



WALLENSTAM

Interim Report

JANUARY 1–MARCH 31, 2021

January 1–March 31, 2021

- » The net asset value per share increased by SEK 2.60 during the period and amounted to SEK 100.90 (98.30).
- » Income from property management amounted to SEK 291 million (275).
- » Rental income increased by 7 percent and amounted to SEK 561 million (523).
- » Investment in construction of properties amounted to SEK 807 million (983).
- » On closing day, 2,100 apartments were under construction.
- » Changes in value of investment properties amounted to SEK 311 million (254), of which 145 million (254) came from value growth in new construction.
- » Profit before tax amounted to SEK 901 million (395) and profit after tax amounted to SEK 723 million (309), equivalent to SEK 2.2 per share (1.0).

Comparisons in brackets refer to the corresponding period of the previous year for performance measures, and the latest year-end for balance sheet measures, unless otherwise stated.

HANS WALLENSTAM, CEO

Wallenstam reports a stable result

“When I sum up the first quarter of 2021, after one year of the pandemic, I can confirm that Wallenstam is stable and our operations are progressing. We have a well-functioning business model that generates results and attractive property holdings with strong demand both for our apartments and for our commercial floor space.”

“We completed a record number of apartments in our new construction operations last year and already more than 400 apartments during the first quarter of 2021. This is generating positive effects on both our net operating income, which increased by about 7 percent, and on our income from property management, which increased by about 6 percent compared to the year-earlier period. In summary, we have generated SEK 2.60 in net asset value growth during the quarter, and I think that this is impressive!”

Wallenstam in brief

Number of investment properties: 228

Value of investment properties: SEK 59 billion

Market capitalization: SEK 39 billion

Occupancy rate, lettable area: 97%

Lettable area: 1.3 million sq m

Number of apartments under construction: 2,100

Number of wind turbines: 66

SEK 291 million

IN INCOME FROM PROPERTY MANAGEMENT IN Q1, 2021

Read more about Wallenstam on page 20.

Important events first quarter

During the quarter, 405 apartments were completed and occupied, of which 220 are in the Gothenburg region and 185 are in the Stockholm region.

Construction started of 189 apartments in Kv. 7 in the urban development project Kallebäcks Terrasser in Gothenburg.

During the quarter, Wallenstam obtained a land allocation for a block of 22,500 sq m gross floor area directly adjacent to the future metro station square in Barkarby-staden, Järfälla.

Wallenstam sold land during the quarter in Mölnlycke, and acquired land in Gothenburg, Mölndal and Sundbyberg.

In addition, Wallenstam took possession of the building that served as the temporary Östermalmshallen in Stockholm.

Wallenstam has also sold its entire shareholding in the solar cell developer Exeger Sweden, and acquired shares in the payment service provider Klarna.

During the quarter, Wallenstam won the competition “Construction of the Year” in the renovation category for the reconstruction of Artilleristallarna in Gothenburg.

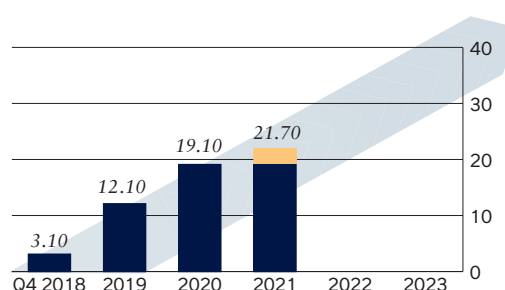
Goal 2023 – Increase in net asset value of SEK 40 per share.

In the business plan 2019–2023, Wallenstam’s goal is to deliver an increase in net asset value of SEK 40 per share. The goal is measured from October 1, 2018 when the net asset value per share was SEK 79.20. On March 31, 2021, the net asset value per share was SEK 100.90, which represents an increase of SEK 2.60 per share during the first quarter of 2021 and SEK 21.70 per share in total to date during the business plan.

Net asset value

Net asset value describes the Group’s total generated value and includes equity and deferred tax liability and amounted to SEK 32,577 million (31,746) on closing day. Deferred tax liability refers mainly to differences between carrying amounts and fiscal values of the Group’s properties. A net deferred tax liability of SEK 5,989 million (5,811) is recognized in the balance sheet, which consists of a deferred tax asset of SEK 307 million (377) and a deferred tax liability of SEK 6,296 million (6,188).

INCREASE IN NET ASSET VALUE, SEK/SHARE



Comments by the CEO



When I sum up the first quarter of 2021, after one year of the pandemic, I can confirm that Wallenstam is stable and our operations are progressing. We have a well-functioning business model that generates results and attractive property holdings with strong demand both for our apartments and for our commercial floor space.

Net operating income and income from property management are increasing.

We completed a record number of apartments in our new construction operations last year and already more than 400 apartments during the first quarter of 2021. This is generating positive effects on both our net operating income, which increased by about 7 percent, and on our income from property management, which increased by about 6 percent compared to the year-earlier period.

Invested SEK 125 million in Klarna

We have now sold our entire holding in the solar cell company Exeger and have instead invested in the payment service provider Klarna. The market for Klarna's type of payment services will expand in the future and to now be involved as an investor can generate interesting opportunities for Wallenstam. Wallenstam currently has participating interests in a number of companies with a close connection to Wallenstam's operations. Apart from Klarna, these also include the coworking company Convendum, Colive which offers coliving housing and the property tech company Tmpl.

SEK 2.60 increase in net asset value

The changes in value of properties during the quarter came from both our qualitative, cost-efficient new construction and from our existing holdings, and amounted to SEK 311 million, which was slightly higher than the year-earlier period. Due to the fact that long-term interest rates have risen since year-end, the changes in value of our interest rate hedges – derivatives – were positively impacted.

In summary, we have generated SEK 2.60 in net asset value growth during the quarter, and I think that this is

impressive! Our financial position remains stable with an equity/assets ratio of 43 percent and a loan-to-value ratio of 46 percent.

Important social engagement

During the pandemic we have provided gifts and support in several ways to different aid organizations, which help vulnerable people in our society in both Stockholm and Gothenburg. During the quarter, we also became a donor in the reconstruction of St Paul's church, so that the Stockholm City Mission can help more people through their activities. Unfortunately, the needs in society are increasing and for this reason we are proud to be able to contribute to an important initiative for society and for those who are vulnerable in Stockholm.

Winner of "Construction of the Year"

It is gratifying that we won the competition "Construction of the Year" in the renovation category for our reconstruction of Artilleristallarna. We have carefully renovated the historic building, with a very special character in the heart of Gothenburg, and reconstructed it so that Tavolo, a popular restaurant, could open in September 2020. The prize is also a recognition of how we are working to develop our properties and areas in Gothenburg inner city. We want to preserve and develop, and we take a holistic approach in an area, so that different activities can complement each other. We notice that this delivers results, for instance we see a greater interest in renting premises in these areas.

Conversion of retail space

In light of new consumption patterns, including the restructuring of retail towards more e-commerce, we have worked for some time on identifying and mapping how our ground floors can be utilized in the best way with exciting businesses and how the second floors of stores can be converted into other uses. We can now present the first reconstruction that we are carrying out in Kopparhuset on Avenyn, where previous retail space on the second floor is being reconstructed to become office space and a reception for an existing tenant that needs to expand their business.

Wallenstam continues to deliver

2021 should be the year when the pandemic is overcome, and we all have an increased humility and readiness for setbacks that may come. We will probably see more of the actual effects on the economy, and how we are all affected by changed consumption patterns and the lifestyle changes that we have had to make during this period.

It feels reassuring that Wallenstam is continuing to deliver despite all the major challenges. I hope and believe that we can gradually return to more normal circumstances during the year while we will continue to create value through our new construction, property development, management and letting operations.

