



WALLENSTAM

Interim Report

JANUARY 1–JUNE 30, 2022

January 1–June 30, 2022

- » The equity/assets ratio amounted to 47 percent and the loan-to-value ratio was 43 percent.
- » The net asset value per share amounted to SEK 60.10 (57.30). The goal for the business plan has now been reached, as the increase in net asset value now amounts to SEK 20.50 per share.
- » Investment in construction of properties amounted to SEK 1,421 million (1,711).
- » On closing day, 1,669 apartments were under construction.
- » Income from property management amounted to SEK 650 million (609).
- » Rental income amounted to SEK 1,236 million (1,136).
- » Changes in value of investment properties amounted to SEK 374 million (1,019), of which the entire change in value came from value growth in new construction.
- » Profit before tax amounted to SEK 2,527 million (1,824) and profit after tax amounted to SEK 2,150 million (1,822), equivalent to SEK 3.3 per share (2.8).

April 1–June 30, 2022

- » Income from property management amounted to SEK 328 million (319).
- » Rental income amounted to SEK 620 million (574).
- » Changes in value of investment properties amounted to SEK 187 million (708), of which the entire change in value came from value growth in new construction.
- » Profit after tax amounted to SEK 943 million (1,099), corresponding to SEK 1.4 per share (1.7).

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. All key ratios per share have been restated after the 2-for-1 split, which was executed in May 2022.

HANS WALLENSTAM, CEO

Well-equipped with a strong balance sheet

“Wallenstam stands strong amid the prevailing challenges of inflation, war and problems in supply chains. We are well-equipped with hugely committed employees and a strong balance sheet where our equity/assets ratio now amounts to 47 percent. We have prepared the foundations for this for several years.”

“In this turbulent environment, we have delivered a record result in our property management operations. Income from property management increased by 7 percent to SEK 650 million. We are continuing to generate surplus value in our new construction operations, which amounted to SEK 374 million during the first half of 2022. The result means that the net asset value per share now amounts to SEK 60.10.”

Wallenstam in brief

Number of investment properties: 229

Value of investment properties: SEK 65 billion

Market capitalization: SEK 30 billion

Occupancy rate, lettable area: 97%

Lettable area: 1.3 million sq m

Number of apartments under construction: 1,669

Number of wind turbines: 53

SEK 60.10 per share

IN NET ASSET VALUE

Read more about Wallenstam on page 23.

Events second quarter

Wallenstam's goal of an increase in net asset value of SEK 20 per share has now been reached, more than one year in advance.

Wallenstam has started the construction of 296 rental apartments in kvarter 6 in the urban development project Kallebäck's Terrasser and eight cooperative apartments in the form of terraced houses in the Pixbo Sjöterrass project. In addition to this, construction started of 18 rental apartments in a reconstruction project where lofts and commercial premises are being converted into apartments.

During the quarter, 262 apartments were completed. Three projects, Stationshuset in Stockholm, Flanören in Uppsala and kvarter 11 in the urban development project Kallebäck's Terrasser in Gothenburg, are now fully completed.

Wallenstam has sold and vacated three wind farms with

a total of 13 wind turbines, all located in electricity price zone 2.

In May, the 2-for-1 share split was executed that the Annual General Meeting approved on April 26, 2022. The total number of shares after the split amounts to 660,000,000, of which 69,000,000 are A shares and 591,000,000 are B shares.

In late June, an agreement was signed with Ikano Bostad on the acquisition of a project with a completed zoning plan in Årstaberget close to Södermalm in Stockholm. In the same transaction, the sale was agreed of just over 600 apartments in Gothenburg and Partille. The provisional date for taking possession is November 1, 2022.

After the Annual General Meeting on April 26, the Board decided to co-opt Rebecka Wallenstam as a Board member.

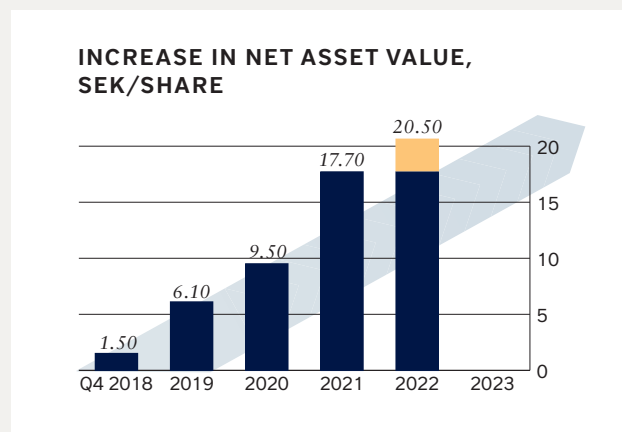
Goal 2023 reached – Increase in net asset value of SEK 20.50 per share

The goal for the business plan 2019–2023, to generate an increase in net asset value of SEK 20 per share has now been reached. The goal is restated for the 2-for-1 share split, which was executed during the quarter and is measured from October 1, 2018 when the net asset value per share was SEK 39.60. On June 30, 2022, the net asset value per share was SEK 60.10, which represents an increase of SEK 2.80 per share during the first half of 2022 and SEK 20.50 per share in total to date during the business plan.

In early 2022, the Board took 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 39,697 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



6,733 million (6,358) is recognized in the balance sheet, which consists of a deferred tax asset of SEK 578 million (669) and a deferred tax liability of SEK 7,310 million (7,027) where SEK 6,978 million (7,027) is property-related and SEK 332 million (-) relates to derivative instruments.

Comments by the CEO



We are now living in a turbulent world. In this environment, we have delivered a record result in our property management operations. Income from property management increased by 7 percent to SEK 650 million. We are continuing to generate surplus value in our new construction operations, which amounted to SEK 374 million during the first half of 2022. The result means that the net asset value per share now amounts to SEK 60.10.

