



WALLENSTAM

Interim Report

JANUARY 1–MARCH 31, 2022

January 1–March 31, 2022

- » The net asset value per share increased by SEK 3.30 during the period and amounted to SEK 117.80 (114.50).
- » Income from property management amounted to SEK 322 million (291).
- » Rental income amounted to SEK 616 million (561).
- » Investment in construction of properties amounted to SEK 684 million (807).
- » On closing day, 1,609 apartments were under construction.
- » Changes in value of investment properties amounted to SEK 187 million (311), of which the entire change in value came from value growth in new construction.
- » Profit before tax amounted to SEK 1,285 million (901) and profit after tax amounted to SEK 1,207 million (723), equivalent to SEK 3.7 per share (2.2).

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

Property holdings in attractive locations with stable demand

“It is very gratifying that the net asset value per share since the start of the business plan has increased by SEK 38.60! It is in times like these that we can rely on our fantastic property holdings with commercial properties in the absolute center of Gothenburg and residential properties in attractive areas in strong growth regions – Gothenburg, Stockholm and Uppsala. Demand for our product is still strong.”

“Wallenstam is self-sufficient in electricity through the investment in producing energy with its own wind turbines and solar panels. Apart from being sustainable, this also means that the development of the electricity price is hedged. This in a period when energy prices have continued to be very volatile and we have seen a dramatic rise in prices.”

Wallenstam in brief

Number of investment properties: 226

Value of investment properties: SEK 64 billion

Market capitalization: SEK 45 billion

Occupancy rate, lettable area: 97%

Lettable area: 1.3 million sq m

Number of apartments under construction: 1,609

Number of wind turbines: 66

11%

IMPROVED INCOME FROM PROPERTY MANAGEMENT

Read more about Wallenstam on page 21.

Events first quarter

During the quarter, 354 apartments were completed. Three projects, etapp 3 in Umami Park in Stockholm as well as kvarteret Kvarnen and kvarteret Väven in Mölnlycke Fabriker, are now fully completed.

In the urban development project Kallebäcks Terrasser in Gothenburg, Wallenstam has started the construction of a nursery school. In addition to this, construction started of 15 rental apartments in two reconstruction projects where commercial premises are being converted into apartments.

On February 1, 2022, a commercial property was taken into possession in central Gothenburg. On January 31,

2022, six residential properties were vacated in Sundbyberg and Gröndal, Stockholm, and a further two residential properties were vacated in Tyresö on February 1, 2022.

During the quarter, Wallenstam has acquired additional shares in the coworking company Conventum. The participating interest now amounts to approximately 37 percent.

Wallenstam also had the honor of receiving the “Property Company of the Year, Residential” award at Fastighetsgalan, which is arranged by World in Property and Lokalguiden.

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

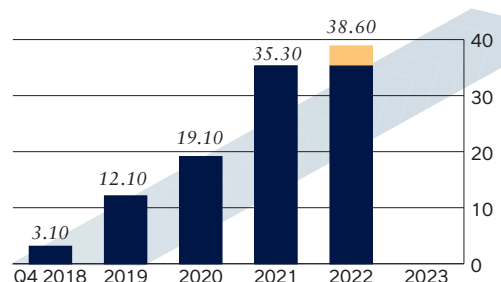
In the business plan 2019–2023, Wallenstam’s goal is to achieve an increase in net asset value of SEK 40 per share. The goal is measured from October 1, 2018 when the net asset value per share was SEK 79.20. On March 31, 2022, the net asset value per share was SEK 117.80, which represents an increase of SEK 3.30 per share during the first quarter of 2022 and SEK 38.60 per share in total to date during the business plan.

Due to the fact that the goal is within reach, the Board has taken the decision to bring forward the work on a new business plan by one year. It is expected that the new business plan can be unveiled during the fourth quarter of 2022.

Net asset value

The net asset value on closing day amounted to SEK 38,864 million (37,795). Net asset value describes the Group’s total generated value and includes equity and deferred tax liability related to investment properties due to differences between carrying amounts and fiscal values of the Group’s properties. A net deferred tax liability of SEK 6,433 million (6,358) is recognized in the balance sheet, which consists of a deferred tax asset of SEK 626 million (669) and a deferred tax liability of SEK 7,060 million (7,027) where SEK 6,890 million (7,027) is property-related and SEK 170 million (-) relates to derivative instruments.

INCREASE IN NET ASSET VALUE, SEK/SHARE



Comments by the CEO



It is very gratifying that the net asset value per share since the start of the business plan has increased by SEK 38.60! The exciting work on producing a new business plan has now started, one year earlier than planned due to the fact that the goal of an increase in net asset value of SEK 40 per share is within reach. However, there is great uncertainty right now – just when the effects of the pandemic had begun to level off, a terrible war started in Ukraine. These are of course events that affect Wallenstam and the whole world around us.

Property holdings in attractive locations with stable demand

It is in times like these that we can rely on our fantastic property holdings with commercial properties in the absolute center of Gothenburg and residential properties in attractive areas in strong growth regions – Gothenburg, Stockholm and Uppsala. Demand for our product is still strong. The number of people in our own housing queue is increasing every day and more than 185,000 people have now registered. The commercial market also feels stable, many existing businesses are expanding and new ones are establishing. There is good demand in the Gothenburg region with a strong belief in the future among the business community. I think that the need for meeting places, which the office of course is one, is now greater than before the pandemic.

We have recently taken possession of the large office property in central Gothenburg that we acquired from Handelsbanken. We are currently planning, among other things, to improve the building's energy efficiency and we are looking at how we can use all the floor space efficiently. It is a unique property and a good complement to the rest of our holdings in central Gothenburg as it contains large contiguous office space, while many buildings in the inner city are often a bit smaller.

Sweden's largest recycling project is finished with the completion of the padel hall in Mölnlycke centrum. The

temporary market hall at Östermalmstorg in Stockholm was dismantled, transported across Sweden and has now been reassembled on the West coast. For example, 100 percent of the frame was reused. We are very proud of this recycling effort!

Hedged the interest rate

Interest rates have risen since year-end and we worked actively during the quarter on securing our financial position, for example by extending our fixed interest terms using interest rate derivatives. Due to the fact that the interest rate has been adjusted somewhat, we now have a surplus value in our interest rate derivative portfolio. We are also continuing to generate a surplus value in our new production of rental apartments, while the value of our existing property holdings was unchanged during the first quarter.