Hans Wallenstam, CEO

Consolidated income statement

SEK million	Jan-Mar 2021	Jan-Mar 2020	Apr-Mar 2020/2021	Jan-Dec 2020
Rental income	561	523	2,169	2,131
Operating expenses	-147	-137	-529	-519
Net operating income, properties	414	386	1,641	1,613
Management costs and administrative expenses	-66	-59	-250	-243
Financial income	1	2	3	4
Financial expenses	-58	-55	-246	-243
Income from property management	291	275	1,147	1,131
Realized changes in value, financial instruments	19	-	23	4
Participation in profits/losses of associated companies	0	-2	1	-1
Revenue, development property sales	38	57	518	537
Expenses, development property sales	-28	-39	-360	-371
Other income	42	83	127	168
Other expenses	-36	-51	-180	-195
Financial expenses, other	-6	-5	-22	-21
Profit before changes in value and impairment losses	321	318	1,256	1,253
Changes in value, investment properties	311	254	1,396	1,339
New construction	145	254	744	853
Other	167	-	653	486
Unrealized changes in value, financial instruments	253	-177	268	-162
Unrealized changes in value, synthetic options	15	1	-22	-36
Profit before tax	901	395	2,899	2,393
Current tax	0	0	0	0
Deferred tax	-178	-87	-576	-485
Profit for the period, after tax	723	309	2,322	1,908
OTHER COMPREHENSIVE INCOME				
Items that may be transferred to profit/loss for the period	2	3	21	23
Items that may not be transferred to profit/loss for the period	-88	-	-88	0
Tax attributable to other comprehensive income	0	-1	-2	-3
Comprehensive income	636	310	2,253	1,927
DISTRIBUTION OF PROFIT FOR THE PERIOD AFTER TAX				
Profit for the period attributable to parent company shareholders	723	309	2,322	1,908
Average number of outstanding shares, thousands	323,000	323,000	323,000	323,000
Profit after tax per share (SEK), dilution does not occur	2.2	1.0	7.2	5.9

Comments on the consolidated income statement

JANUARY 1–MARCH 31

Rental income

Rental income for the period increased by SEK 39 million, 7 percent, and amounted to SEK 561 million (523). Rental income growth during the period came mainly from occupations in our recently produced residential apartment buildings, 405 apartments in total during the quarter.

Wallenstam's revenue is evenly distributed between residential properties and commercial premises. Our residential property holdings are fully let. Our commercial properties are situated in central locations in Gothenburg, with offices as our single largest type of commercial premises. The surrender rate, which reflects how large a proportion of the cancellable leases are extended, amounted to 87 percent (90). Our occupancy rate for commercial properties in terms of lettable area is the same as at year-end and amounted to 94 percent on closing day.

Operating expenses & net operating income

Operating expenses for the period amounted to SEK 147 million (137) and increased as a result of additional recently produced properties and seasonal effects from colder weather conditions and more snow. Climate-related expenses were SEK 7 million higher during the period compared to the same period in 2020. Net operating income increased by SEK 29 million or 7.4 percent and amounted to SEK 414 million (386). Added efficient new production accounted for most of this growth. The surplus ratio was 73.8 percent (73.8).

Management costs and administrative expenses

Management costs and administrative expenses totaled SEK 69 million (61) and are distributed among property management, SEK 66 million (59), energy management, SEK 2 million (2) and property transactions, SEK 0 million (-).

Financial income & expenses

Financial income amounted to SEK 1 million (2) and financial expenses totaled SEK 64 million (60), and are distributed among property operations and other, which mainly consists of natural energy. Capitalized interest amounted to SEK 25 million (24).

The average debt for the year was SEK 3.1 billion higher than the previous year, due to continued investments in new construction. The average interest rate on closing day, which reflects future interest to pay in relation to our loans, was 1.21 percent (1.31). During the period, the average interest rate amounted to 1.21 percent (1.23).

Realized changes in value, financial instruments

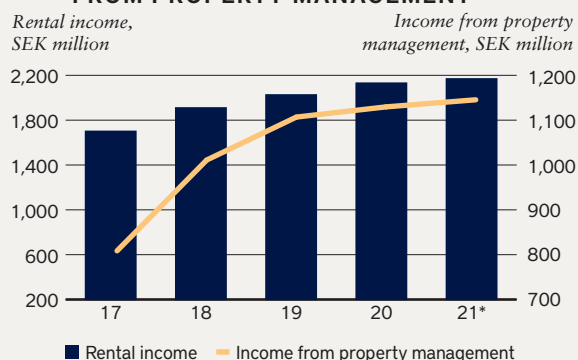
Realized changes in value of financial instruments during the year consisted of the divestment of the Group's holding in Exeger Sweden AB (publ), which was sold for SEK 119 million during the first quarter of the year. The holding generated a realized profit of SEK 108 million, of which SEK 88 million was recognized as Changes in value, holdings of unlisted equity instruments under Other comprehensive income in previous years.

Income from sales of development properties

A profit or loss from sales of development properties is recognized when the apartment or property is taken into possession by the purchaser. Apart from the cost, selling and marketing expenses are also included, which are expensed as they arise.

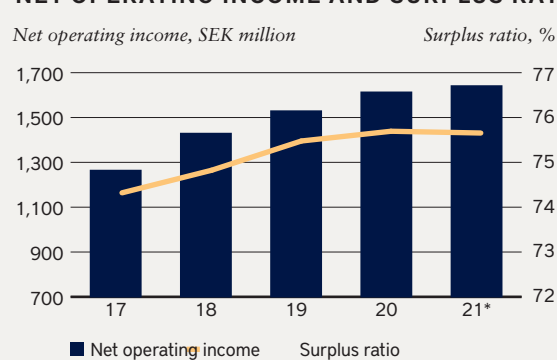
Net profit from sales during the year amounted to SEK 10 million (18) and included sales of apartments in the Vasagatan 33 project, individual co-op apartments as well as costs.

RENTAL INCOME AND INCOME FROM PROPERTY MANAGEMENT



* Latest rolling twelve-month period

NET OPERATING INCOME AND SURPLUS RATIO



* Latest rolling twelve-month period

Other income & Other expenses

The Group's electricity production as well as additional other income and expenses are recognized as other income and other expenses.

Electricity revenue and electricity expenses for the period were lower than the previous year. Production of electricity decreased, by 35 percent in total compared to the previous year, due to less wind in 2021, and amounted to 95 GWh (148). The price of electricity has increased, however.

Changes in value, investment properties

Changes in value of investment properties during the period totaled SEK 311 million (254), of which SEK 145 million (254) came from gradual value growth in properties under construction and from the newly produced properties that have been in operation for a shorter period than a full calendar year.

Yield requirements have not been adjusted during the quarter but changes in value in the existing holdings came from increased net operating income.

Unrealized changes in value, financial instruments

The unrealized change in value of financial instruments in the income statement includes changes in value of interest rate and electricity derivatives and holdings of listed shares.

The value of interest rate derivatives developed positively during the period, SEK 253 million (-176), as a result of rising interest rate levels. On closing day, the 10-year swap rate amounted to 0.78 percent, compared to 0.37 percent at the start of the year.