During the first quarter this year we extended our fixed interest terms considerably, which feels good as interest rates have moved upwards at a fast rate since then. Our fixed interest term now amounts to four years. There is turbulence in the bond market, with significantly higher interest expenses. For a long time we have chosen another path, to have the majority of our loans in banks. We also have full flexibility regarding financing as we have made an active choice not to have a rating.

Secure with properties in attractive locations

Many analysts believe that we are heading towards a period of high inflation and an economic downturn. Historically in such times, residentials in good locations in metropolitan areas has been the best long-term investment. When it comes to commercial properties – as I have said so often before – it is all about location, location, location, since attractively located properties, such as our buildings in Gothenburg inner city, are in demand even in tougher times. Gothenburg's business sector is still performing strongly and is developing positively, and there are many new establishments in the region and we see continued demand for our commercial premises.

In the regions where we operate, there is a huge housing shortage, particularly in the central areas. In our own housing queue, where we allocate most of our newly constructed apartments in Stockholm, Uppsala and Gothenburg, 200,000 people have registered to date.

Securing our supply chains

The project operations have entered a new phase, with increasing material costs and uncertain deliveries of goods. Improving cost efficiency and good quality have always been in focus for us in our new construction and now we are even more careful about securing supply chains and setting an investment budget that generates a reasonable return before we start a project. Happily, we started the kvarter 6 block in our urban development project Kallebäck's Terrasser in Gothenburg during the quarter. The block will be the gateway to the area, with 296 apartments next to the future square. Meanwhile, occupation is in full swing, with a further just over 100 apartments that have been occupied in the kvarter 11 block, which is now fully completed. The district is growing and taking shape!

Acquisition of project close to the city in Stockholm

In late June, we signed an agreement with Ikano Bostad on the acquisition of a new project in Årstaberget, close to Södermalm in Stockholm. We are very happy to be able to acquire such a project close to the city, where we can provide about 350 new homes! The planned project start is already in 2023. In the same transaction, we are selling a portfolio of residential properties involving just over 600 apartments in Gothenburg and Partille. The transaction is a confirmation that attractive apartment buildings in our regions are in demand even in turbulent times like these.

Restructuring of wind power

We are both proud and pleased about the fact that since 2013, we are self-sufficient in renewable electrical energy through our own wind turbines. This has been an important sustainability investment for us and even now when prices have been rising, it has served as a hedge for our business. Energy prices have been increasing recently and there have been large price differentials between the different electricity price zones. We want to concentrate our wind power in the area where our properties are located, in other words, in electricity price zone 3. During the quarter, we had the opportunity to sell three of our wind farms in electricity price zone 2 to Jämtkraft. Our major investments in solar cells together with our wind power means that we will continue to be self-sufficient in renewable electrical energy.

Confident about Wallenstam's continued development

Wallenstam stands strong amid the prevailing challenges of inflation, war and problems in supply chains. We are well-equipped with hugely committed employees and a strong balance sheet where our equity/assets ratio now amounts to 47 percent. We have prepared the foundations for this for several years. We have modern and qualitative property holdings in attractive locations and we have a solid process for cost-efficient new construction. This means that I feel confident about Wallenstam's continued development and potential for value creation.

Hans Wallenstam, CEO

Consolidated income statement

SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Jul-Jun 2021/2022	Jan-Dec 2021
Rental income	1,236	1,136	620	574	2,424	2,324
Operating expenses	-294	-276	-137	-129	-579	-561
Net operating income, properties	942	860	483	445	1,845	1,763
Management costs and administrative expenses	-144	-133	-74	-66	-260	-249
Financial income	3	2	2	1	4	3
Financial expenses	-150	-119	-83	-61	-269	-238
Income from property management	650	609	328	319	1,321	1,280
Participation in profits/losses of associated companies	-1	0	-1	0	-4	-3
Revenue, development property sales	36	45	28	7	61	70
Expenses, development property sales	-18	-33	-16	-6	-35	-50
Other income	163	68	96	26	268	173
Other expenses	-83	-71	-41	-35	-159	-147
Financial expenses, other	-8	-11	-4	-5	-18	-21
Profit before changes in value and impairment losses	740	607	391	306	1,436	1,303
Changes in value, investment properties	374	1,019	187	708	3,029	3,674
New construction	374	389	187	244	1,487	1,502
Other	-	630	-	464	1,542	2,172
Change in value, financial instruments	1,412	287	664	14	1,609	484
Change in value, synthetic options	-	-90	-	-105	1	-89
Profit before tax	2,527	1,824	1,242	923	6,074	5,371
Current tax	-2	0	-1	0	-2	0
Deferred tax	-375	-2	-298	176	-1,027	-654
Profit after tax	2,150	1,822	943	1,099	5,045	4,717

Other comprehensive income, condensed

SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Jul-Jun 2021/2022	Jan-Dec 2021
Items that may be transferred to profit/loss for the period	0	1	-	-1	2	3
Items that may not be transferred to profit/loss for the period	-	-88	-	0	88	-
Tax attributable to other comprehensive income	0	0	-	0	-1	-1
Comprehensive income	2,150	1,734	943	1,098	5,135	4,719
DISTRIBUTION OF PROFIT FOR THE PERIOD AFTER TAX						
Profit for the period attributable to parent company shareholders	2,150	1,822	943	1,099	5,045	4,717
Average number of outstanding shares, thousands	660,000	650,666	660,000	655,334	660,000	655,334
Profit after tax per share (SEK), dilution does not occur	3.3	2.8	1.4	1.7	7.6	7.2

Comments on the consolidated income statement

APRIL 1–JUNE 30

Rental income during the second quarter amounted to SEK 620 million (574), an increase of 8 percent or SEK 46 million, of which the majority came from new construction.

Operating expenses amounted to SEK 137 million (129), an increase of SEK 7 million. Most of the increase came from added new production. Net operating income increased by just over 8 percent and amounted to SEK 483 million (445), which corresponds to a surplus ratio in the quarter of 77.9 percent (77.5).

