jan-Mar		2021 Jan-Dec
<b>EPRA EPS</b>					
Profit/loss from property management, SEKm	381		346		1,537
Deduction for tax depreciation, SEKm	-165		-148		-660
<b>Total, SEKm</b>	<b>216</b>		<b>198</b>		<b>877</b>
Nominal tax (20.6%), SEKm	44		41		181
<b>EPRA earnings in total (profit/loss from property management less nominal tax), SEKm</b>	<b>337</b>		<b>293</b>		<b>1,356</b>
Number of shares, millions	320.2		327.1		322.7
<b>EPRA EPS, SEK per share</b>	<b>1:05</b>		<b>0:93</b>		<b>4:20</b>

	2022 Jan-Mar		2021 Jan-Mar		2021 Jan-Dec
<b>EPRA Vacancy rate</b>					
Estimated market value of vacant property rents, SEKm	364		298		349
Annual rental value, entire portfolio, SEKm	3,360		3,268		3,359
<b>EPRA Vacancy rate, %</b>	<b>11%</b>		<b>9%</b>		<b>10%</b>

## Parent Company

### Profit and loss account

SEKm	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Income	81	74	324
Expenses	-176	-174	-385
Net financial items	-18	-4	-324
Share in profit of associated companies	0	0	0
Changes in value, fixed-income derivatives	881	234	532
Changes in value, equities	0	0	2
Appropriation	0	0	0
<b>Profit/loss before tax</b>	<b>768</b>	<b>130</b>	<b>149</b>
Current tax	0	0	-
Deferred tax	-159	-29	-109
<b>Profit/loss for the period</b>	<b>609</b>	<b>101</b>	<b>40</b>

## Balance sheet

SEKm	2022 Mar 31	2021 Mar 31	2021 31 Dec
Investments in Group companies	13,400	12,517	13,400
Other non-current assets	46,449	45,050	45,434
<i>of which, receivables from Group companies</i>	<i>45,642</i>	<i>44,771</i>	<i>45,164</i>
Current assets	64	64	115
Cash and cash equivalents	196	265	2
<b>Total assets</b>	<b>60,109</b>	<b>57,896</b>	<b>58,951</b>
Shareholders' equity	10,786	12,095	11,782
Provisions	79	70	69
Non-current liabilities	45,555	44,031	45,687
<i>of which, liabilities to Group companies</i>	<i>18,495</i>	<i>17,696</i>	<i>18,038</i>
Current liabilities	3,689	1,700	1,413
<b>Total equity and liabilities</b>	<b>60,109</b>	<b>57,896</b>	<b>58,951</b>

# Notes

## NOTE 1 - DERIVATIVES

Derivatives are measured at fair value as Level 2 assets. The derivatives portfolio is measured at the present value of future cash flows. Changes in value are recognised in profit or loss. Changes in value are recognised for accounting purposes and have no impact on cash flow. At maturity, the market value of derivative instruments is always zero. The valuation assumptions have not changed significantly compared with the last annual report.

## NOTE 2 - CONTINGENT LIABILITIES

On the balance sheet date, contingent liabilities comprised guarantees and commitments in favour of associated companies of SEK 489m (712) and other of 0 (0).

## NOTE 3 - SEGMENT REPORTING – CLASSIFICATIONS AND RECLASSIFICATIONS DURING THE PERIOD

In accordance with IFRS 8, segments are presented from the management's point of view, broken down by segment. Following the acquisition of SHH Bostad, the segment reporting has been adjusted to better highlight the various business areas. Fabege's property portfolio is classified as follows:

- Property Management – properties under ongoing, long-term management
- Property Development – properties awaiting a redevelopment or extension that will have a significant impact on ongoing property management and net operating income
- Projects – Land and development properties, and properties undergoing new construction/complete redevelopment.
- Housing – SHH's operations constitute a separate segment

Rental income and property expenses, as well as realised and unrealised changes in the value of properties, are directly attributable to properties in the respective segments (direct income and expenses). If a property changes type during the year, the earnings attributable to the property are allocated to the respective segments based on the period of time for which the property belonged to the segments. Central administration costs and net financial items have been allocated to segments on a standardised basis according to each segment's share of the total property value (indirect income and expenses). Property assets are directly attributed to the respective segments and recognised on the balance sheet date. All revenue and expenses attributable to SHH's operations are recognised in the Housing segment.

During the fourth quarter of 2021, segment reporting was changed through the separation of development properties and ongoing projects and land properties, which means that some of Fabege's properties have been reclassified. The comparative figures have also been adjusted in accordance with the new breakdown.

The Generatör 10 property acquired during the first quarter was classified as a land property. In March 2022, the Poolen 1 project, in Arenastaden, was completed, and from the second quarter of 2022 will be reclassified from a project property to an investment property.

## NOTE 4 - ACQUISITIONS

On 18 October 2021, the Group acquired all of SHH Bostad AB's shares for a purchase price of SEK 880m. The preliminary acquisition analysis has been updated with an investment aid receivable for one of the properties acquired. The goodwill has been reduced by the same amount.

For further information about the acquisition, see Fabege's 2021 Annual and Sustainability Reports.