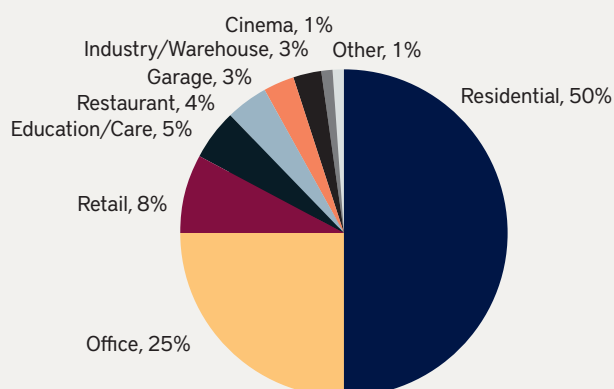
Unrealized changes in value, synthetic options

The Annual General Meeting on April 24, 2018 resolved to introduce a synthetic options scheme directed to all personnel. The term of the scheme runs until May 31, 2024 and the estimated cost in the event of a maximum outcome is SEK 330 million. At the start of the scheme in May 2018, personnel were invited to acquire the allocated number of options at a market price. The value of the synthetic options, which varies with Wallenstam's share price, has decreased during 2021. The unrealized development in value including costs connected to the scheme, amounted to SEK 15 million (1) during the period. To date, the total recognized obligation for the scheme amounts to SEK -74 million (-52).

Taxes

The tax expense for the period, which consists in its entirety of deferred tax, amounted to SEK 178 million (87) net.

DISTRIBUTION, RENTAL VALUE



THE TEN LARGEST COMMERCIAL TENANTS BY FLOOR SPACE

Tenant	Floor space, sq m
City of Gothenburg	19,846
Essity Hygiene and Health AB	15,639
Filmstaden AB	14,508
Academedia AB	11,427
The National Archives of Sweden	11,000
Västra Götaland County Council	10,128
Ica Fastigheter AB	6,906
Sandryds Handels AB	6,730
Frisk Service i Göteborg AB	6,212
Folkuniversitetet	5,959
Total	108,355

Our total commercial floor space is approximately 520,000 sq m.

Consolidated balance sheet, condensed

SEK million	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS			
NON-CURRENT ASSETS			
Investment properties	59,262	53,619	57,933
Wind turbines	1,014	1,090	1,033
Participations in associated companies	220	161	220
Financial assets	553	540	529
Financial derivative instruments	87	7	10
Other non-current assets	84	75	81
Total non-current assets	61,220	55,493	59,806
CURRENT ASSETS			
Development properties	128	170	126
Financial derivative instruments	-	0	-
Other current assets	237	204	130
Cash and cash equivalents	80	92	518
Total current assets	445	466	774
Total assets	61,666	55,959	60,581
EQUITY AND LIABILITIES			
EQUITY			
Equity	26,281	24,102	25,557
Equity attributable to non-controlling interests	0	2	0
Total equity	26,281	24,104	25,558
NON-CURRENT LIABILITIES			
Deferred tax liability	5,989	5,410	5,811
Other provisions	128	187	142
Interest-bearing liabilities	6,456	4,463	6,406
Financial derivative instruments	345	533	522
Lease liability	475	419	492
Other non-current liabilities	10	36	21
Total non-current liabilities	13,404	11,048	13,394
CURRENT LIABILITIES			
Interest-bearing liabilities	21,196	20,036	20,885
Financial derivative instruments	1	3	3
Lease liability	1	1	1
Other current liabilities	782	768	740
Total current liabilities	21,981	20,808	21,629
Total equity and liabilities	61,666	55,959	60,581

Comments on the consolidated balance sheet

OUR PROPERTIES

Development during the period

During the year, we invested a total of SEK 1,082 million (1,030), of which SEK 1,067 million (1,010) in investment properties and SEK 15 million (20) in development properties. New construction projects in progress involve 2,100 apartments. The total value of rental apartment and development projects in progress amounted to SEK 6.1 billion (6.8) on closing day.

The right of use value for land granted with site leasehold rights has been estimated at SEK 460 million (476) and is recognized as a part of the properties' value.

Investment properties

Changes in value affected the value of investment properties positively by SEK 311 million (254) in total, of which SEK 145 million (254) came from gradual value growth in properties under construction and from the newly produced properties that have been in operation for a shorter period than a full calendar year.

On closing day, the average yield requirement amounted to about 4.5 percent for the commercial holdings and to about 3.1 percent for residential properties in operation. The average yield requirements were unchanged from the previous report.

The value of investment properties amounted to SEK 59,262 million (57,933) at the end of the period.

Development properties

Development properties mainly consist of the co-op apartment project Bandhagen Centrum in Stockholm. The book value of Development properties amounted to SEK 128 million (126) at the end of the period.

Our markets

The cities in which we do business are characterized by growth and heavy demand for housing. Only a minor proportion of our rental apartments become available for rent due to relocation, and demand for finished, newly built rental apartments is high. For example, we currently have approximately 140,000 people in our housing queue.

We build mainly rental apartments, but also cooperative apartments, for example when the land available for rental apartment construction is limited. Our flexible business

model, where co-op apartment sales do not start until the project is approaching completion, makes it possible to convert a co-op apartment project into a rental apartment project if demand for co-op apartments is uncertain.

We see that demand for central office space in Gothenburg is impacted by the current circumstances but is still stable.

Valuation

Investment properties

Wallenstam measures all of its investment properties internally at fair value. We enjoy good market and property intelligence through active monitoring, which provides us with a firm basis for performing internal valuations of our property holdings. However, we must emphasize that a property's fair value only becomes a reality when the property is sold, for which reason a valuation is always an estimation.

In its assessments of property values, Wallenstam has used different yield requirements. The yield requirements reflect market conditions and differ based on where the property is located and what type of property it is, e.g. housing or offices, etc.

A valuation is calculated based on a property's net operating income including site leasehold rents, set in relation to the yield requirement for each property.

As our properties are valued separately, no consideration is given to the portfolio premium that may exist in the property market.

New constructions of rental properties are measured at fair value, which is determined as cost plus the estimated surplus on the completion date in relation to the degree of completion of the construction. This is in turn based on expenses incurred.

Land rights and building rights for zoned land are measured at market value.

Development properties

Development properties are properties that we intend to construct in order to divest on completion, for example co-op apartment properties. Development properties are recognized at the lower of cost (investments incurred) and the estimated net realizable value. The profit/loss is recognized when the property or apartment is completed and handed over to the buyer.

TOTAL VALUE, PROJECTS IN PROGRESS

	Book value, SEK million
Land for future new production	1,146
Projects in progress, rental apartments	4,865
Development properties	128
Total projects in progress	6,139

CHANGES IN PROPERTY HOLDINGS, INVESTMENT PROPERTIES

	Book value, SEK million
Property holdings, January 1, 2021	57,933
+ Acquisitions	274
+ Construction	793
- Sales	-33
- Right-of-use asset site leasehold right	-16
+ Changes in value, properties	311
Property holdings, March 31, 2021	59,262

NEW CONSTRUCTION IN PROGRESS, MARCH 31, 2021

Project	No. of apts.	Occupation*	Sq m**	Of which completed apts. to date
STOCKHOLM				
Parkstråket 1, Haninge	154***	Q3 2020	13,500	96
Söra Kvarter, Österåker	305	Q3 2020	15,500	202
Allén, Tyresö	221	Q4 2020	13,500	155
Parkstråket 2, Haninge	131	Q4 2020	7,500	99
Umami Park, phase 2, Sundbyberg	141	Q4 2020	9,500	106
Umami Park, phase 3, Sundbyberg	133	Q4 2021	10,000	
Bandhagen Centrum (co-op)	84	2022	4,500	
UPPSALA				
Flanören, Rosendal	156	Q3 2021	7,500	
GOTHENBURG				
Elisedal	336	Q4 2020	24,000	240
Godhems Backe	138	Q4 2020	6,500	77
Kallebäcks Terrasser Kv. 9	165	Q4 2021	9,500	
Kallebäcks Terrasser Kv. 11	270	Q4 2021	16,000	
Kv. Kvarnen, Mölnlycke Fabriker, Härryda	185	Q4 2021	10,500	
Kallebäcks Terrasser Kv. 8	266	2022	15,000	
Kallebäcks Terrasser Kv. 10	85****	2022	8,000	
Kv. Väven, Mölnlycke Fabriker, Härryda	116	2022	7,000	
Kallebäcks Terrasser Kv. 7 ⁱ	189	2023	11,000	
Commercial				
Kallebäcks Terrasser		2021	20,000	
Mölnlycke Fabriker		2021	20,000 ⁱⁱ	
Total apartments in projects	3,075		229,000	975
of which in progress on March 31	2,100			

* Refers to estimated start of occupation. Occupation will occur gradually, often over several quarters.