Net financial items investment properties amounted to SEK -81 million (-60) and increased partly due to interest rate hedges and higher Stibor, and partly due to a lower share of capitalized interest. Capitalized interest amounted to SEK 17 million (24).

Income from property management increased by 3 percent and amounted to SEK 328 million (319). Changes in value of investment properties amounted to SEK 187 million (708), of which the entire change in value came from our new construction.

In early June, 13 wind turbines were divested in electricity price zone 2 in Jämtland County for SEK 220 million in total. Profit in relation to book value and transaction costs amounted to SEK 62 million.

Swap interest rates have continued to rise during the quarter, which gave a positive change in value on our interest rate derivatives of SEK 789 million (14).

During the quarter, the Group's holding in SBB was divested and other financial investments were written down due to the general downturn in the market.

Profit after tax for the second quarter of 2022 amounted to SEK 943 million (1,099), which corresponds to earnings per share of SEK 1.4 (1.7).

JANUARY 1–JUNE 30

Income from property management increased by almost 7 percent and amounted to SEK 650 million (609). Profit after tax for the first half of 2022 amounted to SEK 2,150

million (1,822), which corresponds to earnings per share of SEK 3.3 (2.8).

Rental income

Rental income for the period increased by SEK 100 million, about 9 percent, and amounted to SEK 1,236 million (1,136). Excluding transactions, the increase was SEK 131 million where almost two thirds came from added new production and the remainder from the existing holdings, mainly commercial.

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 (88).

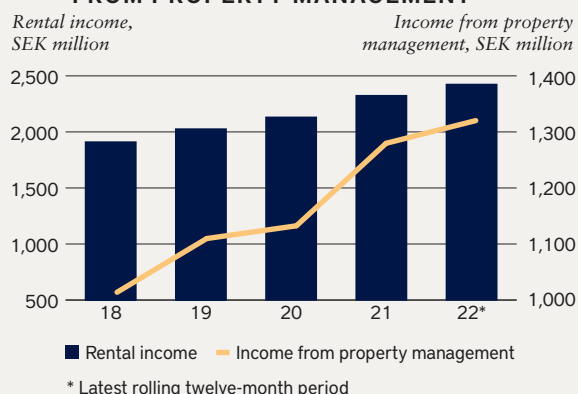
Our occupancy rate for commercial properties in terms of lettable area amounted to 95 percent on closing day which is the same as at year-end.

Operating expenses & Net operating income

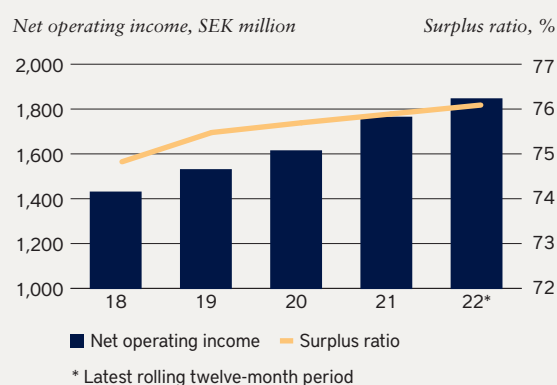
Operating expenses for the period amounted to SEK 294 million (276) and increased, among other things, as a result of additional recently produced properties and higher property tax. Weather-related expenses were SEK 5 million lower during the period compared to the year-earlier period, as heating costs 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 83 million or almost 10 percent and totaled SEK 942 million (860). Added efficient new production accounted for two thirds of the period's growth in addition to changes from transactions. The surplus ratio was 76.2 percent (75.7).

RENTAL INCOME AND INCOME FROM PROPERTY MANAGEMENT



NET OPERATING INCOME AND SURPLUS RATIO



Management costs and administrative expenses

Management costs and administrative expenses totaled SEK 157 million (143) and are distributed among property management SEK 144 million (133), energy management SEK 3 million (4) and property transactions SEK 9 million (6).

Financial income & expenses

Financial income amounted to SEK 3 million (2) and financial expenses totaled SEK 159 million (130), and are distributed among property operations and other, which consists of natural energy. Capitalized interest amounted to SEK 35 million (49).

The average debt for the period was SEK 0.4 billion higher than the previous year, due to continued investments in new construction which for the year to date amount to SEK 2.7 billion. The fact that the debt did not increase more was due to positive cash flows from completed property transactions. The average interest rate on closing day, which reflects future interest to pay in relation to our loans, was 1.43 percent (1.20). During the period, the average interest rate amounted to 1.30 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 19 million (12) and included the sale of two terraced houses and individual co-op apartments including costs.

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, as did electricity production, which was 17 percent higher compared to the same period in 2021 and amounted to 201 GWh (171). Profit from the wind power divestment in relation to book value and transaction costs amounted to SEK 62 million and is recognized as other income.

Changes in value, investment properties

Value growth during the period amounted to SEK 374 million (1,019) 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 (3.1) 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 and unlisted shares that constitute financial investments.

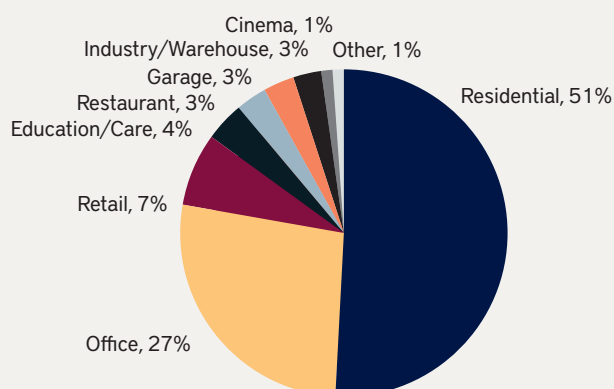
The value of interest rate derivatives developed positively during the period, SEK 1,647 million (267), as a result of rising interest rate levels. On closing day, the 10-year swap rate amounted to 2.78 percent, compared to 0.96 percent at the start of the year.

