

Q1

2023

Summary, SEKm

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Net sales	1,016	769	3,327
Gross profit	620	547	2,161
Profit/loss from property management	351	381	1,373
Profit/loss before tax	-1,977	3,495	2,964
Profit/loss after tax	-1,584	2,782	2,376
Net lettings	-12	8	86
Surplus ratio, %	72	73	74
Loan-to-value ratio, %	40	35	38
EPRA NRV, SEK per share	166	179	173

Jan–Mar 2023¹

- Rental income totalled SEK 829m (762). On a like-for-like basis, income rose by 8 per cent (8) compared with the previous period.
- Net operating income amounted to SEK 598m (554). On a like-for-like basis, net operating income rose by 8 per cent (9).
- The surplus ratio was 72 per cent (73).
- Revenue from residential development amounted to SEK 187m (7) and gross earnings totalled SEK 22m (–7).

- Net interest amounted to SEK –221m (–127).
- Profit from property management amounted to SEK 351m (381).
- Realised and unrealised changes in the value of properties totalled SEK –2,110m (2,159) and SEK –217m (881) for fixed-income derivatives.
- Profit/loss before tax for the period totalled SEK –1,977m (3,495).

- Profit/loss after tax for the period totalled SEK –1,584m (2,782), corresponding to SEK –5.04 per share (8.69).
- Net lettings amounted SEK –12m (8).
- In connection with renegotiation, leases worth SEK 179m were extended on unchanged terms.
- The equity/assets ratio was 48 per cent (49).
- The loan-to-value ratio stood at 40 per cent (38).

See page 26 for key performance indicator definitions.

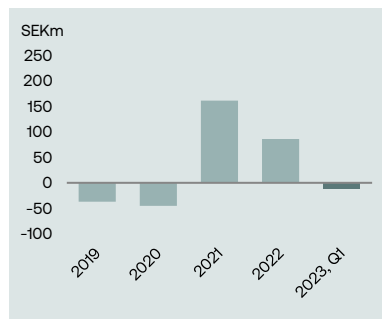
¹The comparison figures for income and expense items relate to the values for January–March 2022 and, for balance sheet items, the values at 31 December 2022.

Message from the CEO

OPERATIONAL TARGETS

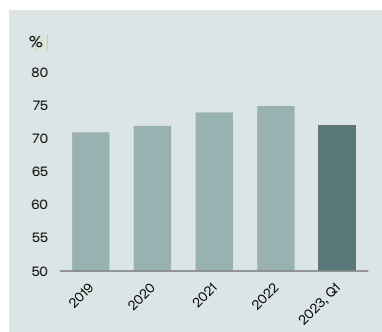
- Net lettings of at least SEK 80m per year.
- Surplus ratio of 75 per cent.
- Investment volume of approximately SEK 2,500m per year.

NET LETTINGS



Target: SEK 80m per year

SURPLUS RATIO,



Target: 75%

The first quarter continued to be characterised by a volatile operating environment. Inflation remains high, although there has been some recent improvement, interest rate hikes have continued and the economic outlook is uncertain. However, our operations are running smoothly and I am pleased with our financial stability and strength.

Rental income during the first quarter amounted to SEK 829m and on a like-for-like basis, income increased by 8 per cent. Net operating income also grew, from SEK 554m to SEK 598m. Net lettings were slightly negative, at SEK -12m. We completed some significant new lettings, especially in Haga Norra, but unfortunately this did not compensate for the lease terminations during the period. However, the occupancy rate improved and forthcoming occupancies and vacating of premises over the next few quarters will contribute to increased rental income.

The start of the year has been marked by concerns about the ability of property companies to source financing. Capital is available in the bond market, but at excessively high prices. In February, we issued an unsecured bond of SEK 250m at a level that we deemed satisfactory: a two-year bond at a margin of 200 basis points. It was a way of indicating to bond investors that we want to be active in the capital market, even though currently we regard bank financing as the most attractive financing option. We hope the capital market will at some point offer more attractive conditions.

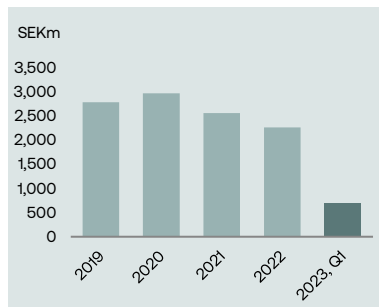
It bears repeating that we have a strong balance sheet, good banking relationships and good refinancing opportunities. 61 per cent of our borrowing is at low fixed rates, mainly using interest rate swaps. Just under half of our current borrowing has a fixed interest period of more than three years. This means that a 1 per cent rise in interest rates, based on current volumes and margins, would increase our interest costs by around SEK 120m over the next 12 months.



The transaction market was cautious at the beginning of the year, with activity clearly lower than in recent years. However, transactions in our areas have remained at satisfactory levels. We opted to have 47 per cent of the portfolio independently valued during the quarter, while the remaining properties were internally valued. Higher interest rates, among other factors, meant that the average yield requirement increased by 0.12 percentage points to 4.11 per cent in the portfolio, which led to unrealised changes in value amounting to SEK -2,110m. The total market value at the end of the period was SEK 85.0bn. In the valuations, higher yield requirements were partly offset by increased rent levels due to higher inflation assumptions. It can be noted that we now have approximately the same yield requirements in the portfolio as we did halfway through 2019.

The rental market in Stockholm exhibited strong growth throughout the 2010s. Both vacancies and rents remained at healthy levels well into the 2020s, perhaps somewhat unexpectedly during the pandemic. Low activity and considerable uncertainty during and after the pandemic meant that many decisions on premises were postponed. Several surveys now indicate that tenant turnover is once again

INVESTMENT VOLUME



Target: SEK 2.5bn per year over a business cycle

increasing, and that we are seeing increasing vacancies in some areas. This is of course influenced by the economic climate, but an underlying factor is also changes in the need for premises due to new ways of working. A recent survey by CityMark shows that vacancies are increasing the most in Stockholm inner city, excluding CBD, and in Söderort. The local market in Stockholm inner city is now showing the highest turnover in 10 years. There are also major differences in vacancies between A and B locations in less central areas. Tenants are looking for better products in better locations, and some are reducing their leased area.

Our organisation works in partnership with our tenants to find smart solutions to meet long-term space needs, both in terms of cost and environmental impact. This can sometimes lead to reduced rents and greater flexibility, which can, for example, involve more shared facilities with other tenants, such as conference and fitness areas. This allows rents per sqm to be maintained or even continue to increase, while reducing tenants' annual costs and providing them with premises that support their business. Our geographically concentrated portfolio and local knowledge are a great advantage in these processes. Our properties are also in locations that support new ways of working and travelling.

In the short term, inflation contributes to increased rental income. However, there is no guarantee that market rents will follow suit. For quite a few years of steady rental growth and low inflation, market rents have been higher than outgoing rents. Now we find ourselves in a situation where it can sometimes be the other way round. This is nothing new, but it has been quite a few years since we last faced such a situation.

It is pleasing to see that more and more companies looking for premises have a genuine interest in sustainability issues. Fabege's reuse initiative is attracting attention, and our key performance indicators for energy use and carbon footprint are impressive. During the quarter, we took an important step towards our goal of being carbon neutral by 2030. We signed an agreement with Stockholm Exergi concerning the capturing of biogenic carbon dioxide, which is known as bio-CCS (bio energy with carbon capture and storage) and the future purchasing of

negative emissions. The agreement complements our successful energy efficiency work. We are continuing to distinguish between 'good costs', which bring in revenue, and 'bad costs', which waste money. Consistently leading the way in terms of sustainability is definitely a good cost. an agreement with Stockholm Exergi concerning the capturing of biogenic carbon dioxide, which is known as bio-CCS (bio energy with carbon capture and storage) and the future purchasing of negative emissions. The agreement complements our successful energy efficiency work. We have to keep distinguishing between 'good costs', which bring in revenue, and 'bad costs', which waste money. Continuing to lead the way in terms of sustainability is definitely a good cost.

Our new construction projects are proceeding, and it will be exciting to welcome the Royal Swedish Opera, Royal Dramatic Theatre and Alfa Laval to Flemingsberg in 2024 and 2025, as well as JM, Randstad and others to Haga Norra.

The residential project in cooperation with Brabo in Haga Norra is approaching completion. Of a total of 418 apartments, 388 have now been sold, including 18 in 2023. At the beginning of the year, Birger Bostad completed and finalised a couple of projects and welcomed a large number of occupants in the other projects. Eleven homes have been sold in Riksten, and the selling rate for BRF projects under construction is 91 per cent.

I'm also extremely proud that we have advanced to 20th place among Sweden's Best Workplaces™ for medium-sized organisations in Great Place To Work's annual employee survey. As in surveys in previous years, we have continued to improve our results, which underlines the quality of the values-based work carried out in our daily activities. Overall, 98 per cent of all our employees are of the opinion that Fabege is an excellent place to work. Being a team with a strong corporate culture is important for us to deliver value to our stakeholders.

Stefan Dahlbo, CEO
April 26 2023

Earnings Jan–Mar 2023¹

Earnings after tax for the period amounted to SEK –1,584m (2,782), corresponding to earnings per share of SEK –5.04 (8.69). Earnings before tax for the period amounted to SEK –1,977m (3,495). Higher interest costs and negative changes in the value of the property portfolio and derivatives portfolio in the first quarter meant that earnings before tax declined compared with the same period last year.