Increased costs and affected deliveries

We see a general cost increase in society right now, and also in the construction sector. This is a challenge of course in our new construction projects. Meanwhile, building with quality in a cost-efficient way is precisely what we work with on an ongoing basis.

Something that has become more common in recent times is delivery problems of various building materials such as parquet flooring, reinforcement bar and so forth. This of course imposes even stricter demands with regard to planning, coordination and the ability to be flexible and find solutions. So far, our ongoing projects have been progressing well. The possibility that delays can arise in projects due to non-deliveries cannot be ruled out. In our four larger urban development projects, Kallebäck's Terrasser, Mölnlycke Fabriker, Umami Park and Älta Torg, we will construct almost 5,000 apartments in total. About half of these are already occupied or are under construction, and construction will gradually start of the remaining apartments going forward.

Volatile energy prices

Wallenstam is self-sufficient in electricity through the investment in producing energy with its own wind turbines and solar panels. Apart from being sustainable, this also means that the development of the electricity price is hedged. This in a period when energy prices have continued to be very volatile and we have seen a dramatic rise in prices.

Continued focus on value creation

I have a great respect for the challenges that await in an uncertain time, but I also feel great confidence about the future. Wallenstam is a financially stable company with dedicated employees and a fantastic property portfolio with strong demand for both housing and commercial premises. Our business is continuing to produce results!

Hans Wallenstam, CEO

Consolidated income statement

SEK million	Jan-Mar 2022	Jan-Mar 2021	Apr-Mar 2021/2022	Jan-Dec 2021
Rental income	616	561	2,379	2,324
Operating expenses	-157	-147	-571	-561
Net operating income, properties	459	414	1,808	1,763
Management costs and administrative expenses	-70	-66	-253	-249
Financial income	1	1	3	3
Financial expenses	-67	-58	-247	-238
Income from property management	322	291	1,311	1,280
Participation in profits/losses of associated companies	-1	0	-4	-3
Revenue, development property sales	8	38	40	70
Expenses, development property sales	-2	-28	-24	-50
Other income	67	42	198	173
Other expenses	-42	-36	-153	-147
Financial expenses, other	-4	-6	-19	-21
Profit before changes in value and impairment losses	349	302	1,350	1,303
Changes in value, investment properties	187	311	3,550	3,674
New construction	187	145	1,544	1,502
Other	-	167	2,005	2,172
Change in value, financial instruments	749	272	961	484
Change in value, synthetic options	-	15	-104	-89
Profit before tax	1,285	901	5,755	5,371
Current tax	-1	0	-1	0
Deferred tax	-76	-178	-552	-654
Profit after tax	1,207	723	5,201	4,717
OTHER COMPREHENSIVE INCOME, CONDENSED				
Items that may be transferred to profit/loss for the period	0	2	1	3
Items that may not be transferred to profit/loss for the period	-	-88	88	-
Tax attributable to other comprehensive income	0	0	-1	-1
Comprehensive income	1,207	636	5,290	4,719
DISTRIBUTION OF PROFIT FOR THE PERIOD AFTER TAX				
Profit for the period attributable to parent company shareholders	1,207	723	5,201	4,717
Average number of outstanding shares, thousands	330,000	323,000	329,417	327,667
Profit after tax per share (SEK), dilution does not occur	3.7	2.2	15.8	14.4

Comments on the consolidated income statement

JANUARY 1–MARCH 31

Income from property management increased by about 11 percent and amounted to SEK 322 million (291). Profit after tax in the first quarter of 2022 amounted to SEK 1,027 million (723), which corresponds to earnings per share of SEK 3.7 (2.2).

Rental income

Rental income for the period increased by SEK 55 million, about 10 percent, and totaled SEK 616 million (561). Excluding transactions, the increase was SEK 68 million where almost two thirds came from added new production and the rest from the existing holdings, mainly commercial. Net divestments affected the comparison by SEK -13 million.

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 largest type of commercial premises. The surrender rate, which reflects how large a proportion of the cancellable leases are extended, amounted to 88 percent (87).

Our occupancy rate for commercial properties in terms of lettable area amounted to 94 percent on closing day compared to 95 percent at year-end.

Operating expenses & Net operating income

Operating expenses for the period amounted to SEK 157 million (147) and increased, among other things, as a result of additional recently produced properties and higher property tax. Weather-related expenses were SEK 6 million lower in the quarter compared to the year-earlier period, as heating costs in particular were comparatively high during 2021. Seasonal effects at Wallenstam consist mainly of variable operating expenses. These are usually

highest during quarters one and four when expenses for heating and property maintenance are generally higher.

Net operating income increased by SEK 44 million or about 11 percent and totaled SEK 459 million (414). Added efficient new production accounted for most of this growth. The surplus ratio amounted to 74.5 percent (73.8).

Management costs and administrative expenses

Management costs and administrative expenses totaled SEK 78 million (69) and are distributed among property management, SEK 70 million (66), energy management, SEK 1 million (2) and property transactions, SEK 6 million (0).

Financial income & expenses

Financial income amounted to SEK 1 million (1) and financial expenses totaled SEK 71 million (64), and are distributed among property operations and other, which mainly consists of natural energy. Capitalized interest amounted to SEK 18 million (25).

The average debt for the period was SEK 0.2 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 1.34 percent (1.21). During the period, the average interest rate amounted to 1.21 percent (1.21).

Income from sales of development properties

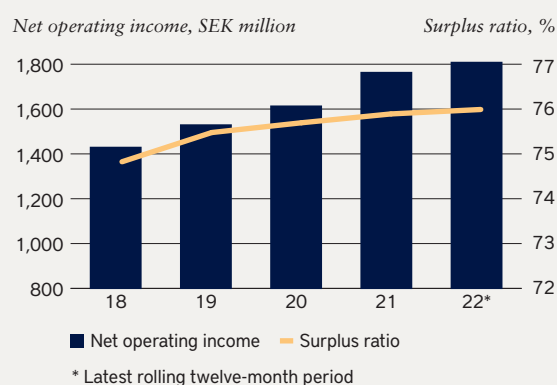
A profit or loss from sales of development properties is recognized when the apartment or property is taken into possession by the purchaser. Apart from the cost, selling and marketing expenses are also included, which are expensed as they arise.