During the second quarter, the Group's holding in SBB was divested and other financial investments were written down due to the general downturn in the market.

Tax

The recognized tax expense for the period amounted to SEK 377 million (2) net, of which SEK 375 million (2) was deferred tax and SEK 2 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
Convendum AB	10,497
Academedi AB	7,486
Ica Fastigheter AB	6,906
Svenska Handelsbanken AB	6,369
Dagab Inköp & Logistik AB	6,308
Total	109,113

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

Consolidated balance sheet, condensed

SEK million	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Investment properties	64,913	60,441	63,949
Wind turbines	764	995	957
Participations in associated companies	257	220	217
Financial assets	361	442	696
Financial derivative instruments	1,633	81	137
Other non-current assets	92	82	87
Total non-current assets	68,020	62,262	66,043
CURRENT ASSETS			
Development properties	169	155	123
Financial derivative instruments	0	0	1
Other current assets	252	224	299
Cash and cash equivalents	955	285	232
Total current assets	1,377	665	655
Total assets	69,397	62,927	66,698
EQUITY AND LIABILITIES			
EQUITY			
Equity	32,720	28,069	30,767
Total equity	32,720	28,069	30,767
NON-CURRENT LIABILITIES			
Deferred tax liability	6,733	5,707	6,358
Other provisions	93	51	51
Interest-bearing liabilities	4,631	7,106	6,481
Financial derivative instruments	18	325	170
Lease liability	482	475	484
Other non-current liabilities	17	10	18
Total non-current liabilities	11,974	13,674	13,563
CURRENT LIABILITIES			
Interest-bearing liabilities	23,920	20,376	21,351
Financial derivative instruments	1	2	0
Lease liability	1	1	1
Other current liabilities	781	805	1,015
Total current liabilities	24,703	21,184	22,368
Total equity and liabilities	69,397	62,927	66,698

Comments on the consolidated balance sheet

OUR PROPERTIES

Development during the period

During the period, we have invested a total of SEK 2,700 million (2,032), of which SEK 2,635 million (2,372) in investment properties and SEK 65 million (44) in development properties. New construction projects in progress involve 1,669 apartments. The total value of rental apartment and development projects in progress amounted to SEK 5.2 billion (5.7) 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 374 million (1,019) 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 (4.5) for the commercial holdings and to 3.0 percent (3.1) for residential properties in operation. The value of investment properties amounted to SEK 64,913 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, where sales started during the first quarter of 2022. As of June 30, two terraced houses have been taken into possession. The book value of Development properties amounted to SEK 169 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 approximately 200,000 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 and projects for future new production	2,126
Projects in progress, rental apartments	2,876
Development properties	169
Total projects in progress	5,171

CHANGES IN PROPERTY HOLDINGS, INVESTMENT PROPERTIES

	Book value, SEK million
Property holdings, January 1, 2022	63,949
+ Acquisitions	1,279
+ Construction	1,355
- Sales	-1,978
+ Right-of-use asset site leasehold right	4
+ Unrealized changes in value, properties	305
Property holdings, June 30, 2022	64,913

NEW CONSTRUCTION IN PROGRESS, JUNE 30, 2022

Project	No. of apts.	Occupation*	Sq m**	of which occupied/sold apts to date
STOCKHOLM				
Söra radhus, Österåker (development property, co-op)	11	Q2 2022	1,500	2
Älta Torg Kv. 1, Nacka	191	2024	21,000	
UPPSALA				
Bersån, Kvarngärdet (development property)	98	2023	6,000	
Kompositören, Rosendal	185	2023	9,000	
GOTHENBURG				
Kallebäckers Terrasser Kv. 10	85***	Q4 2022	8,000	
Reconstruction premises into apartments, Djurgårdsgatan	14	2023	500	
Kallebäckers Terrasser Kv. 7	189	2023	11,000	
Kallebäckers Terrasser Kv. 8	266	2023	15,000	
Kv. Skogsvaktaren, Mölnlycke Fabriker, Härryda	128	2023	7,500	
Reconstruction premises into apartments, Lantmätaregatan ⁱ	18	2023	1,000	
Pixbo Sjöterrass (development property, terraced houses, co-op) ⁱ	8	2023	1,500	
Kallebäckers Terrasser Kv. 5	182	2024	12,000	
Kallebäckers Terrasser Kv. 6 ⁱ	296	2025	17,000	
Commercial				
Kallebäckers Terrasser		Q1 2022	20,000	
Kallebäckers Terrasser, nursery school		2023	1,500	
Kallebäckers Terrasser Kv. 4 (school)		2023	5,500	
Total apartments in projects	1,671		138,000	
of which in progress on June 30	1,669			

* 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.

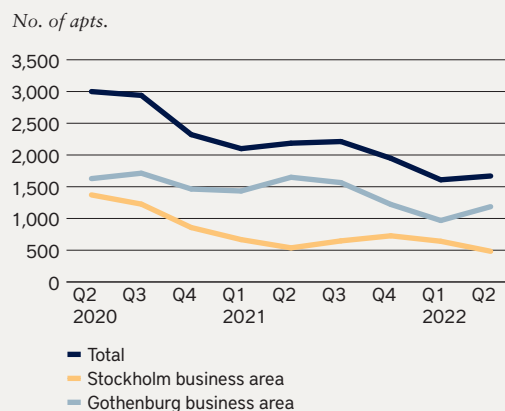
*** Of which 12 are co-living apartments with a total of 121 rooms for rent.

ⁱ Started during quarter 2, 2022.