FIRST QUARTER IN BRIEF

- The Stockholm market in general showed stable rent levels during the first quarter, but high tenant turnover and slightly increased vacancies.
- New lettings totalled SEK 48m (61).
- Net lettings amounted to SEK –12m (8) after a couple of significant lease terminations.
- Rental income totalled SEK 829m (762).
- The surplus ratio was 72 per cent (73).
- Revenue from residential development amounted to SEK 187m (7) and gross earnings totalled SEK 22m (–7).
- Net interest amounted to SEK –221m (–127).
- Profit from property management totalled SEK 351m (381).
- Unrealised changes in value in the property portfolio amounted to SEK –2,110m (2,159), of which projects accounted for SEK 493m (225).
- Unrealised changes in value in the derivatives portfolio totalled SEK –217m (881).
- Earnings after tax for the quarter amounted to SEK –1,584m (2,782).

RENTAL INCOME AND NET OPERATING INCOME

Rental income increased to SEK 829m (762) and net operating income amounted to SEK 598m (554). On a like-for-like basis, income rose by approximately 8 per cent (8). The increase in income was mainly due to the index increase that took effect at the beginning of the year. Other significant changes related to increased income due to Convendum's move into Bocken 39, while the Swedish Tax Agency's vacation of Nöten 4 on 31 March 2022 had a negative effect. The increase in property expenses related mainly to higher costs for snow removal and electricity. Net operating income on a like-for-like basis rose by approximately 8 per cent (9). The surplus ratio was 72 per cent (73).

PROFIT FROM RESIDENTIAL DEVELOPMENT

Revenue from residential development totalled SEK 187m (7) during the period. Costs relating to housing development amounted to SEK –165m (–14), including administrative expenses of SEK –5m (–8). Gross earnings therefore totalled SEK 22m (–7). Income is recognised in connection with phased occupancy or upon completion. During the period, two projects were completed and finalised, one in Landskrona and one in Sigtuna. Two more projects have been partially settled. Income from co-owned projects is recognised under the item 'Share in profit/loss of associated companies'.

CENTRAL ADMINISTRATION

Central administration costs amounted to SEK –26m (–25).

NET FINANCIAL ITEMS

Net interest items amounted to SEK –221m (–127). During the quarter, the average interest rate gradually increased as the Riksbank's policy rate hike had an effect on the market rate (STIBOR). The average interest rate at 31 March was 2.75 per cent

(2.39 at the turn of the year). Ground rent amounted to SEK –12m (–11).

SHARE IN PROFIT/LOSS OF ASSOCIATED COMPANIES

The share in the profit/loss of associated companies totalled SEK –10m (–3) 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. 47 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 85.0bn (86.3). Unrealised changes in value totalled SEK –2,110m (2,159). The average yield requirement rose by 0.12 percentage points to 4.11 per cent (3.99). The increased yield requirements were a result of higher interest rates. Valuations were partly offset by increased rent levels due to higher inflation assumptions.

TAX

The tax expense for the period totalled SEK 393m (–713) and related to deferred tax. 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 over the next few years.

SEGMENT REPORTING

The Property Management segment generated net operating income of SEK 570m (531), representing a surplus ratio of 74 per cent (76). The occupancy rate stood at 90 per cent (89). Profit from property management totalled SEK 342m (390). Unrealised changes in the value of properties amounted to SEK –1,609m (1,934).

¹The comparison figures for income and expense items relate to the values for January–March 2022 and, for balance sheet items, the values at 31 December 2022.

CHANGES IN PROPERTY VALUES, JAN–MAR 2023

Changes in property values, SEKm	
Opening fair value, 01/01/2023	86,348
Property acquisitions	57
Investments in new builds, extensions and con	699
Unrealised changes in value	-2,110
Sales, disposals and other	0
Closing fair value, 31/03/2023	84,994

AVERAGE YIELD REQUIREMENT, 31/03/2023

Area	Average yield requirement
Stockholm city	3.74%
Solna	4.31%
Hammarby Sjöstad	4.22%
Flemingsberg	5.09%
Other markets	4.92%
Average yield	4.11%

The Property Development segment generated net operating income of SEK 27m (15), resulting in a surplus ratio of 55 per cent (33). Profit from property management totalled SEK 5m (0). Unrealised changes in the value of properties amounted to SEK –269m (117).

In the Projects segment, unrealised changes in value of SEK –224m (108) were recognised. Project gains were offset by impairment due to increased yield requirements when assessing the final value of the project properties.

The Residential segment generated gross earnings relating to residential development of SEK 22m (–7). Profit from property management totalled SEK 15m (loss: 8). Unrealised changes in value totalled SEK –8m (0). Further information about the breakdown by segment is provided in the segmentreport and segment notes on pages 10 and 23.

FINANCIAL POSITION AND NET ASSET VALUE

Shareholders' equity amounted to SEK 43,175m (45,514) at the end of the period, and the equity/assets ratio was 48 per cent (49). Approved but unpaid dividends of SEK 755m have reduced shareholders' equity. Equity per share attributable to Parent Company shareholders totalled SEK 137 (145). EPRA NRV amounted to SEK 166 per share (173).

GOODWILL

Recognised goodwill of SEK 205m is entirely attributable to the acquisition of Birger Bostad AB.

PROPERTIES

The property value recognised relates to Fabege's investment property portfolio, including project and land properties. At 31 March 2023, the total property value amounted to SEK 85.0bn (86.3).

DEVELOPMENT PROPERTIES

This refers to ongoing in-house projects and development properties for future construction within Birger Bostad. The value at the end of the quarter totalled SEK 795m (892), SEK 466m of which relates to ongoing construction and SEK 329m to development properties for future development.

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 341m (383). Changes in working capital had an impact on cash flow of SEK 112m (220). Investing activities had an impact of SEK –778m (–478) on cash flow, while cash flow from financing activities totalled SEK 320m (–59). In investing activities, cash flow is driven by property transactions and projects. Cash and cash equivalents declined by a total of SEK 5m (66) during the period.

NEW LETTING IN FIRST QUARTER, HAGA NORRA

Faberge and Randstad have signed a lease of just over 3,200 sqm in the office project Kvarter 1, Haga Norra. The lease is for seven years and occupancy is scheduled to commence on 1 March 2025. Kvarter 1 comprises 27,000 sqm and the occupancy rate in the project is 41 per cent following lettings to SATS, JM and Randstad.

The property is being certified to BREEAM-SE standard, Excellent.

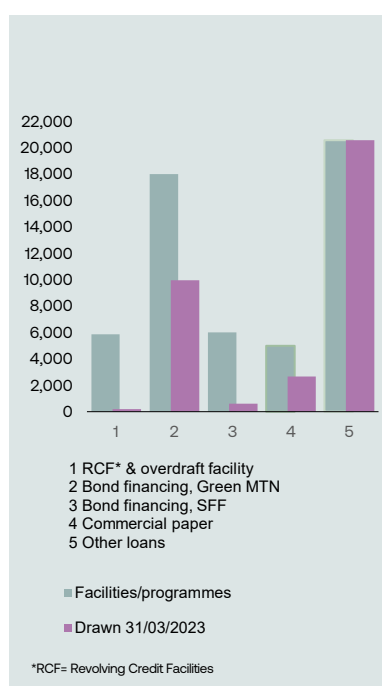
In Arenastaden's new Haga Norra district, we are creating 70,000 sqm of commercial floorspace and 1,000 new homes.



Financing

Faberge 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



100%

Green financing
31 March 2023

Moody's Rating

Baa2

negative outlook

Revised in November 2022

FINANCING

Faberge 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. Faberge's bank facilities are complemented by an MTN programme of SEK 18bn, a commercial paper programme of SEK 5bn and the possibility of borrowing a maximum of SEK 6bn via SFF's secured MTN programme.

The quarter began with some stabilisation of the financial markets, which enabled us to utilise the long-term capital market by issuing an unsecured bond of SEK 250m. Following this, banking sector turmoil spread across Europe and Sweden after some small US banks encountered problems. This led to a rebound in volatility and a decline in longer-term market interest rates. However, short-term interest rates rose further on the prospect of the Riksbank continuing to raise the policy rate. The sharp increase in interest rates means increased interest expenses for Faberge, but these are to some extent mitigated by the fact that a large proportion is hedged using derivatives.

Total financing increased by SEK 635m during the quarter and comprised funding via the capital market of SEK 13.2bn and via the bank market of SEK 20.8bn.

The share of capital market funding decreased slightly as committed lines of credit signed before the end of the year were disbursed and partly used to repay maturities in both the commercial paper and bond markets.

Committed lines of credit and undrawn credit facilities, including the backup facility for the commercial paper programme, amounted to SEK 5.7bn.

Faberge's fixed-interest term at the end of the quarter was 2.5 years. The derivatives portfolio comprised interest rate swaps totalling SEK 19,650m, maturing in 2032 and carrying fixed annual interest of between – 0.15 and 1.30 per cent.

Net financial items included other financial expenses of SEK 29m, which mainly related to accrued opening charges for credit agreements and costs relating to bond and commercial paper programmes. During the period, interest totalling SEK 7m (6) relating to project properties was capitalised.

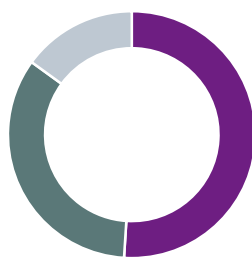
Faberge firmly believes in the ability of the financial market to contribute to a more sustainable society, and is keen to play an active role in its transition towards greater accountability. 100 per cent of the loan portfolio is classified as green.