Net profit for the period from sales amounted to SEK 6 million (10) and included the sale of individual co-op apartments including costs.

RENTAL INCOME AND INCOME FROM PROPERTY MANAGEMENT



NET OPERATING INCOME AND SURPLUS RATIO



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.

During the period, the electricity price increased and so did electricity production which was 35 percent higher compared to the same period in 2021 and amounted to 128 GWh (95).

Changes in value, investment properties

Value growth during the quarter amounted to SEK 187 million (311) and came entirely from properties that constitute new production, in other words properties under construction or newly produced properties that have been in operation for a shorter period than a full calendar year. The average yield requirement for residential is 3.0 percent (3.0) and for commercial it is 4.4 percent (4.4), which is unchanged compared to the previous quarter.

Change in value financial instruments

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

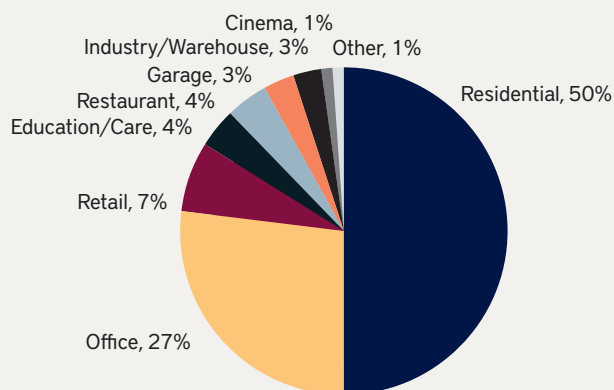
The value of interest rate derivatives developed positively during the period, SEK 858 million (253), as a result of rising interest rate levels. On closing day, the 10-year swap rate amounted to 1.90 percent, compared to 0.96 percent at the start of the year.

The Group's holdings of shares developed negatively during the first quarter and amounted to SEK -101 million (19).

Taxes

The recognized tax expense for the period amounted to SEK 77 million (178) net, of which SEK 76 million (178) was deferred tax and SEK 1 million (0) was current tax. The tax expense on other comprehensive income was SEK 0 million (0).

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
The National Archives of Sweden	11,000
Västra Götaland County Council	10,554
Academedi AB	7,486
Ica Fastigheter AB	6,906
Svenska Handelsbanken AB	6,369
Frisk Service i Göteborg AB	6,212
Convendum AB	5,473
Total	103,993

Our total commercial floor space is approximately 515,000 sq m.

Consolidated balance sheet, condensed

SEK million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Investment properties	63,864	59,262	63,949
Wind turbines	938	1,014	957
Participations in associated companies	258	220	217
Financial assets	587	553	696
Financial derivative instruments	867	87	137
Other non-current assets	89	84	87
Total non-current assets	66,603	61,220	66,043
CURRENT ASSETS			
Development properties	147	128	123
Financial derivative instruments	-	-	1
Other current assets	227	237	299
Cash and cash equivalents	638	80	232
Total current assets	1,013	445	655
Total assets	67,616	61,666	66,698
EQUITY AND LIABILITIES			
EQUITY			
Equity	31,975	26,281	30,767
Equity attributable to non-controlling interests	0	0	0
Total equity	31,975	26,281	30,767
NON-CURRENT LIABILITIES			
Deferred tax liability	6,433	5,989	6,358
Other provisions	148	128	51
Interest-bearing liabilities	6,306	6,456	6,481
Financial derivative instruments	42	345	170
Lease liability	487	475	484
Other non-current liabilities	18	10	18
Total non-current liabilities	13,434	13,404	13,563
CURRENT LIABILITIES			
Interest-bearing liabilities	21,472	21,196	21,351
Financial derivative instruments	8	1	0
Lease liability	1	1	1
Other current liabilities	726	782	1,015
Total current liabilities	22,207	21,981	22,368
Total equity and liabilities	67,616	61,666	66,698

Comments on the consolidated balance sheet

OUR PROPERTIES

Development during the period

During the period, we have invested a total of SEK 1,727 million (1,082), of which SEK 1,703 million (1,067) in investment properties and SEK 24 million (15) in development properties. New construction projects in progress involve 1,609 apartments. The total value of rental apartment and development projects in progress amounted to SEK 5.3 billion (5.8) on closing day.

The right of use value for land granted with site leasehold rights has been estimated at SEK 472 million (469) and is recognized as a part of the properties' value.

Investment properties

Changes in value affected the value of investment properties positively by SEK 187 million (311) in total. For the year, the entire change came from new construction in the form of gradual value growth in properties under construction.

The average yield requirements are unchanged since the previous quarter and, on closing day, amounted to 4.4 percent (4.4) for the commercial holdings and to 3.0 percent (3.0) for residential properties in operation. The value of investment properties amounted to SEK 63,864 million (63,949) at the end of the period.

Development properties

Development properties mainly consist of the projects Bersån in Uppsala, which by agreement will be handed over to ASPER upon completion in 2023 and Söra radhus in Österåker, construction of 11 terraced houses with start of sales at the end of April 2022. The book value of Development properties amounted to SEK 147 million (123) 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 just over 185,000 people in our housing queue.

We build mainly rental apartments, but also cooperative apartments, when there is a need for mixed forms of tenure. Our flexible business model, where co-op apart-

ment 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 office space in central Gothenburg 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. The surplus value on new production is gradually recognized during the entire construction period.