CHANGE, CONSTRUCTION IN PROGRESS, APARTMENTS

	No. of apts.
New construction in progress, April 1, 2022	1,609
- Completed	-262
<i>Stationshuset, Bandhagen, Stockholm (84)</i>	
<i>Flanören, Rosendal, Uppsala (72)</i>	
<i>Kallebäckers Terrasser Kv 11, Gothenburg (103)</i>	
<i>Söra radhus, Österåker, co-op (2)</i>	
<i>Reconstruction project, Bangatan, Gothenburg (1)</i>	
+ Started	+322
New construction in progress, June 30, 2022	1,669

APARTMENTS, CONSTRUCTION IN PROGRESS



PROPERTY HOLDING STRUCTURE AS OF JUNE 30, 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	346,878	25,151	18,410	7,177	4,808	44,348	3,501	450,273	34%	5,853
Uppsala	21,941	1,909	1,091	80	532	2,584	0	28,137	2%	445
Gothenburg	325,102	216,546	95,562	93,971	37,998	87,063	7,754	863,996	64%	5,469
Total	693,921	243,606	115,063	101,228	43,338	133,995	11,255	1,342,406	100%	11,767
Distribution by type of premises	52%	17%	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
Kallebäck 18:2 (Project: Kv. 11, Mejeristen)	Smörkärnegatan 21-29	2021	14,335	-	-	-	-	1,501	-	15,836	270
Majorna 303:29*	Amiralitetsgatan 2A-2B, 4-8 / Bangatan 21-39 / Djurgårdsgatan 26-40	2022	-	-	-	-	-	-	-	-	1
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
Murförbandet 1 (Project: Stationshuset)	Trollesundsvägen 2	2022	3,555	129	-	-	-	640	-	4,324	84
Uppsala Kåbo 76:1 (Project: Flanören)	Lydia Wahlströms gata 8,14, Torgny Segerstedts Allé 78 A, 80 A, 82 A	2022	7,035	63	122	-	532	-	-	7,752	156
Total			47,979	192	1,144	128	532	5,330	-	55,305	945
* Additional apartment in existing property											

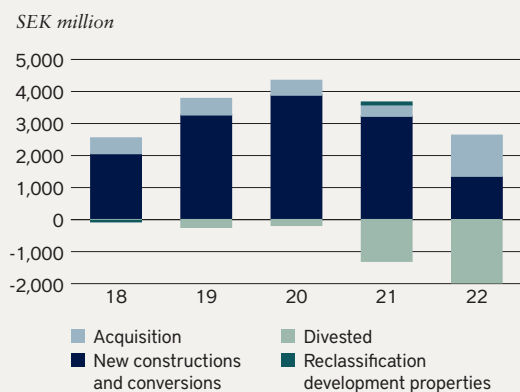
PROPERTY ACQUISITIONS

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
STOCKHOLM											
Sicklaön 134:36*											
Total			8,787	2,472	562	-	-	148	11,969	-	0
*Land											

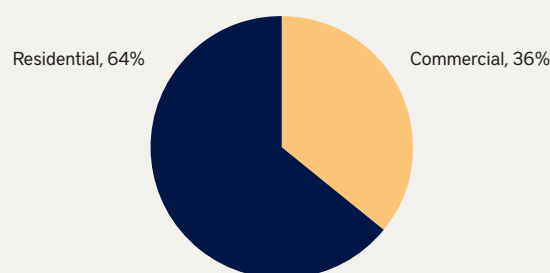
PROPERTY SALES

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 Fjällnäset 14	Högklintavägen 9-11	1966	2,632	514	-	153	-	-	-	3,299	37
Sundbyberg Lärkan 14	Kolonivägen 2-4 / Skogsbacken 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

ACQUISITION, CONSTRUCTION AND SALES OF INVESTMENT PROPERTIES



MARKET VALUE



WIND POWER

On closing day, Wallenstam had 53 wind turbines in operation divided among 17 wind farms. The installed output amounted to 112 MW (143). During the second quarter of 2022, Stentjärnåsen, 5 turbines, 10 MW, in Härjedalen Municipality, Rätans-Digerberget, 5 turbines, 11.5 MW, in Berg Municipality, Middagsberget, 3 turbines, 9 MW, in Berg Municipality, were sold to Jämtkraft AB.

Wind turbines are recognized at cost less depreciation and impairment losses. On closing day, the consolidated book value of wind turbines amounted to SEK 764 million

(995). Depreciation for the period amounted to SEK 37 million (38). Estimated value in use of land leases, based on minimum rents, amounted on closing day to SEK 10 million (15) and is recognized as part of the wind power value.

FINANCING

Equity

Shareholders' equity amounted to SEK 32,720 million (30,767), which is equivalent to SEK 50 per share (47). The equity/assets ratio was 47 percent (46).

Interest-bearing liabilities

On closing day, outstanding bond loans amounted to SEK 2,452 million (2,700), the outstanding volume of commercial paper, with a framework amount of SEK 4,000 million, amounted to SEK 1,961 million (3,000), and total interest-bearing liabilities amounted to SEK 29,034 million (28,318), of which lease liability amounted to SEK 483 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 1.9 billion (2.0) of green bonds.

All the bond loans of SEK 2,452 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 is 47 months (40). Of the loan portfolio, 59 percent (54) of the loans have fixed interest terms longer than one year. On closing day, the average interest rate on our loans was 1.43 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 483 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 1,614 million compared to a net indebtedness of SEK 32 million on December 31, 2021. All of these consist of interest rate derivatives (-33). The large change was due to the fact that the Group's derivative agreements 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 3.6 billion (1.6). The total volume of outstanding interest rate derivatives, where Wallenstam pays fixed interest, amounts to SEK 16.3 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

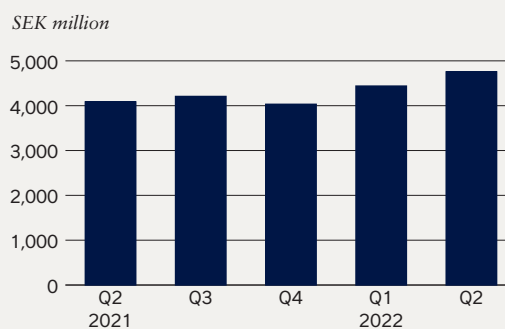
Available liquid assets, including available bank overdraft facilities, amounted to SEK 1,755 million (1,032). Approved overdraft facilities amounted to SEK 800 million (800), of which no portion (-) was used on closing day. The Group's approved and unutilized credit facilities totaled SEK 3,000 million (3,000), excluding the overdraft facility.