FINANCING, 31/03/2023

	2023-03-31	2022-12-31
Interest-bearing liabilities, SEKm	33,976	33,341
of which outstanding MTN, SEKm	9,950	10,700
of which outstanding SFF, SEKm	600	600
of which outstanding commercial paper, SEKm	2,665	2,767
Undrawn facilities, SEKm ¹	5,660	7,260
Fixed-term maturity, years	4.5	4.7
Fixed-rate period, years	2.5	2.7
Fixed-rate period, percentage of portfolio, %	61	65
Derivatives, market value, SEKm	1,472	1,689
Average interest expenses, incl. committed credit facilities, %	2.75	2.39
Average interest expenses, excl. committed credit facilities, %	2.67	2.31
Unpledged assets, %	39.3	45.2
Loan-to-value ratio, %	39.6	38.2

¹Included credit facilities for commercial paper

SUPPLY OF CAPITAL



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

BREAKDOWN OF COLLATERAL



- Pledged assets 61%
- Unpledged assets 39%

FINANCIAL TARGETS

Fabege's Board of Directors has adopted the following financial targets:

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

INTEREST MATURITY STRUCTURE, 31/03/2023

	Amount, SEKm	Average interest rate, %	Percentage, %
< 1 year	15,164	4.81*	45
1-2 years	2,986	0.72	9
2-3 years	2,000	0.96	6
3-4 years	4,150	0.97	12
4-5 years	2,914	1.28	9
5-6 years	2,962	1.37	9
6-7 years	2,000	0.44	6
7-8 years	400	0.60	1
8-9 years	900	0.72	3
9-10 years	500	0.81	1
11 years	0	0.00	0
Total	33,976	2.67	100

*The average interest rate for the period <1 year includes the margin for the variable portion of the debt portfolio. This also includes the variable portion of the interest rate swaps, which, however, do not include any credit margin as they are traded without a margin.

LOAN MATURITY STRUCTURE, 31/03/2023

	Credit agreements, SEKm	Drawn, SEKm
Commercial paper programme	2,665	2,665
< 1 year	4,379	3,119
1-2 years	11,298	8,398
2-3 years	4,905	3,405
3-4 years	4,950	4,950
4-5 years	0	0
5-10 years	7,776	7,776
10-15 years	2,477	2,477
15-20 years	1,186	1,186
Total	39,636	33,976

GREEN FINANCING, 31/03/2023

	Credit facilities	Outstanding loans and bonds
Green MTN bonds, SEKm	9,950	9,950
Green bonds via SFF, SEKm	600	600
Green commercial paper, SEKm	2,665	2,665
Green loans, other, SEKm	26,421	20,761
Total green financing, SEKm	39,636	33,976
Green financing, %	100	100
Total green available borrowing facility, SEKm	49,468	
of which unrestricted green available borrowing facility, SEKm	13,080	

GREEN FINANCING

Fabege's green financing framework was updated in June 2022. The framework has been designed to give Fabege broad opportunities for green financing and is based on third party-certified properties and ambitious energy consumption targets. It is based on the green bond principles, adapted to the EU taxonomy and linked to Fabege's ambition to contribute to the goals of Agenda 2030. 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. CICERO has issued a second opinion, with ratings of 'medium green' for the green terms and conditions, and 'excellent' for governance. Green financing offers Fabege better terms and access to more financing alternatives.

Find out more about Fabege's green financing at www.fabege.se/en/investors/financing/green-financing/, where you will also find the investor reports.

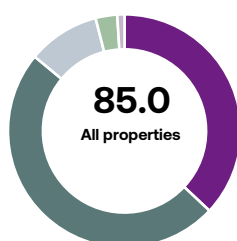
Operations

Jan–Mar 2023¹

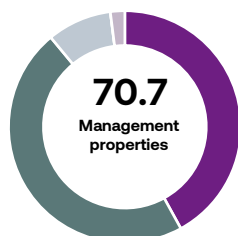
The Stockholm market generally showed relatively stable rent levels during the first quarter but increasing tenant turnover. Net lettings amounted to SEK -12m (8) while the occupancy rate increased to 90 per cent. Projects proceeded according to plan.

BREAKDOWN OF MARKET VALUE, 31/03/2023, SEKBN

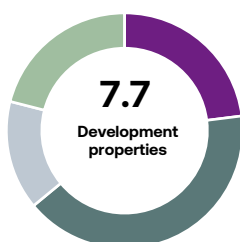
■ Inner city ■ Solna
■ Hammarby Sjöstad ■ Flemingsberg
■ Other markets



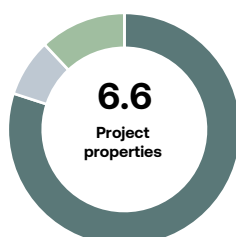
■ 37% ■ 49% ■ 10% ■ 3% ■ 1%



■ 42% ■ 47% ■ 9% ■ 0% ■ 2%



■ 23% ■ 41% ■ 15% ■ 21% ■ 0%



■ 0% ■ 80% ■ 8% ■ 12% ■ 0%

PROPERTY PORTFOLIO AND PROPERTY MANAGEMENT

Fabege's property management and urban and property development activities are concentrated on a few selected submarkets in and around Stockholm: Stockholm inner city, Solna, Hammarby Sjöstad and Flemingsberg. As of 31 March 2023, Fabege owned 102 properties with a total rental value of SEK 3.9bn, lettable floor space of 1.3m sqm and a book value of SEK 85.0bn, of which development and project properties accounted for SEK 14.3bn.

OCCUPANCY RATE

The investment property portfolio's financial occupancy rate was 90 per cent (89) at the end of the period. The biggest vacancies relate mainly to three properties in Solna Business Park. Contractually agreed occupancies and departures in the investment property portfolio are expected to contribute an additional SEK 63m in regular annual rental income over the next few quarters. The financial occupancy rate for development properties is not measured as most of these properties are vacant, or have been partially let on short-term leases pending demolition or redevelopment. These cover a surface area of 236 thousand sqm, of which 146 thousand sqm are being let for a current annual rent of SEK 214m. Significant ongoing projects make up a lettable area of approximately 150 thousand sqm, with a rental value of SEK 404m.

The project portfolio's occupancy rate was 38 per cent at the end of the quarter.

NET LETTINGS

During the period, 8 (36) new leases were signed with a combined rental value of SEK 48m (61), and 100 per cent (93) of the space related to green leases. Lease terminations amounted to SEK -60m (-53). Net lettings totalled SEK -12m (8). Leases totalling SEK 34m (20) were renegotiated, with an average decline in rental value of 4 per cent (increase: 17). Renegotiations mainly related to retail units. Leases worth SEK 179m were also extended on unchanged terms. The

retention rate during the period was 76 per cent (88).

CHANGES IN THE PROPERTY PORTFOLIO

February saw the acquisition of the other half of the partly owned Klacken 1 property, a garage property in Råsunda. An agreement was also reached on the sale of approximately 42,500 sqm of residential development rights in Huvudsta, Solna to JM. The property value amounts to SEK 484m including paid development contributions, and the handover date was 4 April 2023. The transaction will be recognised in the second quarter to coincide with the handover.

PROJECTS AND INVESTMENTS

The purpose of Fabege'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 in existing properties and projects during the period totalled SEK 699m (436), of which SEK 416m (255) related to investments in project and development properties. Capital invested in the investment property portfolio amounted to SEK 283m (181), a significant proportion of which related to tenant customisations.

COMPLETED PROJECTS

No projects were completed during the period.

MAJOR ONGOING PROJECTS

New construction of premises for the Royal Swedish Opera and Royal Dramatic Theatre at the Regulatörn 4 property in Flemingsberg is proceeding according to schedule. The foundation work is now complete, and work is underway on assembly of the frame. The investment is expected to amount to SEK 465m and the property will be ready for occupancy in June 2024. The property is being certified to BREEAM-SE standard, Very Good.

New construction of the office building at the Ackordet 1 property in Haga Norra is proceeding. The frame was completed in the autumn and interior works are ongoing.

¹The comparison figures for income and expense items relate to the values for January–March 2022 and, for balance sheet items, the values at 31 December 2022.

TOTAL INVESTMENTS, JAN–MAR 2023

Total investments, SEKm	
Investments in investment properties	283
Investments in development properties	28
Investments in project properties	388
Total investments	699

PROPERTY ACQUISITIONS, JAN–MAR 2023

Property	Area	Category	Lettable area, sqm
Q1			
Klacken 2 (50%)	Råsunda	Garage	0
Total			

The investment is estimated at around SEK 1.4bn. The property is being certified to BREEAM-SE standard, Excellent. Following the letting to Randstad, the occupancy rate is 42 per cent. The next phase in the development of Haga Norra has begun, with investment in parking areas to serve the district and form the basis for future residential blocks. The investment is estimated at SEK 495m, with completion scheduled for 2024.

The construction of a multistorey car park at the Semaforen 1 property in Arenastaden is progressing, with assembly of the frame and facade. The investment is estimated at SEK 330m. The project is expected to make a loss of around SEK -130m, but it resolves a parking deficit, which has meant cost savings for other adjacent projects.

In Flemingsberg, the project at Separatör 1 relating to the construction of offices and laboratories for Alfa Laval is continuing. The project was expanded in the autumn to cover a lettable area of roughly 23,400 sqm excluding parking, of which Alfa Laval is leasing approximately 91 per cent. Work on excavation and the foundations is currently underway, and construction has begun on the frame. The investment is estimated at SEK 1,060m, excluding land acquisition. Alfa Laval will take up occupancy in the second quarter of 2025.