** Number of sq m includes garage, and is rounded off to the nearest 500.

*** Of which 17 are co-living apartments with a total of 85 rooms for rent.

**** Of which 12 are co-living apartments with a total of 121 rooms for rent.

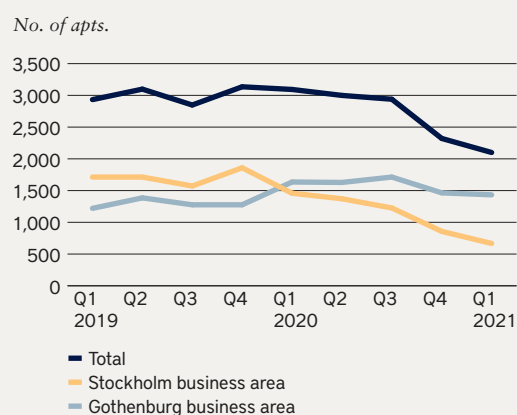
ⁱ Started during quarter 1, 2021.

ⁱⁱ Relates to two sports centers and a multistorey carpark.

CHANGE, CONSTRUCTION IN PROGRESS

	Antal lgh
New construction in progress, January 1, 2021	2,316
- Completed	-405
<i>Parkstråket 1, Haninge (42)</i>	
<i>Söra kvarter, Österåker (35)</i>	
<i>Allén, Tyresö (55)</i>	
<i>Parkstråket 2, Haninge (53)</i>	
<i>Elisedal, Göteborg (158)</i>	
<i>Kv. Rosengången, Mölnlycke Fabriker, Härryda (62)</i>	
+ Started	189
New construction in progress, March 31, 2021	2,100

APARTMENTS, CONSTRUCTION IN PROGRESS



COMPLETED NEW CONSTRUCTION

Name of property	Address	Year of construction	Residential sq m	Office sq m	Retail/ Restaurant/ Cinema sq m	Industry/ warehousing sq m	Education/ Care sq m	Garage sq m	Other sq m	Total sq m	No. of apts.
GOTHENBURG											
Härryda Mölnlycke 1:163 (Project: Kv. Rosengången)	Disponentvägen 2, 4	2021	6,477	-	-	-	-	448	-	6,925	123
Krokslätt 154:7* (Project: Elisedal)	Nordgårdsgatan 2, 6, 8, 10 / Ebbe Lieberathsgatan 2A-D / Fredriksdalsgatan 4C-D	2020	12,201	-	86	-	-	6,382	-	18,669	240
Majorna 350:6* (Project: Godhems Backe)	Kolumbusgatan 1-5, Stenklevsgatan 7A-B,9,11	2020	4,154	-	56	-	-	-	-	4,210	77
STOCKHOLM											
Söderbymalm 3:540* (Project: Parkstråket 1)	Örnens väg 3-5, Ingrid Horns väg 7-9, Nynäsvägen 112-114	2021	7,625	-	-	-	-	1,700	-	9,325	96
Berga 6:682* (Project: Södra kvarter)	Margretelundsvägen 3 A-E	2021	10,133	-	130	-	-	-	-	10,263	202
Järnet 13* (Project: Allén)	Axel Wennergrens väg 3-15	2021	7,143	-	107	-	-	3,245	-	10,495	155
Söderbymalm 3:539* (Project: Parkstråket 2)	Örnens väg 7-9, Ingrid Horns väg 6-8, Ingrid Horns Torg 4	2021	4,362	-	-	45	-	1,160	-	5,567	99
Freden Större 17* (Project: Umami Park, phase 2)	Rissneleden 20, 22, 24	2020	5,746	-	-	94	-	1,451	-	7,291	106
Total			57,841	-	379	139	-	14,386	-	72,745	1,098

* Gradual occupation, the property is not fully completed.

PROPERTY ACQUISITIONS

Name of property	Address	Year of construction/ conversion	Residential sq m	Office sq m	Retail/ Restaurant/ Cinema sq m	Industry/ warehousing sq m	Education/ Care sq m	Garage sq m	Other sq m	Total sq m	No. of apts.
GOTHENBURG											
Gamlestaden 740:23	Marieholmsgatan 60-62	1970	-	-	-	4,142	-	-	-	4,142	0
Järnbrott 195:1*											
Mölnidal Mörtén 6*											
Mölnidal Nejonögat 16, 17*											
STOCKHOLM											
Sundbyberg Freden större 15*											
Total			-	-	-	4,142	-	-	-	4,142	0

* Land

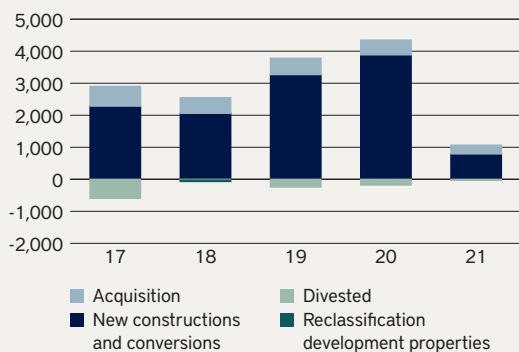
PROPERTY SALES

Name of property	Address	Year of construction/ conversion	Residential sq m	Office sq m	Retail/ Restaurant/ Cinema sq m	Industry/ warehousing sq m	Education/ Care sq m	Garage sq m	Other sq m	Total sq m	No. of apts.
GOTHENBURG											
Mölnlycke 1:169*											
Total			-	-	-	-	-	-	-	-	-

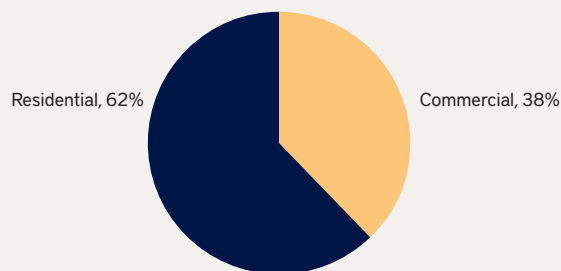
* Land

ACQUISITION, CONSTRUCTION AND SALES OF INVESTMENT PROPERTIES

SEK million



DISTRIBUTION MARKET VALUE



PROPERTY HOLDING STRUCTURE AS OF MARCH 31, 2021

Lettable area, sq m	Residential sq m	Office sq m	Retail/ Restaurant/ Cinema sq m	Industry/ warehou- sing sq m	Education/ Care sq m	Garage sq m	Other sq m	Total	Distribu- tion, place	No. of apts.
Stockholm	350,584	30,766	11,886	9,300	5,957	60,008	15,239	483,740	37%	5,904
Uppsala	27,605	2,138	1,039	101	-	5,732	-	36,615	3%	542
Gothenburg	280,196	206,965	93,858	88,826	48,398	66,273	7,334	791,850	60%	4,598
Total	658,385	239,869	106,783	98,227	54,355	132,013	22,573	1,312,205	100%	11,044
Distribution by type of premises	50%	18%	8%	8%	4%	10%	2%	100%		

Construction started of 189 apartments in Gothenburg

In Kallebäck's Terrasser, construction started of 189 apartments during the quarter. A total of 975 apartments are now under construction in the urban development project and the first tenants will move in at the end of 2021.