On June 30, 2022, accessible liquidity totaled SEK 4,755 million (4,032), of which SEK 1,970 million (3,000) represents a credit commitment for issued outstanding commercial paper.

FIXED TERMS, AVERAGE INTEREST RATES, JUNE 30, 2022

Interest maturity structure	Amount, SEK million	Average interest rate, %	Proportion, %
0-1 year	11,802	2.04	41.3
1-2 years	-	-	-
2-3 years	900	0.65	3.2
3-4 years	2,400	0.85	8.4
4-5 years	2,500	0.98	8.8
5-6 years	2,000	1.16	7.0
6-7 years	1,800	0.99	6.3
7-8 years	2,000	0.93	7.0
8-9 years	1,850	0.58	6.5
> 9 years	3,300	1.42	11.6
Total	28,551	1.43	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	Total equity
Opening equity, Jan 1, 2021	165	359	83	24,950	25,558
Profit after tax	-	-	-	1,822	1,822
Changes in value, holdings of unlisted equity instruments	-	-	-88	88	-
Changes in value, currency derivatives	-	-	1	-	1
Tax attributable to other comprehensive income	-	-	0	-	0
TRANSACTIONS WITH SHAREHOLDERS					
Dividends	-	-	-	-194	-194
Sale of treasury shares	-	-	-	883	883
Closing equity, Jun 30, 2021	165	359	-5	27,549	28,069
Opening equity, Jan 1, 2022	165	359	-3	30,246	30,767
Profit after tax	-	-	-	2,150	2,150
Changes in value, currency derivatives	-	-	0	-	0
Tax attributable to other comprehensive income	-	-	0	-	0
TRANSACTIONS WITH SHAREHOLDERS					
Dividends	-	-	-	-198	-198
Closing equity, Jun 30, 2022	165	359	-3	32,199	32,720

Consolidated statement of cash flows, condensed

SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Jul-Jun 2021/2022	Jan-Dec 2021
Profit before changes in value and impairment losses*	740	607	391	306	1,436	1,303
Adjustment for items not included in cash flow	-46	-65	-61	-68	63	44
Change provisions	-51	-103	53	-103	-130	-182
Taxes paid	-2	0	-1	0	-2	0
Cash flow before change in working capital	642	439	383	135	1,368	1,165
Change in working capital	166	-41	3	33	2	-205
Cash flow from operating activities	808	398	385	271	1,369	960
INVESTMENTS/DIVESTMENTS						
Investment in properties and individual co-op apartments	-2,700	-2,036	-973	-948	-4,356	-3,692
Investments in intangible assets and property, plant and equipment, and wind turbines	-12	-6	-7	-1	-23	-17
Investments in financial assets	-5	-127	-5	-	-328	-450
Divestment of financial assets	111	119	111	-	111	119
Investments in associated companies	-41	-	-	-	-41	0
Advance property transactions	-	-	-	-	353	353
Divestment of properties, development properties and property, plant and equipment	1,984	538	231	469	2,852	1,406
Cash flow from investing activities	-663	-1,512	-643	-481	-1,433	-2,282
FINANCING						
Raised interest-bearing liabilities	11,760	17,335	7,281	9,704	24,398	29,973
Amortization of interest-bearing liabilities	-11,041	-17,144	-6,508	-9,840	-23,329	-29,432
Net change in overdraft facilities	-	-	-	-35	-	-
Net change promissory notes	58	-	-	2	61	3
Dividends paid	-198	-194	-198	-194	-396	-392
Sale of treasury shares	-	883	-	883	-	883
Cash flow from financing activities	579	880	575	518	734	1,035
Changes to liquid assets	723	-234	317	205	670	-286
Cash and cash equivalents at beginning of the period	232	518	638	80	285	518
Cash flow for the period	723	-234	317	205	670	-286
Cash and cash equivalents at the end of the period	955	285	955	285	955	232
Unutilized overdraft facilities at the end of the period	800	800	800	800	800	800
Available liquid assets	1,755	1,085	1,755	1,085	1,755	1,032

*Includes interest paid and received, including gross flows from interest rate swap contracts, of SEK -192 million (-162) and SEK 1 million (1) respectively, of which SEK 35 million (49) was capitalized as a non-current asset.

Segments report

2022 SEK million	Gothenburg Jan-Jun	Stockholm Jan-Jun	Other Jan-Jun	Elimination Jan-Jun	Total Jan-Jun
INCOME STATEMENT					
Rental income	831	418	0	-13	1,236
Operating expenses	-187	-107	0	-	-294
Net operating income	644	311	0	-13	942
Management costs and administrative expenses	-90	-50	-18	13	-144
Net financial items	-122	-59	34	-	-147
Income from property management	433	201	16	-	650
<i>Unapportioned items</i>					
Participation in profits/losses of associated companies					-1
Sales result, development properties					19
Other income and expenses					80
Financial expenses, other					-8
Profit before changes in value and impairment losses					740
Changes in value					1,787
Profit before tax					2,527
BALANCE SHEET					
Investment properties	40,878	24,035	-	-	64,913
Wind turbines	-	-	764	-	764
Development properties	12	157	-	-	169
Unapportioned assets	-	-	-	-	3,551
Total assets					69,397
Equity	-	-	-	-	32,720
Interest-bearing liabilities and lease liabilities	17,463	9,375	2,197	-	29,034
Unapportioned liabilities	-	-	-	-	7,643
Total equity and liabilities					69,397
<i>Property investments in progress including land</i>	<i>3,324</i>	<i>1,817</i>	<i>-</i>	<i>-</i>	<i>5,171</i>