Work is ongoing on the redevelopment of Nöten 4, Solna strand, with basic building investments. The property will be adapted for several tenants and the investment is estimated at a total of SEK 770m, including investments for tenant customisations, which, however, will only be carried out once the lease has been signed.

The tenant customisation for Conventum in Hägern Mindre 7, Drottninggatan, is ongoing with occupancy scheduled for June 2023. The investment totals SEK 88m.

In addition, basic building investments at the Påsen 1 property in Hammarby Sjöstad have begun. The entire investment is estimated to total SEK 376m, including investments for tenant customisations, which, however, will only be carried out once the lease has been signed.

PROJECT COSTS

Delivery capacity is now back to normal and the construction index has declined

slightly from its peak. Some product groups, such as prefab, wood and steel, have seen a major decline recently, while others, such as installations, plastering and painting, remain high with some price increases. However, market indications, including significant pressure on residential construction, mean that we believe there will be pressure on prices in the future, and we are seeing heightened interest in submitting quotes and competing for our assignments. The higher interest rates also meant that the project calculations were adjusted upwards by the estimated capitalised interest expense during the project period.

BIRGER BOSTAD

Birger Bostad's project portfolio includes 24 projects, of which 7 are under construction, with an estimated investment volume of approximately SEK 900m. During the first quarter, two projects, BRF Vårbruket in Landskrona and BRF Slottsträdgården in Steninger Slottsbys, Sigtuna, were completed and finalised. In addition, earnings corresponding to phased occupancy of 22 homes in BRF Majoren in Riksten, Botkyrka, and 14 homes in BRF Höstbruket in Landskrona were partially settled. In addition, handovers have been completed for four tenant-owner associations, which will be finalised in the second quarter. During the first quarter, 11 homes were sold in BRF Generalens Allé in Riksten. The selling rate for the BRF projects under construction was 91 per cent at 31 March.

RESIDENTIAL DEVELOPMENT IN JOINT VENTURES

The residential project in cooperation with Brabo in Haga Norra is essentially completed. The project includes 418 apartments, including four BRFs, that are being constructed in a 3D reallotment above the facility that Fabège built for Bilja. The final few apartments will be completed ready for occupancy in the first quarter of 2023. A total of 388 apartments have been sold, including 369 apartments that are now occupied by the tenant-owners. The joint venture projects have been recognised using the equity method. Income is recognised in connection with completion of the projects once the last apartments have been sold.

ONGOING PROJECTS > SEK 50M, 31/03/2023

Property listing	Category	Area	Completed	Lettable area, sqm	Occupancy rate, % space ¹	Rental value ²	Book value, SEKm	Estimated investment, SEKm	of which spent, SEKm
Nöten 4	Offices	Solna Strand	Q2-2024	53,400	0%	130	1,834	770	142
Regulatorn 4	Workshops etc	Flemingsberg	Q2-2024	11,900	100%	24	231	465	174
Ackordet 1	Offices	Haga Norra	Q3-2024	27,000	42%	94	937	1,390	553
Separatören 1	Parking	Flemingsberg	Q2-2025	23,400	91%	59	314	1,060	211
Semaforen 1	Offices	Arenastaden	Q4-2023	18,000	0%	15	68	330	202
Påsen 1	Offices	Hammarby Sjöstad	Q4-2024	11,000	0%	38	491	376	46
Hägern Mindre 7 ³⁾	Parking	City	Q3-2023	5,100	100%	44	824	88	44
Total				149,800	38%	404	4,699	4,479	1,372
Other land and project properties							2,734		
Other development properties							7,707		
Total project, land and development properties							15,140		

¹ Operational occupancy rate at 31 March 2023 exclusive Semaforen 1.

² Rental value including additions. The annual rent for the largest projects in progress could increase to SEK 404m (fully let) from SEK 0m in annualised current rent at 31 March 2023.

³ The property Hägern Mindre 7 is classified as a management property in Fabeges segment reporting.

DEVELOPMENT RIGHTS, 31/03/2023

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	33,650	13	9,300	Inner city	3,560	0	0
Solna	349,200	19	6,800	Solna	252,000	54	10,600
Hammarby Sjöstad	69,700	45	3,300	Hammarby Sjöstad	6,200	69	5,400
Flemingsberg	264,900	6	4,800	Flemingsberg	273,500	0	5,500
Birger Bostad	7,100	100	1,500	Birger Bostad	121,900	83	5,000
Other	20,000	1	14,300	Other	-	-	-
Total	744,550	18	6,300	Total	657,160	37	7,300

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. The 42,500 sqm of residential building rights have been sold, with handover scheduled for April 2023.

PROPERTY PORTFOLIO, 31/03/2023

Property holdings	No. of properties	Lettable area, '000 sqm	Market value SEKm	Rental value ²	Financial occupancy rate %
Management properties ¹	62	1,004	70,678	3,562	90
Development properties ¹	18	236	7,707	401	-
Land and project properties ¹	22	63	6,609	6	-
Total	102	1,303	84,994	3,969	-
Of which, Inner city	27	326	31,558	1,523	90
Of which, Solna	53	729	41,638	1,894	90
Of which, Hammarby Sjöstad	10	138	8,274	417	95
Of which, Flemingsberg	8	70	2,446	74	-
Of which, Other	4	40	1,078	61	93
Total	102	1,303	84,994	3,969	90

¹See definitions. ²In the rental value, time limited deductions of about SEK 153m (in rolling annual rental value at 31 March 2023) have not been deducted.

CONDENSED SEGMENT REPORTING

	2023 Jan-Mar	2023 Jan-Mar	2023 Jan-Mar	2023 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Mar	2022 Jan-Mar	2022 Jan-Mar	2022 Jan-Mar
SEKm	Management	Development	Projects	Birger Bostad	Total	Management	Development	Projects	Birger Bostad	Total
Rental income	770	53	3	3	829	701	45	16	0	762
Contract sales, residential	-	-	-	187	187	-	-	-	7	7
Total net sales	770	53	3	190	1,016	701	45	16	7	769
Property expenses	-200	-23	-7	-1	-231	-170	-30	-8	0	-208
Contract costs, residential development	-	-	-	-165	-165	-	-	-	-14	-14
Gross profit	570	30	-4	24	620	531	15	8	-7	547
Of which net operating income property management	570	30	-4	2	598	531	15	8	0	554
Surplus ratio, property management	74%	57%	-133%	67%	72%	76%	33%	50%	-	73%
Of which gross profit residential development	-	-	-	22	22	-	-	-	-7	-7
Central administration	-22	-2	-2	-	-26	-21	-3	-1	-	-25
Net interest income/expense	-184	-20	-8	-9	-221	-108	-13	-6	-1	-128
Ground rent	-12	-	-	-	-12	-9	-	-2	-	-11
Share in profits of associated companies	-10	-	-	-	-10	-3	0	0	0	-3
Profit from property management	342	8	-14	15	351	390	-1	1	-8	380
Realised changes in value properties	-	-	-	-	0	0	0	74	-	74
Unrealised changes in value properties	-1,609	-269	-224	-8	-2,110	1,934	117	108	-	2,159
Profit before tax per segment	-1,267	-261	-238	7	-1,759	2,324	116	183	-8	2,613
Changes in value interest rate derivatives & shares					-218					881
Profit before tax					-1,977					3,494
Market value properties	70,423	7,707	6,609	255	84,994	71,219	8,409	6,117	251	85,996
Project & development properties	-	-	-	795	795	-	-	-	875	875
Occupancy rate, %	90	-	-	-	-	89	-	-	-	-

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

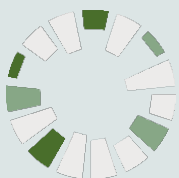
- Carbon neutral property management.
- Halving of the climate impact of project development per GFA

73 kWh/sqm

Average energy use in 2022

GRESB 2022

In 2022, Fabege once again achieved 94 points out of 100 in GRESB's sustainability survey. The average rating was 74 points.



G R E S B
★★★★★ 2022

Goals & strategy

URBAN DEVELOPMENT

Our approach is rooted in a holistic perspective to strengthen our neighbourhoods as experience-based meeting places, where the primary focus is on health, convenience, safety and comfort. By influencing everything from energy systems to sustainable travel, we can also help reduce our carbon footprint. A large proportion of our customers opt for public transport, but we are also seeing an increased demand for parking spaces and charging points for electric cars. This is why we continuously install charging points for electric cars in both buildings and street environments. We already offer over 1,200 charging points, but to meet increasing needs we initiated an ambitious expansion project during the quarter to double this figure in 2023.

Work continues under the remit of social sustainability with BID Flemingsberg and active contributions to local job creation via TalangAkademin. In procurements carried out during the quarter, the requirements are based on compliance with Fabege's Code of Conduct and a clause in the tender documents that encourages suppliers to accept trainees from TalangAkademin.

REDUCED CARBON FOOTPRINT IN PROJECTS

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. New construction and major refurbishments completed after 2030 will have a 50-per cent lower carbon footprint compared with Fabege's 2019 baseline. During the quarter, we worked in accordance with the first intermediate goal as part of our 2030 commitment:

- Planning permission before 2025, 20 per cent lower CO₂ footprint
- Planning permission 2025–2027, 35 per cent lower CO₂ footprint

- Planning permission 2027, 50 per cent lower CO₂ footprint

At the ongoing office project Ackordet 1 in Haga Norra, we have a current reduction in CO₂e of roughly 30 per cent. 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 CO₂e/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 average energy consumption is 73 kWh/sqm (accumulated 2022 outcome). The target is average energy use of 70 kWh/sqm by 2025. Fabege has been actively working to improve its energy efficiency for some time, and we are proud of the fact that we now rank among the most energy-efficient companies in the sector. During the quarter, we have stepped up our energy efficiency measures in all types of energy. The work has resulted in energy savings of 4 per cent (1 kWh) in the investment property portfolio compared with the first quarter of 2022.