WIND POWER

On closing day, Wallenstam had 66 wind turbines in operation divided among 20 wind farms. The installed output amounted to 143 MW (143).

Wind turbines are recognized at cost less depreciation and impairment losses. Depreciation for the period amounted to SEK 19 million (19). Estimated value in use of land leases, based on minimum rents, amounted on closing day to SEK 16 million (16) and is recognized as part of the wind power value. On closing day, the consolidated book value of wind turbines amounted to SEK 1,014 million (1,033). The renewable energy certificate inventory and guarantees of origin amounted to SEK 0 million (1) on closing day.

FINANCING

Equity

Shareholders' equity amounted to SEK 26,281 million (25,558), equivalent to SEK 81 per share (79). The equity/assets ratio was 43 percent (42).

Interest-bearing liabilities

On closing day, outstanding bond loans amounted to SEK 3,050 million (2,800), the outstanding volume of commercial paper, with a framework amount of SEK 4 billion, amounted to SEK 2,670 million (2,470), loans from the European Investment Bank totaled SEK 2,500 million (2,500) and total interest-bearing liabilities amounted to SEK 28,129 million (27,785), of which lease liability

amounted to SEK 476 million (493). Of this liability, SEK 7.3 billion consists of green financing, of which SEK 5.4 billion (5.4) of green loans and SEK 1.9 billion (1.7) of green bonds.

All the bond loans of SEK 3,050 million (2,800) are contained within the framework of our MTN program (Medium Term Notes), which has a total framework amount of SEK 5 billion. The terms and conditions of the green bonds are the same as for the other bonds with the addition that the issue proceeds can only be allocated to projects and assets that qualify according to Wallenstam's green framework. The bond loans are listed on Nasdaq Stockholm.

The average remaining fixed interest term is 40 months compared to 41 months at year-end. Of the loan portfolio, 51 percent (50) of the loans have fixed interest terms longer than one year. On closing day, the average interest rate on our loans was 1.21 percent compared to 1.31 percent on the same date in the previous year.

Financing of the loan portfolio is mainly secured by mortgage deeds for properties. The bond loans, commercial paper and the loan from the EIB are unsecured. The commercial paper program has underlying credit commitments for the outstanding volume of commercial paper at each date. Covenants are issued for the loan from the EIB and for the credit commitment for the commercial paper program.

Lease liability

The recognized lease liability corresponds to the rights of use for land leases and site leasehold rights. The liability on closing day totaled SEK 476 million (493).

Derivative instruments

Wallenstam's financial derivative instruments consist of interest rate and electricity derivatives. On closing day,

Wallenstam had a net indebtedness in respect of derivative instruments of SEK 260 million compared to a net indebtedness of SEK 515 million on December 31, 2020. Of this, interest rate derivatives accounted for SEK -259 million (-512), electricity derivatives for SEK 0 million (0) and currency derivatives for SEK -1 million (-3).

During 2021, the Group has entered into new interest rate derivative contracts totaling SEK 0.3 billion. The total volume of outstanding interest rate derivatives, where Wallenstam pays fixed interest, amounts to SEK 12.45 billion.

Interest rate derivatives are used to obtain a desired interest maturity profile in a flexible, cost-efficient way. They are measured through discounting future cash flows at present value based on observable market interest rates and are classified at level 2. The arising deficit or surplus value for interest rate derivatives, which reflects how the Group's hedged interest rates relate to the market rate of interest on closing day, is recognized in the balance sheet and in unrealized changes in value, financial instruments in the income statement.

Currency derivatives are used to a limited extent in order to hedge purchasing from foreign countries. Hedge accounting is applied and therefore translation effects are recognized in other comprehensive income.

Available liquid assets

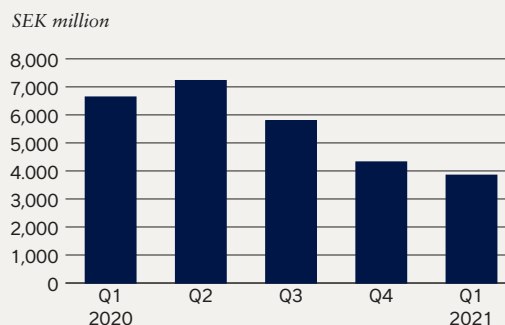
Available liquid assets, including available bank overdraft facilities, amounted to SEK 845 million (1,318). Approved overdraft facilities amounted to SEK 800 million (800), where SEK 35 million (-) was used on closing day. The Group's approved and unutilized credit facilities totaled SEK 3,000 million (3,000), excluding the overdraft facility.

On March 31, 2021, accessible liquidity totaled SEK 3,845 million (4,318), of which SEK 2,670 million (2,470) represents a credit commitment for issued outstanding commercial paper.

FIXED TERMS, AVERAGE INTEREST RATES, MARCH 31, 2021

Interest maturity structure	Amount, SEK million	Average interest rate, %	Proportion, %
0-1 year	13,579	1.53	49.1
1-2 years	300	0.70	1.1
2-3 years	401	1.09	1.5
3-4 years	1,200	0.67	4.3
4-5 years	2,223	1.08	8.0
5-6 years	1,700	0.90	6.1
6-7 years	1,700	1.05	6.1
7-8 years	3,200	1.05	11.6
8-9 years	900	0.37	3.3
> 9 years	2,450	0.79	8.9
Total	27,653	1.21	100.0

ACCESSIBLE LIQUIDITY



Consolidated statement of changes in equity

– Equity attributable to parent company shareholders –

SEK million	Share capital	Other capital contributed	Other reserves	Profit brought forward	Non-controlling interests	Total equity
Opening equity, Jan 1, 2020	165	359	64	23,204	2	23,794
Profit for the period	-	-	-	309	-	309
Translation difference	-	-	0	-	-	0
Changes in value, currency derivatives	-	-	3	-	-	3
Tax attributable to other comprehensive income	-	-	-1	-	-	-1
TRANSACTIONS WITH SHAREHOLDERS						
Dividends	-	-	-	-	-	-
Closing equity, Mar 31, 2020	165	359	65	23,513	2	24,104
Opening equity, Jan 1, 2021	165	359	83	24,950	0	25,558
Profit for the period	-	-	-	723	-	723
Changes in value, holdings of unlisted equity instruments	-	-	-88	88	-	-
Changes in value, currency derivatives	-	-	2	-	-	2
Tax attributable to other comprehensive income	-	-	0	-	-	0
TRANSACTIONS WITH SHAREHOLDERS						
Dividends	-	-	-	-	-	-
Closing equity, Mar 31, 2021	165	359	-4	25,761	0	26,281

Consolidated statement of cash flows

SEK million	Jan-Mar 2021	Jan-Mar 2020	Apr-Mar 2020/2021	Jan-Dec 2020
Profit before changes in value and impairment losses*	321	318	1,256	1,253
Adjustment for items not included or arising in cash flow	-16	-28	-121	-134
Taxes paid	0	0	0	0
Cash flow before change in working capital	306	290	1,135	1,119
Change in working capital	-73	67	-44	96
Cash flow from operating activities	233	357	1,091	1,215
INVESTMENTS/DIVESTMENTS				
Investment in properties and individual co-op apartments	-1,088	-1,027	-4,544	-4,484
Investments in intangible assets & property, plant and equipment, and wind turbines	-5	-7	-20	-22
Investments in financial assets	-127	-	-127	-
Investments in associated companies	-	-30	-58	-88
Divestment of properties, development properties & property, plant and equipment	69	52	537	520
Cash flow from investing activities	-1,151	-1,013	-4,212	-4,074
FINANCING				
Raised interest-bearing liabilities	7,630	1,467	29,566	23,402
Amortization of interest-bearing liabilities	-7,304	-1,109	-26,189	-19,994
Net change in overdraft facilities	35	257	-222	-
Net change promissory notes	-	4	-	4
Divestment of financial assets	119	-	119	-
Dividend paid to minority owner	-	-	-2	-2
Dividends paid	-	-	-162	-162
Cash flow from financing activities	481	619	3,109	3,248
Changes to liquid assets	-438	-37	-12	389
Cash and cash equivalents at beginning of the period	518	129	92	129
Cash flow for the period	-438	-37	-12	389
Cash and cash equivalents at the end of the period	80	92	80	518
Utilized overdraft facilities at the end of the period	765	543	765	800
Available liquid assets	845	635	845	1,318

* Includes interest paid and received, including gross flows from interest rate swap contracts, of SEK -70 million (-82) and SEK 1 million (0) respectively, of which SEK 25 million (24) was capitalized as a non-current asset.