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	1,150
Projects in progress, rental apartments	3,978
Development properties	147
Total projects in progress	5,276

CHANGES IN PROPERTY HOLDINGS, INVESTMENT PROPERTIES

	Book value, SEK million
Property holdings, January 1, 2022	63,949
+ Acquisitions	1,043
+ Construction	660
- Sales	-1,978
+ Right-of-use asset site leasehold right	4
+ Unrealized changes in value, properties	187
Property holdings, March 31, 2022	63,864

NEW CONSTRUCTION IN PROGRESS, MARCH 31, 2022

Project	No. of apts.	Occupation*	Sq m**	Of which completed apts. to date
STOCKHOLM				
Stationshuset, Bandhagen	84	Q2 2022	4,500	
Söra radhus, Österåker (development property, co-op)	11	Q2 2022	1,500	
Älta Torg Kv. 1, Nacka	191	2024	21,000	
UPPSALA				
Flanören, Rosendal	156	Q3 2021	7,500	84
Bersån, Kvarngärdet (development property)	98	2023	6,000	
Kompositören, Rosendal	185	2023	9,000	
GOTHENBURG				
Kallebäcks Terrasser Kv. 11	270	Q3 2021	16,000	167
Kallebäcks Terrasser Kv. 10	85***	Q4 2022	8,000	
Reconstruction premises into apartments ⁱ	15	Q4 2022	500	
Kallebäcks Terrasser Kv. 7	189	2023	11,000	
Kallebäcks Terrasser Kv. 8	266	2023	15,000	
Kv. Skogsvaktaren, Mölnlycke Fabriker, Härryda	128	2023	7,500	
Kallebäcks Terrasser Kv. 5	182	2024	12,000	
Commercial				
Kallebäcks Terrasser		Q1 2022	20,000	
Kallebäcks Terrasser, nursery school ⁱ		2023	1,500	
Kallebäcks Terrasser Kv. 4 (school)		2023	5,500	
Total apartments in projects	1,860		146,500	251
of which in progress on March 31	1,609			

* 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.

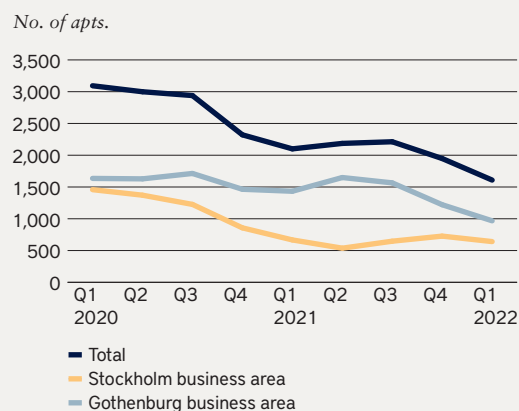
*** Of which 12 are co-living apartments with a total of 121 rooms for rent.

ⁱ Started during quarter 1, 2022.

CHANGE, CONSTRUCTION IN PROGRESS, APARTMENTS

	No. of apts.
New construction in progress, January 1, 2022	1,948
- Completed	-354
<i>Umami, phase 3, Sundbyberg (50)</i>	
<i>Flanören, Rosendal, Uppsala (36)</i>	
<i>Kv Kvarnen, Mölnlycke Fabriker, Härryda (62)</i>	
<i>Kv Väven, Mölnlycke Fabriker, Härryda (116)</i>	
<i>Kallebäcks Terrasser Kv 11, Gothenburg (90)</i>	
+ Started	+15
New construction in progress, March 31, 2022	1,609

APARTMENTS, CONSTRUCTION IN PROGRESS



PROPERTY HOLDING STRUCTURE AS OF MARCH 31, 2022

Lettable area, sq m	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	Distribu- tion, place	No. of apts.
Stockholm	343,323	25,022	18,410	7,177	4,808	43,708	3,501	445,949	34%	5,769
Uppsala	14,906	1,846	969	80	-	2,584	-	20,385	2%	289
Gothenburg	310,767	214,510	97,554	93,832	37,998	85,562	7,754	847,977	64%	5,198
Total	668,996	241,378	116,933	101,089	42,806	131,854	11,255	1,314,311	100%	11,256
Distribution by type of premises	51%	18%	9%	8%	3%	10%	1%	100%		

FULLY 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 1:162 (Project: Kv. Kvarnen)	Mjölharens väg 7, 9, 11	2021	9,749	-	-	-	-	794	-	10,543	185
Härryda Mölnlycke 1:165 (Project: Kv. Väven)	Bruksgatan 1, 3, 5, 7 / Viola Gråstens plats 2, 4, 6	2021	6,110	-	541	-	-	390	-	7,041	116
STOCKHOLM											
Freden Större 19 (Project: Umami Park, phase 3)	Östra Madenvägen 9-9C, 11-11D	2021	7,195	-	481	128	-	2,005	-	9,809	133
Total			23,054	-	1,022	128	-	3,189	-	27,393	434

PROPERTY ACQUISITIONS

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											
Inom Vallgraven 15:13	Östra Hamng. 23-27 / Södra Hamng. 33-35 / Drottningg. 34-36	1991	8,787	2,472	562	-	-	148	11,969	-	0
Total			8,787	2,472	562	-	-	148	11,969	-	0

PROPERTY SALES

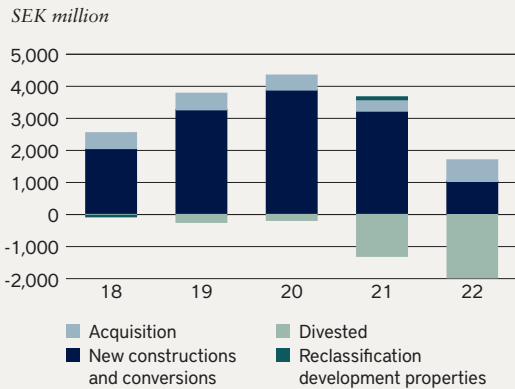
Name of property	Address	Year of construction	Residential sq m	Office sq m	Retail/ Restaurant/ Cinema sq m	Industry/ warehousing sq m	Education/ Care sq m	Garage sq m	Other sq m	Total sq m	No. of apts.
STOCKHOLM											
Tyresö Järnet 12	Axel Wennergrens väg 1 / Bollmora gårdsväg 20, 22	2020	2,376	-	163	22	-	-	-	2,561	54
Tyresö Järnet 13	Axel Wennergrens väg 3-19	2021	10,266	-	107	-	-	3,245	-	13,618	221
Sundbyberg Fjällnåset 14	Högkintavägen 9-11	1966	2,632	514	-	153	-	-	-	3,299	37
Sundbyberg Lärkan 14	Kolonivägen 2-4 / Skogs- backen 1-3 / Tulegatan 8-14 / Ängsstigen 1-7	1964	9,823	629	1,447	2,938	1,299	9,780	113	26,029	162
Barlasten 4	Fågelsångsvägen 17	1929	719	191	-	21	-	-	-	931	16
Barlasten 6	Fregattvägen 4-8	1956	4,071	-	-	335	-	675	190	5,271	60
Barlasten 8	Fågelsångsvägen 1	1956	546	52	-	-	-	-	-	598	11
Galjonsbilden 28	Matrosbacken 15	1949	571	-	-	-	-	-	-	571	11
Total			31,004	1,386	1,717	3,469	1,299	13,700	303	52,878	572