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, with the ambition of

achieving level Excellent, and our investment properties according to BREEAM In-Use, ambition level Very Good.

GREEN FRAMEWORK UPDATED IN JUNE 2022

The framework has been designed to give Fabege broad opportunities for green financing and is based on third party-certified properties and ambitious energy consumption targets. It is based on the green bond principles, adapted to the EU taxonomy and linked to Fabege's ambition to contribute to the goals of Agenda 2030. CICERO has issued a second opinion, with ratings of 'medium green' for the green terms and conditions, and 'excellent' for governance. Find out more at www.fabega.se/en.

THE EU TAXONOMY

Fabega is subject to the EU's Non-Financial Reporting Directive. Reporting on the extent to which the Group's activities are covered by, and compliant with, the EU taxonomy can be found in Note 4 EU taxonomy, page 23.

The full tables in accordance with EU taxonomy objective 1, including DNSH criteria and minimum safeguards, are presented in the 2022 Annual Report.

CERTIFIED PROPERTIES

System	Quantity	Sqm, GLA	Target
BREEAM In-Use	50	758,305	69%
BREEAM-SE	13	324,063	30%
BREEAM Bespoke	1	7,364	1%
Miljöbyggnad	1	5,480	1%
Total certified properties	65	1,095,211	100%

SUSTAINABILITY PERFORMANCE MEASURES

	2023, Kv1	2022	2021	Target
Energy performance, kWh/sqm Atemp	24	73	77	Max. 70 kWh/sqm Atemp
Proportion of renewable energy, %	94	94	95	100
Environmental certification, number of properties	65	63	59	-
Environmental certification, % of total area	84	84	81	100
Green leases, % of newly signed space	100	100	96	100
Green leases, % of total space	91	89	80	100
Green financing, %	100	100	99	100
Satisfied employees, confidence rating, %	n/a	87	86	2023 at least 87
GRESB, points	n/a	94	93	>90

65 of Fabega's 102 properties were certified at the end of the period. Overall, this represents 84 per cent of the total combined area of Fabega's existing portfolio. The properties for which certification has not yet begun include land and development properties for future project development.

During the quarter, work continued on driving sustainable improvements in construction, management and operations, in connection with the certifications.

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

- Nature and the environment guide, containing teaching materials for grades 4, 5 & 6.

EDUCATION

During the quarter, Fabega's Board conducted an in-depth review of sustainability issues based on the company's strategy and business model. Sustainability strategy and target areas were discussed, along with current tools for sustainability challenges and opportunities.

ABOUT THE SUSTAINABILITY REPORT

The following is a quarterly follow-up of Fabega's work on sustainability issues. The starting point is Fabega'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; find out more at <https://www.fabega.se/en/sustainability>.

SOCIAL SUSTAINABILITY INITIATIVES

Fabega collaborates with customers, 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. Fabega's actions are centred on networks and dialogue, as well as education, leisure time, health and work.

Examples of initiatives:

- BID (business improvement district) started in Flemingsberg
- Läxhjälp 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

Other financial information

SENSITIVITY ANALYSIS – PROPERTY VALUES

Change in value, %	Impact on earnings after tax, SEKm	Equity/assets ratio, %	Loan-to-value ratio, %
+1	675	47.9%	39.8%
0	0	47.6%	40.0%
-1	-675	47.3%	40.2%

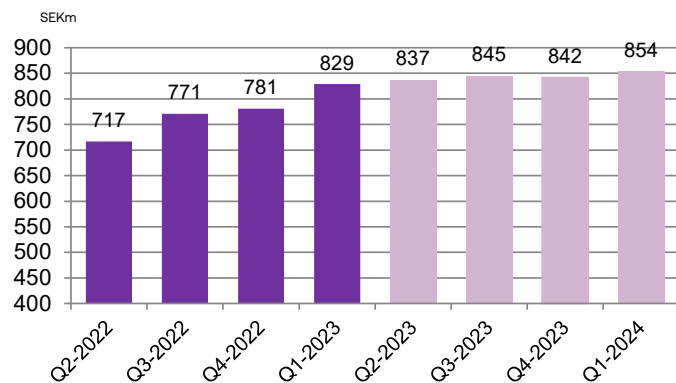
Earnings and key performance indicators are affected by realised and unrealised changes in the value of properties. The table shows the effect of a 1 percentage point change in value after the deduction of deferred tax.

SENSITIVITY ANALYSIS – CASH FLOW AND EARNINGS

	Change	Effect, SEKm
Rental income, total	1%	31.2
Rent level, commercial income	1%	30.8
Financial occupancy rate	1 percentage point	35.0
Property expenses	1%	-8.2
Interest expenses, LTM ¹	1 percentage point	123.1
Interest expenses, longer term perspectiv	1 percentage point	339.8

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 with an estimated index, but excluding letting targets. Leases have been recorded with an estimated index outcome as of Q1 2023. The graph is 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, 230 people (217) were employed by the Group.



PARENT COMPANY

Revenue during the period amounted to SEK 124m (81) and earnings before appropriations and tax totalled SEK -363m (768). Net investments in property, equipment and shares totalled SEK 1m (0).

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

At the beginning of April, 42,500 sqm of residential development rights in Huvudsta, Solna, were transferred to JM in accordance with a previously communicated transaction.

LEASE MATURITY STRUCTURE

Maturity, year	No. of leases	Annual rent, SEKm	Percentage, %
2023 ¹	488	590	17%
2024 ¹	354	378	11%
2025	230	497	15%
2026 ¹	243	507	15%
2027	76	345	10%
2028+	87	934	27%
Commercial	1,478	3,252	95%
Housing leases	209	22	1%
Indoor and outdoor parking	680	137	4%
Total	2,367	3,412	100%

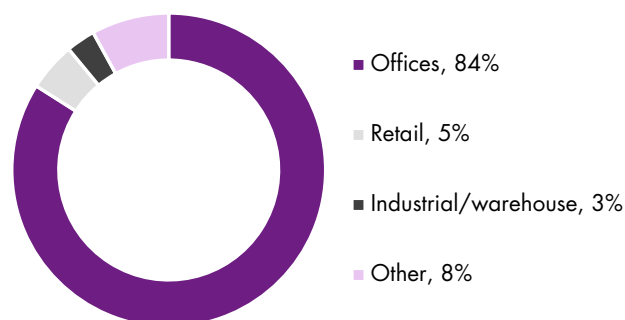
¹Of which just over SEK 380m has already been renegotiated.

BIGGEST CUSTOMERS

	Share, %	Year of expiry
Skandinaviska Enskilda Banken AB	7.0%	2037
ICA Fastigheter AB	4.1%	2030
Telia Sverige AB	3.8%	2031
Tieto Sweden AB	2.9%	2029
Convendum Stockholm City AB	2.3%	2034
Carnegie Investment Bank AB	2.1%	2027
Swedbank AB	2.1%	2029
Migrationsverket	1.9%	2028
Bilia AB	1.8%	2041
Statens Skolverk	1.6%	2024
Total	30%	

¹Percentage 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 2022 Annual Report (pages 67–76).

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 2022 Annual Report. Financial risk, defined as the risk of insufficient access to long-term funding via loans, and Fabege's management of this risk, are also described in the Risks and opportunities section of the 2022 Annual Report (pages 67–76).

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. The debt ratio will amount to a maximum of 13x.

High inflation and continued turmoil in financial markets have increased the risk of rising market interest rates and yield requirements for property investments. The high inflation rate also affects the price of building materials, for example, and thus calculations relating to future project starts.

No material changes in the company's assessment of risks have arisen, aside from the above, since the publication of the 2022 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

We note that activity on the rental market in Stockholm is high, with increased tenant turnover but continued stable rent levels. Lettings continue to be agreed at good levels, but the indexation from the turn of the year is expected to limit the potential for renegotiations, particularly in relation to retail units.

Capital is available in the bond market, and prices did show some improvement at the start of the year, but they continue to drive property companies in our rating segment towards an increased share of bank financing. Furthermore, rising market rates are beginning to have an adverse impact on earnings. The proportion of Fabege's fixed-rate borrowing is 61 per cent, which will mitigate the effect of higher market rates for the next few years. Rising interest rates have impacted yield requirements in property valuations. Higher yield requirements have been partially met by higher inflation assumptions. The market anticipates continued rising yield requirements as market rates increase. Although there have been few completed transactions on the transaction market, those that have been completed confirm that long-term investors remain willing to pay good prices for quality in Stockholm.

Faberge continues to show a strong financial position. We have created new investment opportunities in our areas via the acquisitions completed in recent years. With the acquisition of Birger Bostad in the autumn of 2021, we took a step towards more comprehensive urban development that extends to residential units as well. Fabege'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 Group has applied the same accounting policies and valuation methods as in the most recent annual report.

New or revised IFRS standards or other IFRIC interpretations that came into effect after 1 January 2023 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 2023

Stefan Dahlbo

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 45,100 known shareholders on 31 March 2023, including 64.2 per cent Swedish ownership. The 15 largest shareholders control 46.9 per cent of the capital.

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.