Segments report

2021	Gothenburg	Stockholm	Other	Elimination	Total
Mkr	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
INCOME STATEMENT					
Rental income	363	205	-	-7	561
Operating expenses	-89	-58	-	-	-147
Net operating income	274	148	-	-7	414
Management costs and administrative expenses	-39	-26	-7	7	-66
Net financial items	-63	-42	47	-	-57
Income from property management	171	80	40	-	291
<i>Unapportioned items</i>					
Realized changes in value, financial instruments					19
Participation in profits/losses of associated companies					0
Sales result, development properties					10
Other income and expenses					6
Financial expenses, other					-6
Profit before changes in value and impairment losses					321
Changes in value					579
Profit before tax					901
BALANCE SHEET					
Investment properties	36,098	23,165	-	-	59,262
Wind turbines	-	-	1,014	-	1,014
Development properties	0	128	-	-	128
Unapportioned assets	-	-	-	-	1,261
Total assets					61,666
Equity	-	-	-	-	26,281
Interest-bearing liabilities and lease liabilities	15,401	11,063	1,665	-	28,129
Unapportioned liabilities	-	-	-	-	7,255
Total equity and liabilities					61,666
<i>Property investments in progress including land</i>	<i>3,692</i>	<i>2,448</i>	<i>-</i>	<i>-</i>	<i>6,139</i>
2020	Gothenburg	Stockholm	Other	Elimination	Total
Mkr	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
INCOME STATEMENT					
Rental income	357	173	-	-7	523
Net operating income, properties	273	120	-	-7	386
Income from property management	176	65	35	-	275
<i>Unapportioned items</i>					
Participation in profits/losses of associated companies					-2
Sales result, development properties					18
Other income and expenses					32
Financial expenses, other					-5
Profit before changes in value and impairment losses					318
Changes in value					77
Profit before tax					395
BALANCE SHEET					
Investment properties	32,938	20,680	-	-	53,619
Wind turbines	-	-	1,090	-	1,090
Development properties	31	138	-	-	170
Unapportioned assets	-	-	-	-	1,080
Total assets					55,959
Equity	-	-	-	-	24,104
Interest-bearing liabilities	13,658	9,755	1,505	-	24,918
Unapportioned liabilities	-	-	-	-	6,937
Total equity and liabilities					55,959
<i>Property investments in progress including land</i>	<i>2,320</i>	<i>3,587</i>	<i>-</i>	<i>-</i>	<i>5,907</i>

The Wallenstam share

The Wallenstam B share is listed on Nasdaq Stockholm, Large Cap. During 2021, the Wallenstam share price has decreased by 8.7 percent. The property index OMX Stockholm Real Estate PI fell by 1.2 percent and the OMX Stockholm PI index rose by 13.7 percent during the same period.

At the end of the period, the Wallenstam share price was SEK 119.30 compared to SEK 130.60 at year-end 2020. The market capitalization was SEK 39,369 million (43,098) based on the total number of registered A and B shares. Equity per share amounted to SEK 81 (79).

Wallenstam has a mandate from the Annual General Meeting to repurchase so many shares, such that the company's holding at any one time does not exceed 10 percent of all shares in the company. No shares have been repurchased during 2021. On closing day, the company

held a total of 7,000,000 treasury shares, repurchased at an average price of SEK 76.16 per share.

Dividend

The Board of Directors will propose a dividend of SEK 1.20 per share (0.50) to the Annual General Meeting for the 2020 financial year, spread over two payment dates of SEK 0.60 each per share.

The proposed dividend is equivalent to a yield of 0.9 percent (0.4), based on the share price at the end of the period.

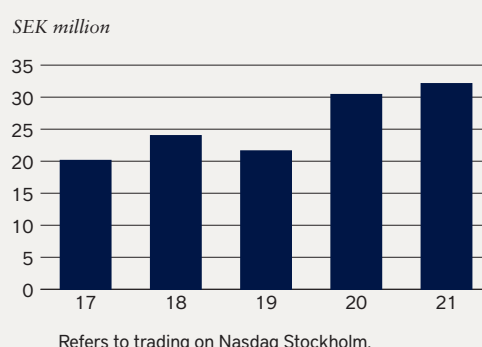
Turnover

During the first quarter, the Wallenstam share had an average daily turnover on Nasdaq Stockholm of about SEK 32.1 million (30.4).

SHARE PRICE TREND Q2 2016-Q1 2021



AVERAGE SHARE LIQUIDITY PER DAY



SHAREHOLDINGS, MARCH 31, 2021

	A shares	B shares	Equity, %	Votes, %
Hans Wallenstam and family, and company	34,500,000	49,210,000	25.37	62.23
AMF - Insurance and funds		32,795,190	9.94	5.18
Anna-Carin B Wallenstam and Anders Berntsson		19,300,000	5.85	3.05
Agneta Wallenstam		18,204,000	5.52	2.87
Henric and Ulrika Wiman		12,037,752	3.65	1.90
Monica and Jonas Brandström		7,072,826	2.14	1.12
Bengt Norman		6,415,000	1.94	1.01
David Wallenstam		5,000,000	1.52	0.79
Elin Wallenstam Sjögren		4,327,240	1.31	0.68
Lisa Liljeqvist		4,279,240	1.30	0.68
Other owners		129,858,752	39.35	20.50
Total number of shares	34,500,000	288,500,000		
Repurchased shares*		7,000,000	2.11	
Registered shares	34,500,000	295,500,000		
Total registered shares	330,000,000		100.00	100.00
Total outstanding shares	323,000,000			

The proportion of institutional ownership amounted to around 17 percent of equity and around 9 percent of votes.

Foreign ownership amounted to around 10 percent of equity and around 5 percent of the votes.

Source: Euroclear Sweden AB

*Repurchased own shares lack voting rights.

Parent Company

The parent company's primary operations are the performance of Group-wide services including financial services as well as trading in renewable energy certificates and guarantees of origin. In addition, the parent company owns a small number of properties.

Total revenue during the period amounted to SEK 124 million (157), of which rental income amounted to SEK 36 million (31).

The profit was impacted by changes in value of financial derivative instruments, SEK 253 million (-178), mainly due to higher swap interest rate levels. Profit after tax amounted to SEK 281 million (-55).

Investments in intangible assets and property, plant and equipment during the year amounted to SEK 7 million (8). Parent company external loans amounted to SEK 14,194 million (13,827) on closing day.