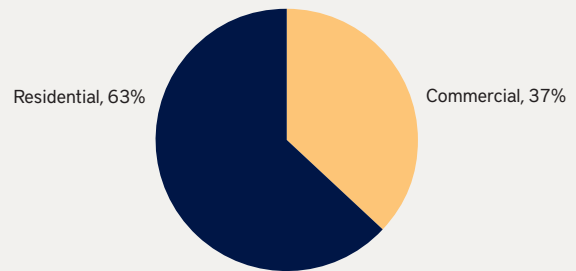
Occupation finished in the Kvarnen block

In the urban development project Mölnlycke Fabriker, we will construct around 800 apartments in total. During the quarter, we completed two blocks, Kvarnen (in the photo) involving 185 apartments and Väven involving 116 apartments.

ACQUISITION, CONSTRUCTION AND SALES OF INVESTMENT PROPERTIES



MARKET VALUE



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. On closing day, the consolidated book value of wind turbines amounted to SEK 938 million (957). 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 14 million (15) and is recognized as part of the wind power value.

FINANCING

Equity

Shareholders' equity amounted to SEK 31,975 million (30,767), which is equivalent to SEK 97 per share (93). The equity/assets ratio was 47 percent (46).

Interest-bearing liabilities

On closing day, outstanding bond loans amounted to SEK 2,500 million (2,700), the outstanding volume of commercial paper, with a framework amount of SEK 4,000 million, amounted to SEK 2,610 million (3,000), and total interest-bearing liabilities amounted to SEK 28,266

million (28,318), of which lease liability amounted to SEK 488 million (485). Of this liability, SEK 8.1 billion (7.6) consists of green financing, of which SEK 6.2 billion (5.7) of green loans and SEK 2.0 billion (2.0) of green bonds.

All the bond loans of SEK 2,500 million (2,700) 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 amounts to 50 months (40). Of the loan portfolio, 62 percent (54) of the loans have fixed interest terms longer than one year. On closing day, the average interest rate on our loans was 1.34 percent compared to 1.17 percent at the previous year-end.

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 488 million (485).

Derivative instruments

Wallenstam's financial derivative instruments consist of interest rate and electricity derivatives. On closing day, Wallenstam had a net receivable in respect of derivative instruments of SEK 817 million compared to a net indebtedness of SEK 32 million on December 31, 2021. Of this,

interest rate derivatives accounted for SEK 825 million (-33), electricity derivatives for SEK -8 million (1) and currency derivatives for SEK 0 million (0). The large change was due to the fact that the Group's derivative contracts were entered into at interest rate levels that were lower than the market rates on closing day.

In early 2022, the Group extended the fixed interest term by entering into new interest rate derivative contracts totaling SEK 2.3 billion (1.6). The total volume of outstanding interest rate derivatives, where Wallenstam pays fixed interest, amounts to SEK 16.0 billion (13.7).

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

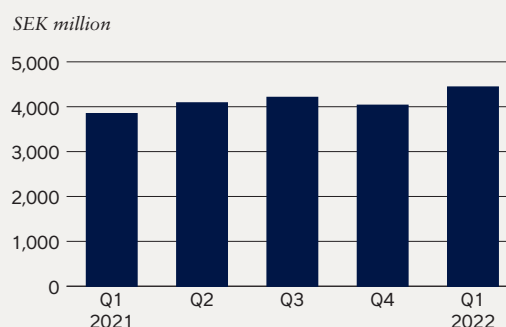
Available liquid assets, including available bank overdraft facilities, amounted to SEK 1,438 million (1,032). Approved overdraft facilities amounted to SEK 800 million (800), of which no portion (-) was used on closing day. The Group's approved and unutilized credit facilities totaled SEK 3,000 million (3,000), excluding the overdraft facility.

On March 31, 2022, accessible liquidity totaled SEK 4,438 million (4,032), of which SEK 2,610 million (3,000) represents a credit commitment for issued outstanding commercial paper.

FIXED TERMS, AVERAGE INTEREST RATES, MARCH 31, 2022

Interest maturity structure	Amount, SEK million	Average interest rate, %	Proportion, %
0-1 year	10,455	1.89	37.6
1-2 years	401	1.09	1.4
2-3 years	200	0.85	0.7
3-4 years	2,423	1.06	8.7
4-5 years	2,000	0.79	7.2
5-6 years	2,000	1.06	7.2
6-7 years	3,300	1.07	11.9
7-8 years	1,000	0.54	3.6
8-9 years	2,050	0.94	7.4
> 9 years	3,950	1.18	14.2
Total	27,778	1.34	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, 2021	165	359	83	24,950	0	25,558
Profit after tax	-	-	-	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
Opening equity, Jan 1, 2022	165	359	-3	30,246	0	30,767
Profit after tax	-	-	-	1,207	-	1,207
Changes in value, currency derivatives	-	-	0	-	-	0
Tax attributable to other comprehensive income	-	-	0	-	-	0
TRANSACTIONS WITH SHAREHOLDERS						
Dividends	-	-	-	-	-	-
Closing equity, Mar 31, 2022	165	359	-3	31,454	0	31,975