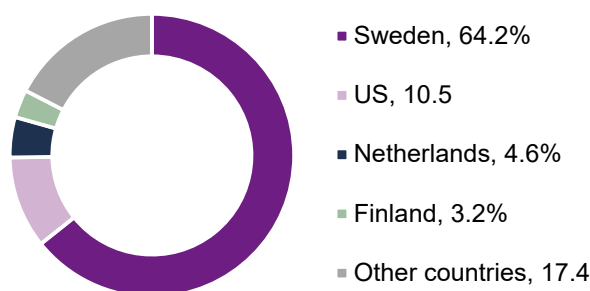
ACQUISITION AND TRANSFER OF TREASURY SHARES*

The 2023 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. The company held 16,206,048 treasury shares on 31 March 2023. Repurchases were made at an average price of SEK 120.23 per share. The holding represents 4.9 per cent of the total number of registered shares.

SHARE DISTRIBUTION

	2023-03-31	2022-03-31
Foreign institutional owners	45,100	46,194
Swedish institutional owners	984	1,028
Other owners	35.8	38.2
Swedish private individuals	33.3	32.4
Anonymous ownership	15.9	15.9

COUNTRY DISTRIBUTION



LARGEST SHAREHOLDERS, 31/03/2023

	Number of shares*	Proportion of capital, %	Proportion of votes, %
Backahill AB	52,108,718	15.75	16.56
Länsförsäkringar Funds	12,750,470	3.85	4.05
BlackRock	10,508,058	3.18	3.34
Handelsbanken Funds	10,427,505	3.15	3.31
Vangurd	10,128,743	3.06	3.22
Nordea Funds	9,943,680	3.01	3.16
E.N.A City Aktiefbolag	6,924,796	2.09	2.20
APG Asset Management	6,477,799	1.96	2.06
Norges Bank	6,466,230	1.95	2.06
Folksam	6,391,823	1.93	2.03
Third Swedish National Pension Fund	5,820,778	1.76	1.85
Mats Qviberg with wife	5,702,264	1.72	1.81
AFA Insurance	4,845,978	1.47	1.54
Swedbank Robur Funds	3,333,365	1.01	1.06
AMF Pension & Funds	3,307,852	1.00	1.05
Total 15 largest shareholders	155,138,059	46.89	49.30
Total no. of shares outstanding	314,577,096	95.10	100
Treasury shares	16,206,048	4.90	-
Total no. of registered shares	330,783,144	100	100

REVENUE AND TRADING, JAN–MAR 2023

	Fabege
Highest price, SEK	109.4
Lowest price, SEK	73.4
VWAP, SEK	90.2
Average daily turnover, SEK	91,237,247
Number of traded shares	64,758,808
Average number of transactions	2,419
Number of transactions	154,837
Average value per transaction, SEK	37,712
Daily turnover relative to market capitalisation	0.31

*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	2023 jan-mar	2022 jan-mar	2022 jan-dec	Rolling 12 m apr-mar
Rental income ¹	829	762	3,032	3,099
Sales residential projects	187	7	295	475
Net Sales	1,016	769	3,327	3,574
Property expenses	-231	-208	-792	-815
Residential projects expenses	-165	-14	-374	-525
Gross profit	620	547	2,161	2,234
<i>of wich gross profit property managment</i>	598	554	2,240	2,284
<i>Surplus ratio, %</i>	72%	73%	74%	74%
<i>of wich gross profit property projects</i>	22	-7	-79	-50
Central administration	-26	-25	-102	-103
Net interest expense	-221	-127	-612	-706
Ground rent	-12	-11	-42	-43
Share in profit of associated companies	-10	-3	-32	-39
Profit/loss from property management	351	381	1,373	1,343
Realised changes in value of properties	0	74	74	0
Unrealised changes in value of properties	-2,110	2,159	-233	-4,502
Unrealised changes in value, fixed-income derivatives	-217	881	1,753	655
Changes in value of shares	-1	0	-3	-4
Profit/loss before tax	-1,977	3,495	2,964	-2,508
Current tax	0	0	-3	-3
Deferred tax	393	-713	-585	521
Profit/loss for period/year	-1,584	2,782	2,376	-1,990
<i>Items that will not be restated in profit or loss</i>				
Revaluation of defined-benefit pensions	0	0	25	25
Comprehensive income for the period/year	-1,584	2,782	2,401	-1,965
Of which attributable to non-controlling interests	0	0	0	0
Total comprehensive income attributable to Parent Company shareholders	-1,584	2,782	2,401	-1,965
Earnings per share, SEK	-5.04	8.69	7.49	-6.30
No. of shares outstanding at period end, thousands	314,577	318,998	314,577	314,577
Average no. of shares, thousands	314,577	320,165	317,221	315,824

¹On-charging, service and other income amounts to SEK 24m (29) for the period Jan-Mar 2023.

²Earnings per share are the same before and after dilution.

Condensed statement of financial position

SEKm	2023 Mar 31	2022 Mar 31	2022 31 Dec
Assets			
Goodwill	205	205	205
Properties	84,994	85,996	86,348
Right-of-use asset	1,243	1,092	1,243
Other property, plant and equipment	25	20	25
Derivatives	1,472	817	1,689
Non-current financial assets	490	756	456
Development properties	795	875	892
Current assets	1,333	1,384	1,042
Short-term investments	96	95	96
Cash and cash equivalents	82	197	87
Total assets	90,735	91,437	92,083
Equity and liabilities			
Shareholders' equity	43,175	46,351	45,514
Deferred tax	9,802	10,317	10,195
Other provisions	157	197	157
Interest-bearing liabilities ¹	33,976	30,669	33,341
Lease liability	1,243	1,092	1,243
Derivatives	0	1	0
Non-interest-bearing liabilities	2,382	2,810	1,633
Total equity and liabilities	90,735	91,437	92,083

¹Of which current, SEK 2,413m (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 2022, according to adopted Statement of financial position	5,097	3,017	37,060	45,174	0	45,174
Profit/loss for the period			2,376	2,376		2,376
Other comprehensive income			25	25		25
Total other comprehensive income for the period			2,401	2,401	0	2,401
TRANSACTIONS WITH SHAREHOLDERS						
Share buybacks			-796	-796		-796
Approved but unpaid dividend			-314	-314		-314
Cash dividend			-951	-951		-951
Total transactions with shareholders			-2,061	-2,061	0	-2,061
Shareholders' equity, 31 December 2022, according to adopted Statement of financial position	5,097	3,017	37,400	45,514	0	45,514
Profit/loss for the period			-1,584	-1,584		-1,584
Other comprehensive income			0	0		0
Total other comprehensive income for the period			-1,584	-1,584	0	-1,584
TRANSACTIONS WITH SHAREHOLDERS						
Share buybacks			0	0		0
Approved but unpaid dividend			-755	-755		-755
Cash dividend						0
Total transactions with shareholders			-755	-755	0	-755
Shareholders' equity, 31 Mar 2023	5,097	3,017	35,061	43,175	0	43,175

Statement of cash flows

SEKm	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operations			
Net operating income	620	547	2,161
Central administration	-26	-25	-102
Reversal of depreciation and impairment	2	2	88
Interest received	6	3	16
Interest paid	-261	-144	-674
Income tax paid	0	0	0
Cash flow before changes in working capital	341	383	1,489
Change in working capital			
	98	-54	-152
Change in current receivables	-290	-12	646
Change in current liabilities	304	286	9
Total change in working capital	112	220	503
Cash flow from operating activities	453	603	1,992
Investing activities			
Business acquisition, net cash outflow	0	26	26
Investments in new-builds, extensions and conversions	-673	-443	-2,214
Acquisition of properties	-57	-144	-1,068
Divestment of properties	-	-	0
Other non-current financial assets	-48	83	24
Cash flow from investing activities	-778	-478	-3,232
Financing activities			
Dividend to shareholders	-315	-	-951
Treasury share buybacks	-	-329	-796
Borrowings	7,765	4,809	26,095
Repayment of debt	-7,130	-4,539	-23,152
Cash flow from financing activities	320	-59	1,196
Cash flow for the period	-5	66	-44
Cash and cash equivalents at beginning of period	87	131	131
Cash and cash equivalents at end of period	82	197	87

Group

Key performance indicators

	2023	2022	2022
	Jan-Mar	Jan-Mar	Jan-Dec
Financial¹			
Return on equity, %	-14.3	24.3	5.2
Interest coverage ratio, multiple	2.6	4.0	3.4
Equity/assets ratio, %	48	51	49
Loan-to-value ratio, properties, %	40	35	38
Debt ratio, multiple	15.4	14.5	15.6
Debt/equity ratio, multiple	0.8	0.7	0.7
Share-based¹			
Earnings per share, SEK ²	-5.04	8.69	7.49
Equity per share, SEK	137	145	145
Cash flow from operating activities per share, SEK	1.44	1.88	6.29
Average no. of shares, thousands	314,577	320,165	317,221
No. of shares outstanding at end of period, thousands	314,577	318,998	314,577
Property-related			
No. of properties	102	100	102
Carrying amount, properties, SEKm	84,994	85,996	86,348
Lettable area, sqm	1,303,000	1,210,000	1,290,000
Projekt & development properties, SEKm	795	875	892
Financial occupancy rate, %	90	89	89
Total return on properties, %	-1.7	3.3	2.4
Surplus ratio, %	72	73	74

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

²Definition according to IFRS.