INCOME STATEMENT, PARENT COMPANY

SEK million	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Management revenue	84	83	290
Rental income	36	31	122
Revenue, sales of renewable energy certificates	4	42	45
Other revenue	1	0	1
Total revenue	124	157	458
Management costs and administrative expenses	-96	-89	-367
Operating expenses	-8	-7	-36
Depreciation and impairment losses properties	-7	-8	-31
Expenses, sales of renewable energy certificates	-3	-21	-21
Change in value, synthetic options scheme	15	1	-36
Other expenses	0	-1	-2
Total expenses	-100	-125	-493
Operating income	25	32	-35
Profit/loss from participations in Group companies	8	11	473
Interest income and similar profit/loss items	155	146	533
Interest expenses and similar profit/loss items	-90	-88	-308
Changes in value, derivative instruments	253	-178	-164
Net financial items	326	-109	534
Profit/loss after financial items	351	-77	500
Appropriations	-	-	-63
Tax on net profit/loss	-70	21	34
Profit/loss after tax	281	-55	471
OTHER COMPREHENSIVE INCOME			
Changes in value, currency derivatives	2	3	-2
Tax attributable to other comprehensive income	0	-1	0
Comprehensive income	282	-53	470

BALANCE SHEET, PARENT COMPANY

SEK million	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Assets			
Properties	1,317	1,333	1,319
Participations in Group companies	6,237	5,742	5,932
Financial derivative instruments	87	8	10
Receivables from Group companies	24,000	23,843	23,632
Other assets	174	230	239
Cash and cash equivalents	80	87	518
Total assets	31,895	31,242	31,649
Equity and liabilities			
Equity	11,061	10,416	10,778
Provisions	108	82	122
Interest-bearing external liabilities	14,194	13,904	13,827
Liabilities to Group companies	6,052	6,178	6,272
Financial derivative instruments	347	536	524
Other liabilities	134	126	126
Total equity and liabilities	31,895	31,242	31,649

Other information

OPPORTUNITIES & RISKS

Wallenstam's opportunities and risks, and how we manage them, are presented in the 2020 Annual Report on pages 36–41. No significant changes have taken place since then.

SENSITIVITY ANALYSIS

As of March 31, 2021, the estimated market value of the properties amounted to around SEK 59 billion. A change in value of plus/minus 10 percent is thus equivalent to about plus/minus SEK 5.9 billion. A general change of plus/minus 0.25 percentage points in property yield requirements is equivalent to about SEK -3.3 billion or SEK +3.9 billion, while a general change in revenue of 5 percent is equivalent to about plus/minus 3.0 billion.

A change in the interest rate of plus/minus 50 points is equivalent to about plus/minus SEK 68 million.

A change in the electricity price of 1 öre per kWh is equivalent to about plus/minus SEK 39 million during valuation of wind turbines, while a change in the renewable energy certificate price of 1 öre per kWh is equivalent to about SEK +19 million or SEK -3 million during valuation of wind turbines.

TRANSACTIONS WITH RELATED PARTIES

Wallenstam's related parties consist chiefly of Group companies. Board members, company management and their families and the companies they control are also related parties. Transactions with related parties mainly consist of administrative fees and the renting of premises between Group companies. Individuals related to Board members and Group Management rent apartments and premises. Insurance services are purchased from companies where a member of Wallenstam's Board of Directors is a Board member, for a total equivalent to about SEK 5 million in net expenditure for the year. The CEO is a joint owner (50 percent) of Aranea Holding AB. Aranea Holding AB owns 48 percent of Renew Group Sweden AB, a floorball equipment manufacturer. Aranea is a tenant of Wallenstam with an annual rental value equivalent to SEK 0.6 million.

Wallenstam's involvement in environmental and social responsibility issues is described in more detail on pages 29–35 of the 2020 Annual Report. As part of its social responsibility work, the Wallenstam Group not only contributes financially to a number of organizations but also gives its time in the form of e.g. board work. As a result of such board positions, related party status arises in the case of the Rescue Mission in Gothenburg, Barn i Nöd (Swedish International Help for Children) and Bethlehem Church. During the year, the Rescue Mission in Gothenburg received discounts equivalent to SEK 0.7 million and Barn i Nöd received contributions of SEK 0.1 million. The Rescue Mission in Gothenburg and Barn i Nöd rent premises from Wallenstam equivalent to annual rental income of about SEK 4.9 million and SEK 0.1 million, respectively.

All transactions take place on market-related terms.

ROUNDING OFF

As a result of rounding off, figures presented in this report do not, in some cases, sum up exactly to the total and percentages may differ in order for them to correspond to the actual numerical data.

ACCOUNTING PRINCIPLES

This report was prepared in accordance with IAS 34. The accounting principles are unchanged compared to the 2020 Annual Report. The Parent Company's accounting principles comply with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.

New and amended standards and principles that entered into force on January 1, 2021 or subsequently are not expected to have any material impact on the Wallenstam Group's financial statements.

EVENTS AFTER THE END OF THE REPORTING PERIOD

No events of material importance for the company's position have occurred after the end of the reporting period.

Key ratios – multi-year summary

Accumulated during period	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
PROPERTY-RELATED KEY RATIOS									
Net operating income, properties, SEK million	414	1,613	1,205	781	386	1,529	1,159	756	364
Surplus ratio, property management, %	73.8	75.7	76.4	75.1	73.8	75.5	76.7	75.6	73.2
Income from property management, SEK million	291	1,131	860	549	275	1,108	851	547	260
Changes in value, new construction, SEK million	145	853	616	429	254	792	505	307	132
Value of investment properties, SEK million	59,262	57,933	56,226	55,127	53,619	52,354	49,793	48,757	47,289
Area, sq m (thousand)	1,312	1,235	1,231	1,230	1,210	1,201	1,199	1,188	1,181
Occupancy rate – lettable area, %	97	98	97	98	98	98	98	99	99
Development properties, net, SEK million	128	126	291	281	170	175	154	155	156
FINANCIAL KEY RATIOS									
Profit after tax, SEK million	723	1,908	974	631	309	2,737	1,038	575	340
Return on equity, %	9.3	7.8	11.2	12.0	11.9	12.3	10.4	10.6	14.6
Return on total capital, %	5.4	4.6	6.6	7.0	7.0	7.2	6.1	6.2	9.5
Interest coverage ratio, times	5.7	5.8	5.7	5.9	6.1	6.3	7.0	7.4	1.5
Loan-to-value ratio, %	46	46	46	46	45	45	45	46	45
Average interest rate on closing day, %	1.21	1.21	1.27	1.40	1.31	1.22	1.23	1.24	1.25
Average fixed-interest term, months	40	41	38	39	38	38	40	41	44
Equity/assets ratio, %	43	42	42	42	43	44	43	43	44
Equity, SEK million	26,281	25,558	24,766	24,423	24,104	23,794	22,402	21,899	21,951
Net asset value, SEK million	32,577	31,746	30,715	30,295	29,897	29,501	27,666	27,047	27,011
Market capitalization, SEK million	39,369	43,098	45,144	35,607	37,290	37,356	36,828	32,406	30,971
PER SHARE DATA									
Profit after tax, SEK	2.2	5.9	3.0	2.0	1.0	8.5	3.2	1.8	1.1
P/E ratio, times	16.6	22.1	16.5	12.5	13.5	13.4	15.9	14.0	10.0
Cash flow from operating activities, SEK	0.7	3.8	3.2	2.2	1.1	4.2	3.4	2.1	1.1
Equity, SEK	81	79	77	76	75	74	69	68	68
Net asset value per share, SEK	100.90	98.30	95.10	93.80	92.60	91.30	85.70	83.70	83.60
Share price, SEK	119.30	130.60	136.80	107.90	113.00	113.20	111.60	98.20	93.85
Shares outstanding, average, thousands	323,000	323,000	323,000	323,000	323,000	323,000	323,000	323,000	323,000
Shares outstanding at end of period, thousands	323,000	323,000	323,000	323,000	323,000	323,000	323,000	323,000	323,000

Quarterly overview

	Jan-Mar 2021	Oct-Dec 2020	Jul-Sep 2020	Apr-Jun 2020	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019
Rental income, SEK million	561	555	536	518	523	515	510	503	497
Net operating income, properties, SEK million	414	408	424	395	386	370	403	392	364
Surplus ratio, property management, %	73.8	73.5	79.1	76.3	73.8	71.8	79.0	77.9	73.2
Income from property management, SEK million	291	271	310	275	275	257	304	287	260
Return on equity, %	9.3	7.8	11.2	12.0	11.9	12.3	10.4	10.6	14.6
Earnings per share after tax, SEK	2.2	2.9	1.1	1.0	1.0	5.3	1.4	0.7	1.1
Cash flow per share from operating activities, SEK	0.7	0.5	1.0	1.1	1.1	0.8	1.3	1.0	1.1
Equity per share, SEK	81	79	77	76	75	74	69	68	68
Net asset value per share, SEK	100.90	98.30	95.10	93.80	92.60	91.30	85.70	83.70	83.60
Share price, SEK	119.30	130.60	136.80	107.90	113.00	113.20	111.60	98.20	93.85

Earnings-based key ratios are calculated on the average number of outstanding shares; yield figures are calculated on rolling twelve-month profit or loss.