SEKm	Net assets of the acquired company at the time of acquisition	Adjustment preliminary purchase price allocation	Final purchase price allocation
Property, Plant and equipment	5		5
Interests in associated companies	53		53
Properties	50		50
Development properties	692		692
Other Current assets	377	29	406
Cash and cash equivalents	126		126
Provisions	-24		-24
Interest-bearing liabilities	-394		-394
Non-interest-bearing liabilities	-239		-239
<b>Net identifiable assets and liabilities</b>	<b>646</b>		<b>646</b>
Group Goodwill	234	-29	205
Consideration transferred	880		880

# This is Fabege

**Fabège is one of Sweden's leading property companies. We develop attractive and sustainable city districts, with a primary focus on commercial properties within a limited number of well-located submarkets in the Stockholm region.**

We are one of the largest property owners in Stockholm and have a clear strategy for our property holdings, with a portfolio grouped into clusters. The Group also includes SHH Bostad, which is a property development company focused on residential and public-services property. Thanks to the large number of residential development rights that we hold, together we have a great opportunity to create mixed-use developments in our city districts. The concentration of our properties in well-contained clusters ensures greater customer proximity and, when coupled with Fabège's thorough knowledge of the market, creates a solid foundation for efficient property management and high occupancy rates. At 31 March 2022, Fabège owned 100 properties with a total market value of SEK 86.0bn. Their rental value stood at SEK 3.4bn. This has been supplemented by SHH Bostad's development portfolio, comprising ongoing and future residential development projects with a value of SEK 875m.

## BUSINESS CONCEPT

Fabège develops sustainable city districts, with a primary focus on commercial properties within a limited number of well-located submarkets in the Stockholm region.

Value is created through property management, property development, project development and transactions. We are keen to be a supportive partner that puts people front and centre and enables companies, locations and our city to develop.

## BUSINESS MODEL

Fabège is active in three business areas: Property Management, Property Development and Transactions.

## STRATEGY FOR GROWTH

Fabège's strategy is to create value by managing, improving and developing its property portfolio and through transactions, acquiring and divesting properties with the aim of increasing the property portfolio's potential. Fabège's properties are located in the most liquid market in Sweden. Attractive locations lead to a low vacancy rate in the investment property portfolio. Modern properties permit flexible solutions and attract customers. With its concentrated portfolio and high-profile local presence, investments to enhance the appeal of an area are sure to benefit many of Fabège's customers.

## VALUE DRIVERS

Fabège's operations are affected by a number of external factors, such as the pricing of and demand for premises, the transaction market's required rate of return, and changes in market interest rates, which set the conditions for the company's success.

## Stockholm is growing

Stockholm is one of the five metropolitan areas in Western Europe with the highest rate of population growth. The

population of Stockholm County is forecast to continue to grow over the next 20 years. The most significant growth is in people in the active labour force, which is boosting demand for office premises.

## Changing demand

New technology and new working methods are fuelling demand for flexible and space-efficient premises in prime locations. Peripheral services and effective communication links in the form of public transport are in increasing demand, as are environmentally-certified offices and green leases.

## Economic trends

The property market is impacted by trends in both the Swedish and the global economy. Demand for premises is closely linked to GDP growth and companies' need for premises. Changes in market interest rates affect required rates of return.

## Sustainable urban development

Sustainability issues are becoming increasingly important in terms of both individual properties and entire areas. Interest in environmental considerations relating to the choice of materials and energy-saving measures is on the rise. Demand is increasing for premises in areas with a good mix of offices, retail, service and residential units, and good transport links and environmental engagement.

## Business model

### PROPERTY MANAGEMENT

The essence of Fabège's operations is finding the right premises for customers' specific requirements and ensuring customer satisfaction. This is accomplished through long-term efforts, based on close dialogue with the customer, which builds mutual trust and loyalty.

### PROPERTY DEVELOPMENT

High-quality property development is the second key cornerstone of our business. Fabège has long-standing experience in the management of extensive property development projects, and endeavours to attract long-term tenants for properties that have not yet been fully developed and can be redesigned based on customers' specific requirements.

### TRANSACTIONS

Property transactions are an integral part of Fabège's business model and make a significant contribution to the company's earnings. The company continuously analyses its property portfolio in order to seize opportunities to generate capital growth through acquisitions and divestments.



# Definitions

Fabege presents certain financial performance measures in the Interim Report that are not defined in IFRS. The company believes that these measures provide valuable supplementary information for investors and the company's management, as they enable an assessment and benchmarking of the company's reporting. Since not all companies calculate financial performance measures in the same way, they are not always comparable with measures used by other companies. These financial performance measures should therefore not be regarded as substitutes for measures defined in IFRS. The following key performance indicators are not defined in IFRS, unless otherwise stated.

## ACTUAL DEFERRED TAX

Estimated actual deferred tax has been calculated at approximately 4 per cent based on a discount rate of 3 per cent. Furthermore, it has been assumed that loss carryforwards are realised over four years with a nominal tax rate of 20.6 per cent, which gives a net present value for deferred tax assets of 19.7 per cent. The calculation is also based on the property portfolio being realised over 50 years, with 10 per cent being sold directly with a nominal tax rate of 20.6 per cent and the remaining 90 per cent being sold indirectly via companies with a nominal tax rate amounting to 6 per cent, which gives a net present value for deferred tax liabilities of 4 per cent.

## CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

Cash flow from operating activities (after changes in working capital) divided by the average number of shares outstanding.

## DEBT RATIO

Interest-bearing liabilities divided by rolling twelve-month net operating income less central administration.

## DEBT/EQUITY RATIO

Interest-bearing liabilities divided by shareholders' equity.

## DEVELOPMENT PROPERTIES\*

Properties in which a conversion or extension is in progress or planned that has a significant impact on the property's net operating income. Net operating income is affected by limitations on lettings prior to impending improvement work.

## EARNINGS PER SHARE

Parent Company shareholders' share of earnings after tax for the period, divided by average number of shares outstanding during the period. Definition according to IFRS.

## EPRA EPS

Profit from property management less tax at a nominal rate attributable to profit from property management, divided by average number of shares. Taxable profit from property management is defined as profit from property management less such amounts as tax-deductible depreciation and remodelling.

## EPRA NDV – NET DISPOSAL VALUE

Shareholders' equity according to balance sheet.

## EPRA NRV – NET REINVESTMENT VALUE

Shareholders' equity according to balance sheet following the reversal of fixed-income derivatives and deferred tax according to the balance sheet.

## EPRA NTA – NET TANGIBLE ASSETS

Shareholders' equity according to balance sheet following the reversal of fixed-income derivatives and deferred tax according to the balance sheet. Adjusted for actual deferred tax instead of nominal deferred tax.

## EPRA VACANCY RATE

Estimated market rent for vacant rents divided by the annual rental value for the entire property portfolio.

## EQUITY PER SHARE

Parent Company shareholders' share of equity according to the balance sheet, divided by the number of shares outstanding at the end of the period.

## EQUITY/ASSETS RATIO

Shareholders' equity including non-controlling interest divided by total assets.

## FINANCIAL OCCUPANCY RATE\*

Lease value divided by rental value at the end of the period.

## INTEREST COVERAGE RATIO

Net operating income including ground rent less central administration in relation to net interest items (interest expenses less interest income).

## LAND AND PROJECT PROPERTIES\*

Land and development properties and properties in which a new construction/complete redevelopment is in progress.

## LEASE VALUE\*

Stated as an annual value. Index-adjusted basic rent under the rental agreement plus rent supplements.

## LOAN-TO-VALUE RATIO, PROPERTIES

Interest-bearing liabilities divided by the carrying amount of the properties at the end of the period.

## MANAGEMENT PROPERTIES\*

Properties that are being actively managed on an ongoing basis.

## NET LETTINGS\*

New lettings during the period less terminations to vacate

## RENTAL VALUE\*

Lease value plus estimated annual rent for vacant premises after a reasonable general renovation.

## RETENTION RATE\*

Proportion of leases that are extended in relation to the proportion of cancellable leases.

## RETURN ON EQUITY

Profit for the period/year divided by average shareholders' equity including non-controlling interest. In interim reports, the return is converted into its annualised value without taking account of seasonal variations.

## RETURN ON INVESTED CAPITAL IN PROJECT PORTFOLIO\*

Change in value of project and development properties, divided by invested capital (excluding initial value) in project and development properties during the period.

## RETURN, SHARE

Dividend for the year divided by the share price at year-end.

## SURPLUS RATIO\*

Net operating income divided by rental income.

## TOTAL RETURN ON PROPERTIES

Net operating income for the period plus unrealised and realised changes in the value of properties, divided by market value at start of period plus investments for the period.

\*This key performance indicator is operational and is not regarded as an alternative performance measure according to ESMA's guidelines.

#### CALENDAR

Interim Report, Jan-June 2022	8 July 2022, 7.30 am CET
Interim Report, Jan-Sept 2022	20 October 2022, 07.30 am CET

#### PRESS RELEASES DURING THE FIRST QUARTER OF 2022

27/01/2022	Fabege acquires development property in Flemingsberg
31/01/2022	Fabege invites you to the presentation of its year-end report 2021
07/02/2022	Year-end report 2021
07/02/2022	Fabege launches share buyback
17/02/2022	Fabege's zero-energy hotel receives an honourable mention from the Solar Energy Association of Sweden
24/02/2022	The Nominating Committee's proposal concerning the Board of Directors and Chair of Fabege AB (publ)
01/03/2022	Notice of Annual General Meeting of Fabege AB (publ)
07/03/2022	Fabege publishes its Annual Report and Sustainability Report for 2021
22/03/2022	New Head of Transactions at Fabege
29/03/2022	Resolutions passed by Fabege's Annual General Meeting on 20 March 2022
31/03/2022	Fabege and Tham & Videgård to develop Sveaplan
31/03/2022	Fabege is one of Sweden's best workplaces!



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There will also be an online video presentation on the Group's website, in which Stefan Dahlbo and Åsa Bergström will present the report on 26 April 2022.

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