2021 SEK million	Gothenburg Jan-Jun	Stockholm Jan-Jun	Other Jan-Jun	Elimination Jan-Jun	Total Jan-Jun
INCOME STATEMENT					
Rental income	729	420	-	-13	1,136
Net operating income	559	314	-	-13	860
Income from property management	356	169	84	-	609
<i>Unapportioned items</i>					
Participation in profits/losses of associated companies					0
Sales result, development properties					12
Other income and expenses					-3
Financial expenses, other					-11
Profit before changes in value and impairment losses					607
Changes in value					1,216
Profit before tax					1,824
BALANCE SHEET					
Investment properties	36,443	23,998	-	-	60,441
Wind turbines	-	-	995	-	995
Development properties	3	152	-	-	155
Unapportioned assets	-	-	-	-	1,336
Total assets					62,927
Equity	-	-	-	-	28,069
Interest-bearing liabilities and lease liabilities	15,367	11,350	1,241	-	27,958
Unapportioned liabilities	-	-	-	-	6,900
Total equity and liabilities					62,927
<i>Property investments in progress including land</i>	<i>3,707</i>	<i>1,974</i>	<i>-</i>	<i>-</i>	<i>5,681</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. During the second quarter, Wallenstam took the next step in the company's sustainability work by setting new Science Based Targets aligned with the Paris Climate Agreement. This means that Wallenstam is applying with new climate targets to the global climate action partnership – The Science Based Targets initiative (SBTi). The Science Based Climate Targets are set on the basis of what according to research is required by each sector and organization to together achieve the goal of limiting global warming to 1.5°C. Pending validation of the targets, the work is continuing on Wallenstam's four already adopted climate targets, which continue to apply until the end of the business plan.

During 2022, we have installed solar cells on a further 16 properties.

Also during the quarter, Östermalmshallen padel in Mölnlycke was inaugurated, Wallenstam's first full-scale recycling project. The 2,000 square meter temporary market hall at Östermalmstorg square was dismantled and transported using environmentally certified trucks to our

urban development project Mölnlycke Fabriker. All materials have been reused, recycled or sold and the market hall has now been converted into a padel hall and restaurant.

In May, Wallenstam along with almost 40 public and private property owners signed a declaration of intent regarding circular construction. The parties shall jointly strive to significantly increase recycling and other circular solutions during both new construction and reconstruction in Gothenburg. By sharing experience and good examples, developing competencies, imposing requirements and setting own recycling targets, the goal is to establish a well-developed recycling market by 2025.

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'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 46.7 percent. The property indices OMX Stockholm Real Estate PI and OMX Stockholm PI fell by 47.7 percent and 29.2 percent, respectively, during the same period.

Share split

In May, the 2-for-1 share split was executed that the Annual General Meeting approved on April 26, 2022. The total number of shares after the split amounts to 660,000,000, of which 69,000,000 are A shares and 591,000,000 are B shares.

Share price

At the end of the period, the Wallenstam share price was SEK 44.75 compared to SEK 84.00 at year-end 2021. The market capitalization was SEK 29,535 million (55,440) based on the total number of registered A and B shares. Equity per share amounted to SEK 50 (47).

Dividend

The Board of Directors decided on a dividend of SEK 1.20 per share for the 2021 financial year. The dividend is divided into SEK 0.60 per share on the first date and SEK 0.30 per share on the second date after the execution of the 2-for-1 share split, which was approved by the Annual General Meeting.

In May, a total of SEK 198 million was disbursed to the shareholders. The next payment, which after the executed share split thus amounts to SEK 0.30 per share, will be made in November. In 2021, a total of SEK 392 million was disbursed.

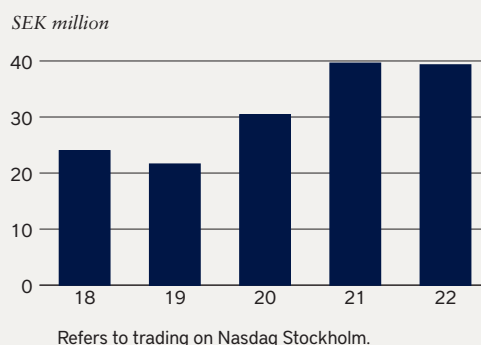
Turnover

During the period, the Wallenstam share had an average daily turnover on Nasdaq Stockholm of about SEK 39.3 million (39.6).

SHARE PRICE TREND Q3 2017-Q2 2022



AVERAGE SHARE LIQUIDITY PER DAY



Refers to trading on Nasdaq Stockholm.

SHAREHOLDINGS, JUNE 30, 2022

	A shares	B shares	Equity, %	Votes, %
Hans Wallenstam and family, and company	69,000,000	99,867,000	25.59	61.66
AMF - Insurance and funds		88,039,972	13.34	6.87
Agneta Wallenstam		36,408,000	5.52	2.84
Henric and Ulrika Wiman		23,955,504	3.63	1.87
Anna-Carin B Wallenstam and Anders Berntsson		21,400,000	3.24	1.67
David Wallenstam		17,040,276	2.58	1.33
Christian Wallenstam		16,100,000	2.44	1.26
Bengt Norman		12,500,000	1.89	0.98
Monica and Jonas Brandström		12,426,317	1.88	0.97
Elin Wallenstam Sjögren		8,654,480	1.31	0.68
Other owners		254,608,451	38.58	19.87
Total number of shares	69,000,000	591,000,000		
Total registered and outstanding shares	660,000,000		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 290 million (249), of which rental income amounted to SEK 65 million (64).

The result was impacted by changes in value of financial derivative instruments, SEK 1,647 million (267). 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 1,573 million (261).

Investments in intangible assets and property, plant and equipment during the period amounted to SEK 63 million (11). Parent company external loans amounted to SEK 13,973 million (14,151) on closing day.