Definitions

Share yield

The proposed dividend as a percentage of the share price at the end of the period.

Share total yield

The share price trend during the year including distributed dividend as a percentage of the share price at the start of the period.

Alternative performance measures (APM)

Wallenstam presents a number of financial measures that are outside IFRS definitions (Alternative performance measures, according to ESMA's guidelines) with the aim of enabling effective evaluation of the company's financial position and performance for investors and for the company's management. This means that these measures are not always comparable with measures used by other companies and shall therefore be considered as a complement to measures defined according to IFRS. Wallenstam applies these alternative key ratios consistently over time. The definitions describe how Wallenstam's key ratios are calculated. The key ratios are alternative performance measures according to ESMA guidelines unless otherwise stated.

The number of shares

The number of registered shares at any given time.

Number of shares outstanding: the number of registered shares less repurchased own shares at any given time.

Average number of shares: weighted average number of shares outstanding at any given time.

Residential property

Property, which predominantly consists of residential space.

Loan-to-value ratio

Interest-bearing liabilities and lease liability less cash and cash equivalents in relation to the Group's investments in properties, development properties and wind power at the end of the period.

Market capitalization

Share price multiplied by the number of registered shares on the closing day.

Net operating income

Rental income less operating and maintenance expenses, and property tax.

Development properties

Development properties refer to properties constructed with the intention of being sold after completion.

Rental value*

Rental income and the estimated market rent for vacant space.

Cash flow per share

Cash flow for the period in relation to the average number of shares outstanding.

Cash flow from operating activities per share

Cash flow from operating activities for the period in relation to the average number of shares outstanding.

Commercial property

Property, which predominantly consists of commercial space.

P/E ratio

Share price at the end of the period in relation to profit after tax for the average number of shares over the latest rolling 12-month period.

Earnings per share after tax

Profit after tax in relation to the average number of outstanding shares.

Return on equity**

Profit after tax in relation to average equity, calculated on a rolling 12-month basis.

Return on total capital**

Profit before tax with reversal of interest expenses and early redeemed derivatives for the latest rolling 12-month period in relation to average total capital employed.

Interest coverage ratio

Profit or loss before changes in value and impairment charges with reversal of net financial items and early redeemed interest rate derivatives for the latest rolling 12-month period in relation to net financial items and early redeemed interest rate derivatives for the latest rolling 12-month period.

Public use property

Property, which is predominantly used by tax funded activities and is specifically adapted for community services.

Average interest

Interest expenses for the period including profit or loss on swap agreements realized during the period in relation to interest-bearing liabilities.

Equity/assets ratio

Equity in relation to total capital employed at the end of the period.

Net asset value

Equity with the addition of deferred tax liabilities.

Net asset value per share

The Group's net asset value in relation to the number of outstanding shares at the end of the period.

Occupancy rate – lettable area

Let floor space in relation to total floor space.

Changes in value, investment properties

Gains or losses from sales of investment properties during the period less expenses and the assessed market value of the properties at the previous reporting period and gains or losses from the change in the assessed market value of investment properties compared to the previous reporting period. *Changes in value, New construction:* The increase in value is gradually recognized during the construction of the property until the first year the property is taken into operation. Change in value new construction recognizes the difference between the cost of construction of a new rental apartment and the value it has on completion.

Change in value Other: Refers to changes in the value of investment properties, which have been in operation for a full calendar year or more.

Surrender rate

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

Surplus ratio

Net operating income as a percentage of rental income.

For further information, please refer to: www.wallenstam.se/glossary

*Operational key ratios, are not considered alternative key ratios according to ESMA's guidelines.

**	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Bridge alternative performance measures									
Equity, SEK million	26,281	25,557	24,766	24,423	24,102	23,792	22,400	21,897	21,949
Average equity, SEK million	25,026	24,528	23,896	23,323	22,828	22,329	21,708	21,278	20,813
Total assets, SEK million	61,666	60,581	58,977	58,336	55,959	54,689	52,459	51,177	49,945
Average total assets, SEK million	59,104	57,708	56,084	54,524	52,846	51,306	49,700	48,333	46,983

For average values, add the latest five periods and divide by five.

This is Wallenstam

BUSINESS PLAN 2023

Goal

To achieve an increase in net asset value of SEK 40 per share starting from October 1, 2018 through December 31, 2023.

Guiding principles

- » We shall exceed customer expectations and improve the overall impression of Wallenstam every year through attractive apartments and premises as well as good service.
- » Through our strong corporate culture, we shall be an attractive employer and improve our Engagement Index score every year.
- » We shall reduce our environmental impacts every year, through initiatives within the focus areas energy, transports and resources.

Defined key ratios

- » The equity/assets ratio should not be less than 30 percent.

VISION

Wallenstam shall be the natural choice of people and companies for housing and premises.

BUSINESS CONCEPT

We develop and manage people's homes and workplaces based on a high level of service and long-term sustainability in selected metropolitan areas.

WALLENSTAM TODAY

Wallenstam was founded in 1944 and the head office is located in Gothenburg. The company's B share is listed on Nasdaq Stockholm, Large Cap and Wallenstam is one of the larger listed property companies in Sweden.

Our residential properties are located in Stockholm, Uppsala and Gothenburg, while our commercial properties are concentrated towards inner city locations in Gothenburg. All in all, Wallenstam has around 11,000 apartments and 1,000 commercial tenants. Wallenstam is a major producer of homes in the regions where we operate and we mainly build rental apartments for our own property management.

Wallenstam is self-sufficient in renewable energy through its 66 own wind turbines in operation. Production covers our own properties' energy needs and those of our tenants.

Operations are conducted in the Stockholm business area and the Gothenburg business area.

Stockholm

The majority of our apartments, about 6,400, are located in the Stockholm business area. Approximately 500 of these apartments are located in Uppsala. The Stockholm business area had around 700 apartments under construction on closing day.

Gothenburg

Our property holdings in the Gothenburg business area consist of around 4,600 apartments and about 900 commercial tenants that rent office and retail premises, mainly in inner city locations. The Gothenburg business area had around 1,400 apartments under construction on closing day.

BUSINESS PROCESS

Wallenstam builds, develops and manages properties and areas based on the needs of people and society, and according to the wishes and requirements of customers and shareholders. We create value growth through construction, development and management as well as a high level of service and long-term sustainability. Profits are reinvested and used to develop the business further. Shareholders receive a share of the profits in the form of dividends.



Calendar

Interim report Q2, 2021
Interim report Q3, 2021

July 8, 2021
October 22, 2021

This is information that Wallenstam is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08:00 CEST on April 27, 2021.

This report has not been subject to review by the company's auditors.

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