Consolidated statement of cash flows

SEK million	Jan-Mar 2022	Jan-Mar 2021	Apr-Mar 2021/2022	Jan-Dec 2021
Profit before changes in value and impairment losses*	349	302	1,350	1,303
Adjustment for items not included in cash flow	15	3	56	44
Change provisions	-104	-	-286	-182
Taxes paid	-1	0	-1	0
Cash flow before change in working capital	259	306	1,118	1,165
Change in working capital	164	-73	32	-205
Cash flow from operating activities	423	233	1,150	960
INVESTMENTS/DIVESTMENTS				
Investment in properties and individual co-op apartments	-1,727	-1,088	-4,331	-3,692
Investments in intangible assets and property, plant and equipment, and wind turbines	-5	-5	-17	-17
Investments in financial assets	-	-127	-323	-450
Divestment of financial assets	-	119	-	119
Investments in associated companies	-41	-	-41	0
Advance property transactions	-	-	353	353
Divestment of properties, development properties and property, plant and equipment	1,753	69	3,090	1,406
Cash flow from investing activities	-20	-1,032	-1,270	-2,282
FINANCING				
Raised interest-bearing liabilities	4,479	7,630	26,822	29,973
Amortization of interest-bearing liabilities	-4,533	-7,304	-26,661	-29,432
Net change in overdraft facilities	-	35	-35	-
Net change promissory notes	58	-	61	3
Dividend paid to minority owner	-	-	0	0
Dividends paid	-	-	-392	-392
Sale of treasury shares	-	-	883	883
Cash flow from financing activities	4	361	678	1,035
Changes to liquid assets	406	-438	558	-286
Cash and cash equivalents at beginning of the period	232	518	80	518
Cash flow for the period	406	-438	558	-286
Cash and cash equivalents at the end of the period	638	80	638	232
Unutilized overdraft facilities at the end of the period	800	765	800	800
Available liquid assets	1,438	845	1,438	1,032

*Includes interest paid and received, including gross flows from interest rate swap contracts, of SEK -87 million (-70) and SEK 1 million (1) respectively, of which SEK 18 million (25) was capitalized as a non-current asset.

Segments report

2022 SEK million	Gothenburg Jan-Mar	Stockholm Jan-Mar	Other Jan-Mar	Elimination Jan-Mar	Total Jan-Mar
INCOME STATEMENT					
Rental income	414	209	0	-7	616
Operating expenses	-97	-60	0	-	-157
Net operating income	316	149	0	-7	459
Management costs and administrative expenses	-42	-25	-10	7	-70
Net financial items	-60	-30	23	-	-66
Income from property management	214	94	14	-	322
<i>Unapportioned items</i>					
Participation in profits/losses of associated companies					-1
Sales result, development properties					6
Other income and expenses					25
Financial expenses, other					-4
Profit before changes in value and impairment losses					349
Changes in value					936
Profit before tax					1,285
BALANCE SHEET					
Investment properties	40,284	23,580	-	-	63,864
Wind turbines	-	-	938	-	938
Development properties	6	141	-	-	147
Unapportioned assets	-	-	-	-	2,667
Total assets					67,616
Equity	-	-	-	-	31,975
Interest-bearing liabilities and lease liabilities	17,194	9,005	2,067	-	28,266
Unapportioned liabilities	-	-	-	-	7,375
Total equity and liabilities					67,616
<i>Property investments in progress including land</i>	<i>3,371</i>	<i>1,905</i>	<i>-</i>	<i>-</i>	<i>5,276</i>

2021 SEK million	Gothenburg Jan-Mar	Stockholm Jan-Mar	Other Jan-Mar	Elimination Jan-Mar	Total Jan-Mar
INCOME STATEMENT					
Rental income	363	205	-	-7	561
Net operating income	274	148	-	-7	414
Income from property management	171	80	40	-	291
<i>Unapportioned items</i>					
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					302
Changes in value					598
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>

Wallenstam's sustainability work

The property sector has a significant impact on the environment and climate and as a major property owner and construction company Wallenstam wants to take responsibility for this impact. Wallenstam has four climate targets that aim to reduce the company's CO₂ emissions. The targets apply during the current business plan. Wallenstam also supports the UN's Global Compact initiative and in addition to this has prioritized five global sustainable development goals within the UN's Agenda 2030, which we are working with.

To further increase our focus on the sustainability area, during the first quarter Management appointed regional sustainability managers as a complement to the central staff function. The work with the company's four climate targets has continued and we have also intensified the work on reporting according to the EU taxonomy. In addition to this, two properties in Gothenburg have been certified according to Miljöbyggnad Silver rating during the first quarter.

EU taxonomy for sustainable investments

During 2020, a new EU regulation was adopted aimed at defining which asset classes are sustainable and which can

therefore be considered to be "green" in a placement and investment respect.

Wallenstam's business is clearly defined according to two articles in the Taxonomy, in article 4 Energy production and in article 7 Construction and real estate activities. However, Wallenstam is not covered by a legal reporting requirement as the company has less than 500 employees and therefore makes an overall report and does not report outcomes in accordance with the taxonomy regulation. We intend to make a complete report in the coming years.

Wallenstam is represented in different fora where the taxonomy is discussed and we are preparing for future reporting according to the taxonomy. We have reviewed and made assessments relating to the entire operations and our assets based on the information and the interpretations currently available regarding the taxonomy. All of Wallenstam's properties and wind turbines are defined in the regulation, however, not land. So far, there is great uncertainty regarding the interpretation of several of the criteria that Wallenstam has to evaluate in order to report on how the company's economic activities meet the criteria, so-called "alignment", but we have identified that most of the company's turnover, capital expenditure and operating expenses are affected by the taxonomy.

WALLENSTAM'S FOUR CLIMATE TARGETS



Target: Reduce CO₂ emissions from the construction operations by 10 percent per square meter.

Outcome 2021*: -7.9%

Comment: A first step has been to perform climate calculations in the planning stage in several of our projects. With these calculations as a basis, more climate-friendly material choices can then be made. In addition, certain design optimizations have been carried out to reduce the quantity of material if possible. A successful example is our Bersån project in Uppsala.



Target: Reduce CO₂ emissions from the properties' energy consumption by 15 percent per heated square meter.

Outcome 2021*: -25.7%

Comment: Apart from wind power production, where we are self-sufficient since 2013, we continued to install solar cells in the properties where it is possible. We have also equipped many apartments with temperature sensors, modernized several district heating substations and carried out optimization work such as adjustment of heating systems. An energy saving innovation that we have investigated is heat recovery from the properties' waste water. We have already installed the technology in some of our properties.



Target: Reduce the properties' residual waste by 10 percent per square meter.

Outcome 2021*: -20.1%

Comment: We have improved the possibilities for sorting at source in several of our properties, including by supplementing environmental rooms with additional sorting units and providing clothing collection facilities. We have also started work on providing information to our tenants in order to reduce residual waste.



Target: Carry out business trips using electric car, train or via completely carbon-neutral and biofuel-based air travel.