EPRA key performance indicators

	2023	2022	2022
	Jan-Mar	Jan-Mar	Jan-Dec
EPRA Earnings (income from property mgmt after tax), SEKm	318	337	1,248
EPRA Earnings (EPS), SEK/share	1:01	1:05	3:94
EPRA NRV (long-term net asset value), SEKm	52,301	57,128	54,334
EPRA NRV, SEK/share	166	179	173
EPRA NTA (long-term net asset value), SEKm	48,722	53,719	50,629
EPRA NTA, SEK/share	155	168	161
EPRA NDV (net asset value), SEKm	43,725	47,422	45,623
EPRA NDV, SEK/share	139	149	145
EPRA Vacancy rate, %	10	11	11

Deferred tax

	2023	2022	2022
	Mar 31	Mar 31	31 Dec
Deferred tax attributable to:			
- tax loss carryforwards, SEKm	-486	-445	-573
- difference between carrying amount and tax value of properties, SEKm	10,005	10,619	10,439
- derivatives, SEKm	303	169	348
- other, SEKm	-20	-26	-19
Net debt, deferred tax, SEKm	9,802	10,317	10,195

Quarterly Group overview

Condensed income statement

	2023		2022		2021			
SEKm	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Rental income	829	781	771	717	762	746	721	715
Sales property projects	187	163	104	22	7	62	-	-
Net sales	1,016	944	875	739	769	808	721	715
Property expenses	-231	-207	-186	-190	-208	-177	-152	-174
Costs property projects	-165	-252	-98	-10	-14	-71	-	-
Gross profit	620	485	591	539	547	560	569	541
of which gross profit property management	598	574	585	527	554	569	569	541
Surplus ratio	72%	74%	76%	74%	73%	76%	79%	76%
of which gross profit property projects	22	-89	6	12	-7	-9	-	-
Central administration	-26	-25	-22	-30	-25	-25	-24	-30
Net interest expense	-221	-189	-159	-137	-127	-130	-124	-122
Ground rent	-12	-12	-11	-10	-11	-9	-9	-9
Share in profit of associated companies	-10	-24	9	-15	-3	22	-9	-11
Profit/loss from property management	351	235	408	347	381	418	404	369
Realised changes in value of properties	0	0	0	0	74	0	0	56
Unrealised changes in value of properties	-2,110	-3,665	253	1,020	2,159	2,165	881	1,025
Unrealised changes in value, fixed-income derivatives	-217	-61	277	657	881	140	124	34
Changes in value, equities	-1	-3	1	-1	0	0	1	0
Profit/loss before tax	-1,977	-3,494	939	2,023	3,495	2,723	1,411	1,484
Current tax	0	-3	0	0	0	0	0	0
Deferred tax	393	768	-211	-428	-713	-465	-315	-301
Profit/loss for the period	-1,584	-2,729	728	1,595	2,782	2,258	1,096	1,183

Condensed financial position

	2023		2022		2021			
SEKm	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Assets								
Goodwill	205	205	205	205	205	205	-	-
Properties	84,994	86,348	89,373	88,480	85,996	83,257	80,369	78,842
Right-of-use asset, leasehold	1,243	1,243	1,090	1,091	1,092	1,092	897	897
Other property, plant and equipment	25	25	18	19	20	22	21	21
Derivatives	1,472	1,689	1,750	1,473	817	121	94	57
Non-current financial assets	490	456	450	757	756	832	1,595	1,529
Development properties	795	892	957	845	875	821	-	-
Current assets	1,333	1,042	1,250	1,157	1,384	1,411	449	535
Short-term investments	96	96	95	95	95	96	96	95
Cash and cash equivalents	82	87	114	185	197	131	85	259
Total assets	90,735	92,083	95,302	94,307	91,437	87,988	83,605	82,235
Equity and liabilities								
Shareholders' equity	43,175	45,514	48,232	47,765	46,351	45,174	43,007	41,911
Deferred tax	9,802	10,195	10,957	10,748	10,317	9,603	9,135	8,821
Other provisions	157	157	167	179	197	197	181	182
Interest-bearing liabilities	33,976	33,341	32,882	32,046	30,669	30,399	28,393	28,268
Lease liability	1,243	1,243	1,090	1,091	1,092	1,093	897	897
Derivatives	0	-	-	-	1	186	299	386
Non-interest-bearing liabilities	2,382	1,633	1,974	2,478	2,810	1,336	1,693	1,770
Total equity and liabilities	90,735	92,083	95,302	94,307	91,437	87,988	83,605	82,235

Key performance indicators

	2023		2022		2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Financial¹								
Return on equity, %	-14.3	-23.3	6.1	13.6	24.3	12.5	10.3	11.4
Interest coverage ratio, multiple ²	2.6	2.8	3.5	3.6	4	4.1	4.3	4.1
Equity/assets ratio, %	48	49	51	51	51	51	51	51
Loan-to-value ratio, properties, %	40	38	36	36	35	36	35	36
Debt ratio, multiple	15.4	15.6	15.4	15.1	14.5	14.7	14	14.1
Debt/equity ratio, multiple	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Share-based¹								
Earnings per share for the period, SEK ²	-5.04	-8.68	2.30	5.01	8.69	7.02	3.40	3.67
Equity per share, SEK	137	145	153	151	145	141	134	130
Cash flow from operating activities per share, SEK	1.44	1.49	0.97	1.90	1.88	1.03	1.36	1.01
No. of shares outstanding at the end of the period, thousands	314,577	314,577	314,577	317,352	318,998	321,332	321,998	321,998
Average no. of shares, thousands	314,577	317,221	318,102	318,175	320,165	321,665	321,998	322,602
Property-related								
Financial occupancy rate, %	90	89	90	89	89	90	91	91
Total return on properties, %	-1.7	-3.4	0.9	5.1	3.3	8.7	1.9	2.1
Surplus ratio, %	72	73	74	73	73	76	79	76

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

²Definition according to IFRS.

Financial data

Group

Reconciliation of key performance indicators

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

	2023	2022	2022
	Mar 31	Mar 31	31 Dec
Equity/assets ratio			
Shareholders' equity, SEKm	43,175	46,351	45,514
Total assets, SEKm	90,735	91,437	92,083
Equity/assets ratio	48%	51%	49%
	2023	2022	2022
	Mar 31	Mar 31	31 Dec
Loan-to-value ratio, properties			
Interest-bearing liabilities, SEKm	33,976	30,669	33,341
Carrying amount, properties, SEKm	84,994	85,996	86,348
	795	875	892
Loan-to-value ratio, properties	40%	35%	38%
	2023	2022	2022
	Mar 31	Mar 31	31 Dec
Debt ratio			
Gross profit	2,234	2,217	2,161
Reversal of impairment	81	-	81
Central administration, SEKm	-103	-102	-102
Total, SEKm	2,212	2,115	2,140
Interest-bearing liabilities, SEKm	33,976	30,669	33,341
Debt ratio, multiple	15.4	14.5	15.6
	2023	2022	2022
	Mar 31	Mar 31	31 Dec
Interest coverage ratio, multiple			
Gross profit	620	547	2,161
Reversal of impairment	-	-	81
Ground rent, SEKm	-12	-11	-42
Central administration, SEKm	-26	-25	-102
Total, SEKm	582	511	2,098
Net interest expense, SEKm	-221	-127	-612
Interest coverage ratio, multiple	2.6	4.0	3.4
	2023	2022	2022
	Jan-Mar	Jan-Mar	jan-dec
Return on equity			
Profit/loss for the period, SEKm	-1,584	2,782	2,376
Average equity, SEKm	44,345	45,762	45,344
Return on equity	-14.3%	24.3%	5.2%
	2023	2022	2022
	Jan-Mar	Jan-Mar	jan-dec
Total return on properties			
Net operating income, SEKm	598	554	2,240
Unrealised and realised changes in the value of properties, SEKm	-2,110	2,233	-159
Market value including investments for the period, SEKm	87,104	83,763	86,507
Total return on properties	-1.7%	3.3	2.4
	2023	2022	2022
	Jan-Mar	Jan-Mar	Jan-Dec
Debt/equity ratio			
Interest-bearing liabilities, SEKm	33,976	30,669	33,341
Shareholders' equity, SEKm	43,175	46,351	45,514
Debt/equity ratio	0.8	0.7	0.7
	2023	2022	2022
	Jan-Mar	Jan-Mar	Jan-Dec
Equity per share			
Shareholders' equity, SEKm	43,175	46,351	45,514
No. of shares outstanding at end of period, million	315	319	315
Equity per share	137	145	154
	2023	2022	2022
	Jan-Mar	Jan-Mar	Jan-Dec
Cash flow per share			
Cash flow from operating activities, SEKm	453	603	1,992
Average number of shares, million	315	320	317
Cash flow per share	1.44	1.88	6.29

Group

Reconciliation of EPRA key performance indicators

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

	2023			2022			2022		
	Jan-Mar			Jan-Mar			Jan-Dec		
EPRA NRV, EPRA NTA & EPRA NDV	NRV	NTA	NDV	NRV	NTA	NDV	NRV	NTA	NDV
Shareholders' equity, SEKm	43,175	43,175	43,175	46,351	46,351	46,351	45,514	45,514	45,514
Reversal of approved but unpaid dividend, SEKm	755	755	755	1,276	1,276	1,276	314	314	314
Reversal of fixed-income derivatives according to balance sheet, SEKm	-1,472	-1,472	-1,472	-816	-816	-816	-1,689	-1,689	-1,689
Reversal of deferred tax according to balance sheet, SEKm	9,802	9,802	9,802	10,317	10,317	10,317	10,195	10,195	10,195
Reversal of goodwill according to balance sheet, SEKm	-	-205	-205	-	-205	-205	-	-205	-205
Deduction of actual deferred tax, SEKm	-	-3,374	-3,374	-	-3,204	-3,204	-	-3,500	-3,500
Deduction of fixed-income derivatives according to balance sheet, SEKm	-	-	1,472	-	-	816	-	-	1,689
Deduction of deferred tax according to balance sheet after adjustment of estimated actual deferred tax, SEKm	-	-	-6,428	-	-	-7,113	-	-	-6,695
NAV, SEKm	52,260	48,681	43,725	57,128	53,719	47,422	54,334	50,629	45,623
Number of shares outstanding, millions	314.6	314.6	314.6	318.9	318.9	318.9	314.6	314.6	314.6
NAV, SEK per share	166	155	139	179	168	149	173	161	145