Outcome 2021*: Partly achieved

Comment: Wallenstam's business trips have been relatively few, and they were mostly carried out in a climate-neutral way. In order to reach the target, additional information is required as well as a review of routines for travel bookings, which is ongoing work, sometimes also in collaboration with suppliers. Wallenstam's car pool, which the employees can use for car-bound business trips, consists exclusively of electric cars.

* The outcome refers to 2021 compared to the base year 2019. Follow-up does not occur on a quarterly basis.

The Wallenstam share

The Wallenstam B share is listed on Nasdaq Stockholm, Large Cap. During 2022, the Wallenstam share price has decreased by 18.5 percent. The property indices OMX Stockholm Real Estate PI and OMX Stockholm PI fell by 12.4 percent and 14.4 percent, respectively, during the same period.

At the end of the period, the Wallenstam share price was SEK 136.90 compared to SEK 168.00 at year-end 2021. The market capitalization was SEK 45,177 million (55,440) based on the total number of registered A and B shares. Equity per share amounted to SEK 97 (93).

Dividend

The Board of Directors will propose a dividend of SEK 1.20 per share (1.20) to the Annual General Meeting for the 2021 financial year, spread over two payment dates of SEK 0.60 each per share. The proposed dividend is equivalent to a yield of 0.7 percent (0.9), based on the share price on December 31, 2021.

Turnover

During the period, the Wallenstam share had an average daily turnover on Nasdaq Stockholm of about SEK 36.5 million (39.6).

SHARE PRICE TREND Q2 2017-Q1 2022



AVERAGE SHARE LIQUIDITY PER DAY



SHAREHOLDINGS, MARCH 31, 2022

	A shares	B shares	Equity, %	Votes, %
Hans Wallenstam and family, and company	34,500,000	49,524,000	25.46	61.60
AMF - Insurance and funds		41,879,986	12.69	6.54
Agneta Wallenstam		18,204,000	5.52	2.84
Henric and Ulrika Wiman		11,977,752	3.63	1.87
Anna-Carin B Wallenstam and Anders Berntsson		10,700,000	3.24	1.67
David Wallenstam		8,520,138	2.58	1.33
Christian Wallenstam		8,050,000	2.44	1.26
Monica and Jonas Brandström		7,047,326	2.14	1.10
Bengt Norman		6,200,000	1.88	0.97
Elin Wallenstam Sjögren		4,327,240	1.31	0.68
Other owners		129,069,558	39.11	20.14
Total number of shares	34,500,000	295,500,000		
Total registered and outstanding shares	330,000,000		100.00	100.00

The proportion of institutional ownership amounted to around 20 percent of equity and around 10 percent of the votes.

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

Source: Euroclear Sweden AB

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 130 million (124), of which rental income amounted to SEK 33 million (36).

The result was impacted by changes in value of financial derivative instruments, SEK 858 million (253). The change is a result of significantly higher swap interest rate levels on closing day than the interest rate levels in the company's entered into derivative agreements. Profit after tax amounted to SEK 835 million (281).

Investments in intangible assets and property, plant and equipment during the period amounted to SEK 36 million (7). Parent company external loans amounted to SEK 13,660 million (14,194) on closing day.

INCOME STATEMENT, PARENT COMPANY

SEK million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Management revenue	92	84	302
Rental income	33	36	129
Revenue, sales of renewable energy certificates	2	4	7
Other revenue	3	1	2
Total revenue	130	124	439
Management costs and administrative expenses	-106	-96	-381
Operating expenses	-7	-8	-30
Depreciation and impairment losses properties	-7	-7	-27
Expenses, sales of renewable energy certificates	-2	-3	-4
Change in value, synthetic options scheme	-	15	-89
Other expenses	-3	0	-2
Total expenses	-126	-100	-533
Operating income	4	25	-94
Profit/loss from participations in Group companies	148	8	970
Interest income and similar profit/loss items	139	155	538
Interest expenses and similar profit/loss items	-97	-90	-262
Changes in value, derivative instruments	858	253	478
Net financial items	1,048	326	1,724
Profit/loss after financial items	1,052	351	1,630
Appropriations	-	-	-19
Tax on net profit/loss	-216	-70	-100
Profit/loss after tax	835	281	1,511
OTHER COMPREHENSIVE INCOME			
Changes in value, currency derivatives	0	2	3
Tax attributable to other comprehensive income	0	0	-1
Comprehensive income	835	282	1,513

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Assets			
Properties	1,369	1,317	1,344
Participations in Group companies	6,010	6,237	6,026
Financial derivative instruments	867	87	137
Receivables from Group companies	27,146	24,000	26,474
Other assets	103	174	146
Cash and cash equivalents	631	80	228
Total assets	36,127	31,895	34,355
Equity and liabilities			
Equity	13,618	11,061	12,782
Provisions	200	108	32
Interest-bearing external liabilities	13,660	14,194	14,228
Liabilities to Group companies	8,459	6,052	7,004
Financial derivative instruments	42	347	170
Other liabilities	148	134	139
Total equity and liabilities	36,127	31,895	34,355

Other information

OPPORTUNITIES & RISKS

Wallenstam's opportunities and risks, and how we manage them, are presented in the 2021 Annual Report on pages 33–39. No significant changes have taken place since then.

SENSITIVITY ANALYSIS

As of March 31, 2022, the estimated market value of the properties amounted to around SEK 64 billion. A change in value of plus/minus 10 percent is thus equivalent to about plus/minus SEK 6.4 billion. A general change of plus/minus 0.25 percentage points in property yield requirements is equivalent to about SEK -4.0 billion or SEK +4.8 billion, while a general change in revenue of 5 percent is equivalent to about plus/minus SEK 3.4 billion.

A change in the interest rate of plus/minus 50 points is equivalent to about plus/minus SEK 51 million.

A change in the electricity price of 1 öre per kWh is equivalent to about plus/minus SEK 36 million during impairment testing of wind turbines.

TRANSACTIONS WITH RELATED PARTIES

Wallenstam's related parties consist chiefly of Group and associated 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 and associated 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 is a tenant of Wallenstam with an annual rental value equivalent to SEK 0.7 million.

A member of Wallenstam's Board, through his own consulting company, sold consulting hours to Wallenstam for SEK 0.5 million.

Wallenstam's involvement in environmental and social responsibility issues is described in more detail on pages 25–32 of the 2021 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 and Barn i Nöd (Swedish International Help for Children). During the year, the Rescue Mission in Gothenburg received contributions and 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 5.0 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 2021 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, 2022 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.

Starting from 2022, changes in value of financial instruments and changes in value of synthetic options are presented as a line item as follows:

Bridge changes in the income statement, SEK million	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
Realized change in value, financial instruments	-	-19	-	-	19	-	-	4	-
Unrealized change in value, financial instruments	749	111	105	14	253	77	12	-73	-177
Change in value, financial instruments	749	92	105	14	272	77	12	-69	-177
Realized change in value, synthetic options	-	-	-	-103	-	-	-	-	-
Unrealized change in value, synthetic options	-	0	-	-2	15	7	-51	7	1
Change in value, synthetic options	-	0	-	-105	15	7	-51	7	1

Key ratios – multi-year summary

	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
Accumulated during period									
PROPERTY-RELATED KEY RATIOS									
Net operating income, properties, SEK million	459	1,763	1,322	860	414	1,613	1,205	781	386
Surplus ratio, property management, %	74.5	75.9	76.8	75.7	73.8	75.7	76.4	75.1	73.8
Income from property management, SEK million	322	1,280	968	609	291	1,131	860	549	275
Changes in value, new construction, SEK million	187	1,502	599	389	145	853	616	429	254
Value of investment properties, SEK million	63,864	63,949	60,949	60,441	59,262	57,933	56,226	55,127	53,619
Area, sq m (thousand)	1,314	1,330	1,306	1,307	1,312	1,235	1,231	1,230	1,210
Occupancy rate – lettable area, %	97	98	97	98	97	98	97	98	98
Development properties, net, SEK million	147	123	88	155	128	126	291	281	170
FINANCIAL KEY RATIOS									
Profit after tax, SEK million	1,207	4,717	2,650	1,822	723	1,908	974	631	309
Return on equity, %	17.8	16.9	13.4	12.0	9.3	7.8	11.2	12.0	11.9
Return on total capital, %	9.3	8.9	6.8	6.1	5.4	4.6	6.6	7.0	7.0
Interest coverage ratio, times	5.7	5.7	5.8	5.5	5.7	5.8	5.7	5.9	6.1
Loan-to-value ratio, %	43	43	44	45	46	46	46	46	45
Average interest rate on closing day, %	1.34	1.17	1.22	1.20	1.21	1.21	1.27	1.40	1.31
Average fixed-interest term, months	50	40	41	40	40	41	38	39	38
Equity/assets ratio, %	47	46	46	45	43	42	42	42	43
Equity, SEK million	31,975	30,767	28,899	28,069	26,281	25,558	24,766	24,423	24,104
Net asset value, SEK million	38,864	37,795	35,388	34,497	32,577	31,746	30,715	30,295	29,897
Market capitalization, SEK million	45,177	55,440	42,834	44,682	39,369	43,098	45,144	35,607	37,290
PER SHARE DATA									
Profit after tax, SEK	3.7	14.4	8.1	5.6	2.2	5.9	3.0	2.0	1.0
P/E ratio, times	8.7	11.7	11.8	14.2	16.6	22.1	16.5	12.5	13.5
Cash flow from operating activities, SEK	1.3	2.9	2.2	1.2	0.7	3.8	3.2	2.2	1.1
Equity, SEK	97	93	88	85	81	79	77	76	75
Net asset value per share, SEK	117.80	114.50	107.20	104.50	100.90	98.30	95.10	93.80	92.60
Share price, SEK	136.90	168.00	129.80	135.40	119.30	130.60	136.80	107.90	113.00
Shares outstanding, average, thousands	330,000	327,667	326,889	325,333	323,000	323,000	323,000	323,000	323,000
Shares outstanding at end of period, thousands	330,000	330,000	330,000	330,000	323,000	323,000	323,000	323,000	323,000

Quarterly overview

	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	Oct-Dec 2020	Jul-Sep 2020	Apr-Jun 2020	Jan-Mar 2020
Rental income, SEK million	616	603	585	574	561	555	536	518	523
Net operating income, properties, SEK million	459	441	462	445	414	408	424	395	386
Surplus ratio, property management, %	74.5	73.1	79.0	77.5	73.8	73.5	79.1	76.3	73.8
Income from property management, SEK million	322	312	358	319	291	271	310	275	275
Return on equity, %	17.8	16.9	13.4	12.0	9.3	7.8	11.2	12.0	11.9
Earnings per share after tax, SEK	3.7	6.3	2.5	3.4	2.2	2.9	1.1	1.0	1.0
Cash flow per share from operating activities, SEK	1.3	0.7	1.0	0.5	0.7	0.5	1.0	1.1	1.1
Equity per share, SEK	97	93	88	85	81	79	77	76	75
Net asset value per share, SEK	117.80	114.50	107.20	104.50	100.90	98.30	95.10	93.80	92.60
Share price, SEK	136.90	168.00	129.80	135.40	119.30	130.60	136.80	107.90	113.00

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.

Effective average yield requirement

Normalized net operating income in accordance with the valuation model in relation to the estimated market value of yielding properties after deductions and additions in accordance with the valuation model.

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 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 for the latest rolling 12-month period in relation to net financial items 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 related to investment properties.

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, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
Bridge alternative performance measures									
Equity, SEK million	31,975	30,767	28,899	28,069	26,281	25,557	24,766	24,423	24,102
Average equity, SEK million	29,198	27,915	26,714	25,819	25,026	24,528	23,896	23,323	22,828
Total assets, SEK million	67,616	66,698	63,504	62,927	61,666	60,581	58,977	58,336	55,959
Average total assets, SEK million	64,482	63,075	61,531	60,497	59,104	57,708	56,084	54,524	52,846

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 11,300 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 electrical 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 6,100, are located in the Stockholm business area. Approximately 300 of these apartments are located in Uppsala. The Stockholm business area had around 600 apartments under construction on closing day.

Gothenburg

Our property holdings in the Gothenburg business area consist of around 5,200 apartments and about 900 commercial tenants that rent office and retail premises, mainly in inner city locations. The Gothenburg business area had around 1,000 apartments under construction on closing day.

BUSINESS PROCESS

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



Calendar

Interim report Q2, 2022
Interim report Q3, 2022

July 14, 2022
October 25, 2022

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 26, 2022.

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

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