	2023		2022	
	Jan-Mar		Jan-Mar	
EPRA EPS				
Profit/loss from property management, SEKm	351		381	
Deduction for tax depreciation, SEKm	-192		-165	
Total, SEKm	159		216	
Nominal tax (20.6%), SEKm	33		44	
EPRA earnings in total (profit/loss from property management less nominal tax), SEKm	318		337	
Number of shares, millions	314.6		320.2	
EPRA EPS, SEK per share	1.01		1.05	

	2023		2022	
	Jan-Mar		Jan-Mar	
EPRA Vacancy rate				
Estimated market value of vacant property rents, SEKm	363		364	
Annual rental value, entire portfolio, SEKm	3,528		3,360	
EPRA Vacancy rate, %	10%		11%	

Parent Company

Profit and loss account

	2023	2022	2022
SEKm	Jan-Mar	Jan-Mar	Jan-Dec
Income	124	81	352
Expenses	-211	-176	-422
Net financial items	-58	-18	1,033
Share in profit of associated companies	0	0	0
Changes in value, fixed-income derivatives	-217	881	1,753
Changes in value, equities	-1	0	-3
Appropriation	0	0	398
Profit/loss before tax	-363	768	3,111
Current tax	0	0	-
Deferred tax	73	-159	-428
Profit/loss for the period	-290	609	2,683

Balance sheet

	2023	2022	2022
SEKm	Mar 31	Mar 31	31 Dec
Investments in Group companies	13,400	13,400	13,400
Other non-current assets	46,912	46,449	46,340
<i>of which, receivables from Group companies</i>	<i>45,390</i>	<i>45,642</i>	<i>44,629</i>
Current assets	88	64	134
Cash and cash equivalents	2	196	24
Total assets	60,402	60,109	59,898
Shareholders' equity	11,359	10,786	12,404
Provisions	345	79	382
Non-current liabilities	45,137	45,555	44,156
<i>of which, liabilities to Group companies</i>	<i>14,069</i>	<i>18,495</i>	<i>13,972</i>
Current liabilities	3,561	3,689	2,956
Total equity and liabilities	60,402	60,109	59,898

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 most recent annual report.

NOTE 2 CONTINGENT LIABILITIES

On the balance sheet date, contingent liabilities comprised guarantees and commitments in favour of associated companies and subsidiaries of SEK 514m (489) and other 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 Birger Bostad, 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.
- Residential – Birger Bostad'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 Birger Bostad's operations are recognised in the Residential segment.

No reclassifications have been made during the period.

NOTE 4 EU TAXONOMY

Percentage of activities eligible for the taxonomy:

Key ratios	Total, SEKm	Activities eligible for the taxonomy, %	Activities not eligible for the taxonomy 2023 Q1, %
Revenue	848	100	65
Operating expenditure	41	100	56
Capital expenditure	756	100	23

Fabège owns and manages properties, with a primary focus on commercial properties in the Stockholm area. The vast majority of the property portfolio falls within the scope of the taxonomy and the economic activities applied are:

7.1 Construction of new buildings

7.7 Acquisition and ownership of buildings

The proportion of Fabège's operations that are environmentally sustainable according to the EU Taxonomy Regulation is reported via three financial ratios: revenue, operating expenditure and capital expenditure.

Recognition of revenue:

All revenues related to the properties included in the economic activities above are recognised. This refers to rental income, including the standard supplements. No material income that should be excluded has been identified.

Recognition of operating expenditure:

Operating expenditure includes property management costs, regular repairs, maintenance and expensed tenant customisations. Birger Bostad's production costs for residential development are recorded as operating expenses but are not included here, as they do not fall within the definition of operating expenses according to the taxonomy.

Recognition of capital expenditure:

Relates to capital expenditure for acquisitions and capitalised investment expenditure related to the properties included in the economic activities.

Percentage of activities aligned with the taxonomy:

Fabege contributes significantly to objective 1, i.e. climate change mitigation, including the Do No Significant Harm criteria. The existing properties assessed as being aligned with objective 1 have an EPC-A level energy performance certificate or are in the top 15 per cent in terms of primary energy use in Sweden (in accordance with the definition applied by the Swedish Property Federation for existing buildings). The properties have undergone a climate resilience analysis.

According to Fabege's assessment, 65 per cent of its revenue, 56 per cent of operating expenditure and 23 per cent of capital expenditure are aligned with the taxonomy, based on fulfilment of objective 1, including the DNSH criteria. The outcome is based on the 2022 outcome for primary energy numbers. The reason the percentage of capital expenditure that is green is reported as low is that Fabege has chosen to make a conservative assessment of ongoing new construction projects and interpret that they are covered by all DNSH requirements in 7.1. These are reported as non-compliant with the taxonomy, as interpretations of the DNSH requirements and documentation of this to demonstrate compliance are not yet fully in place. Fabege believes that, in the long run, at least part of the capital expenditure will be classified as being aligned with the taxonomy.

Fabege also meets the taxonomy's requirements for Minimum Safeguards related to human rights, anti-corruption, transparency regarding tax burdens and fair competition.

The full tables are only presented annually and can be found in Fabege's Annual and Sustainability Report for 2022 on pages 134–136.



ÅRETS BYGGE 2023 (BUILDING PROJECT OF THE YEAR)

We are incredibly proud that Kvarteret Poolen was named Property of the Year 2023, in the category Public-services.

'Årets Bygge' is the prestigious prize awarded each year by construction journal Byggindustrin. The prize is awarded to an individual construction project completed during the previous year.

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 Birger Bostad, which is a property development company focused on residential and public-services property. The large number of residential development rights that we hold means that 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 2023, Fabège owned 102 properties with a total market value of SEK 85.0bn. Their rental value stood at SEK 4.0bn. This has been supplemented by Birger Bostad's development portfolio, comprising ongoing and future residential development projects with a value of SEK 795m.

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 via 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 experiencing 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.

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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

Faberge 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 as approximately 4 per cent based on a 3 per cent discount rate. Furthermore, it has been assumed that loss carryforwards are realised over four years with a nominal tax rate of 20.6 per cent, which results in 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, 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 of 6 per cent, which results in 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/EQUITY RATIO

Interest-bearing liabilities divided by shareholders' equity

DEBT RATIO

Interest-bearing liabilities divided by rolling twelve-month gross earnings, less central administration costs and reversal of impairment.

DEVELOPMENT PROPERTIES*

Properties for which a redevelopment 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 imminent improvement work.

EARNINGS PER SHARE

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

EPRA EPS

Profit from property management less tax at the nominal rate attributable to profit from property management, divided by the average number of shares. Taxable profit from property management is defined as the profit

from property management less such items as tax-deductible depreciation and amortisation and redevelopments.

EPRA NDV – NET DISPOSAL VALUE

Shareholders' equity according to the balance sheet.

EPRA NRV – NET REINVESTMENT VALUE

Shareholders' equity according to the 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 the 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 vacant rents divided by the annual rental value for the entire property portfolio.

EQUITY/ASSETS RATIO

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

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.

FINANCIAL OCCUPANCY RATE*

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

INTEREST COVERAGE RATIO

Gross earnings, including ground rent, less central administration costs and reversal of impairment, in relation to net interest items (interest expenses less interest income).

INVESTMENT PROPERTIES*

Properties that are being actively managed on an ongoing basis.

LAND AND PROJECT PROPERTIES*

Land and development properties, and properties undergoing new construction/complete redevelopment.

LOAN-TO-VALUE RATIO, PROPERTIES

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

LEASE VALUE*

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

NET LETTINGS*

New lettings during the period less leases terminated due to departure.

RETURN ON EQUITY

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

RETURN ON INVESTED CAPITAL IN THE PROJECT PORTFOLIO*

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

RENTAL VALUE*

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

RETENTION RATE*

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

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 the market value at the start of the period plus investments for the period.

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

CALENDAR

07/07/2023	Interim report Jan–Jun 2023
19/10/2023	Interim report Jan–Sep 2023
07/02/2024	Year-end report 2023

PRESS RELEASES DURING THE FIRST QUARTER OF 2023

29/03/2023	Resolutions by Faberge's Annual General Meeting on 29 March 2023
29/03/2023	Randstad moves to Faberge and Haga Norra
24/03/2023	Faberge is one of Sweden's best workplaces in 2023
07/03/2023	Faberge publishes its Annual Report and Sustainability Report for 2022
01/03/2023	Notice of Annual General Meeting of Faberge AB (publ)
23/02/2023	Faberge continues to reduce its carbon footprint with a new agreement
06/02/2023	Year-end report 2022
01/02/2023	JM moves its head office to Faberge and Haga Norra
01/02/2023	Faberge sells residential development rights in Huvudsta to JM
20/01/2023	Invitation to presentation of Faberge's 2022 Year-end report

FOLLOW US ONLINE, WWW.FABERGE.SE/EN

There will also be a web presentation on the Group's website on 26 April 2023, during which Stefan Dahlbo and Åsa Bergström will present the report.

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