ANNUAL GENERAL MEETING 2022

The Annual General Meeting (AGM) of Wallenstam AB (publ) on April 26, 2022, passed resolutions on the following matters, among others:

- » The AGM adopted the annual accounts for 2021 and approved the Board of Director's proposed dividend for the 2021 financial year of SEK 0.60 per share on the first date and SEK 0.30 per share on the second date after the execution of the 2-for-1 share split, which was approved by the AGM (see below).
- » The AGM discharged the Board of Directors and the CEO from liability and in accordance with the Nomination Committee's proposal re-elected Lars-Åke Bokenberger as Chairman of the Board of Directors and also re-elected Karin Mattsson, Anders Berntsson, Agneta Wallenstam and Mikael Söderlund as Board members. Fees to be paid to the Board of Directors were approved of SEK 1,000,000 to the Chairman of the Board, SEK 280,000 to the Vice Chairman and SEK 180,000 to each of the other Board members. The sums include compensation for committee work. In addition, it was decided that SEK 1,000,000 will be paid in additional directors' fees to the Chairman of the Board, who in his chairmanship position will assist the company management during the year to a significant extent.
- » Dick Brenner (Chairman), Lars-Åke Bokenberger, Anders Oscarsson and Hans Wallenstam were elected as members of the Nomination Committee ahead of the 2023 AGM.
- » The AGM resolved to elect KPMG as the company's auditor for the period until the end of the 2023 AGM. KPMG has advised that Mathias Arvidsson will be the chief auditor.
- » The AGM approved the Board's remuneration report.
- » The AGM resolved in accordance with the Board's proposal to increase the number of shares in the company by subdividing each existing share into two shares of the same class (2-for-1 share split).

INCOME STATEMENT, PARENT COMPANY

SEK million	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Management revenue	217	179	302
Rental income	65	64	129
Revenue, sales of renewable energy certificates	3	4	7
Other revenue	5	1	2
Total revenue	290	249	439
Management costs and administrative expenses	-210	-197	-381
Operating expenses	-14	-16	-30
Depreciation and impairment losses properties	-14	-13	-27
Expenses, sales of renewable energy certificates	-3	-3	-4
Change in value, synthetic options scheme	-	-90	-89
Other expenses	-5	-1	-2
Total expenses	-246	-320	-533
Operating income	43	-71	-94
Profit/loss from participations in Group companies	214	23	970
Interest income and similar profit/loss items	280	314	538
Interest expenses and similar profit/loss items	-206	-180	-262
Changes in value, derivative instruments	1,647	267	478
Net financial items	1,936	425	1,724
Profit/loss after financial items	1,979	353	1,630
Appropriations	-	-	-19
Tax on net profit/loss	-406	-92	-100
Profit/loss after tax	1,573	261	1,511
OTHER COMPREHENSIVE INCOME			
Changes in value, currency derivatives	0	1	3
Tax attributable to other comprehensive income	0	0	-1
Comprehensive income	1,573	262	1,513

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK million	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Assets			
Properties	1,386	1,313	1,344
Participations in Group companies	5,861	6,237	6,026
Financial derivative instruments	1,633	81	137
Receivables from Group companies	27,126	23,993	26,474
Other assets	105	144	146
Cash and cash equivalents	955	285	228
Total assets	37,066	32,052	34,355
Equity and liabilities			
Equity	14,157	11,729	12,782
Provisions	389	31	32
Interest-bearing external liabilities	13,973	14,151	14,228
Liabilities to Group companies	8,362	5,680	7,004
Financial derivative instruments	20	327	170
Other liabilities	166	133	139
Total equity and liabilities	37,066	32,052	34,355

- » Furthermore, the AGM resolved to amend the Articles of Association, among other things, with regard to share capital and the number of shares, modernization of the pre-emption clause and introduction of an arbitration clause and also for the purpose of enabling the company to conduct general meetings through postal voting and/or through collection of proxies and for the Board to approve attendance at the general meeting for persons who are not shareholders.
- » The AGM authorized the Board, on one or more occasions until the next AGM, to take decisions regarding the purchase of as many of its own B shares on Nasdaq Stockholm or another regulated market, such that the company's holding at any one time does not exceed 10 percent of all shares in the company. Such acquisitions shall take place at the best available price for the company. The restrictions on the highest and lowest price arising under applicable stock exchange rules must be observed.
- » The AGM also authorized the Board until the next AGM, to take decisions on assignment of the company's own shares on Nasdaq Stockholm or another regulated market. The Board may also – with or without preferential rights for shareholders – take decisions regarding the assignment of the company's own shares by other means than through Nasdaq Stockholm or another regulated market. Assignment may take place against cash payment, for valuable consideration in other assets than cash or by offsetting debt through the company's assignment of shares in exchange for a claim against the company. The Board's decision regarding assignment must be executed within the time period determined by the Board. Assignments shall take place at the best available price for the company and may not exceed the number of shares held by the company at the time of assignment. The restrictions on the highest and lowest price arising under applicable stock exchange rules must be observed.

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 June 30, 2022, the estimated market value of the properties amounted to around SEK 65 billion. A change in value of plus/minus 10 percent is thus equivalent to about plus/minus SEK 6.5 billion. A general change of plus/minus 0.25 percentage points in property yield requirements is equivalent to about SEK -4.2 billion or SEK +4.9 billion, while a general change in revenue of 5 percent is equivalent to about plus/minus SEK 3.5 billion.

A change in the interest rate of plus/minus 50 points is equivalent to about plus/minus SEK 59 million.

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 1.3 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 1.9 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
Realized change in value, financial instruments	-	-19	-	-	19	-	-	4
Unrealized change in value, financial instruments	749	111	105	14	253	77	12	-73
Change in value, financial instruments	749	92	105	14	272	77	12	-69
Realized change in value, synthetic options	-	-	-	-103	-	-	-	-
Unrealized change in value, synthetic options	-	0	-	-2	15	7	-51	7
Change in value, synthetic options	-	0	-	-105	15	7	-51	7
Bridge effect interest coverage ratio in connection with changes in the income statement, times	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
Interest coverage ratio before changes in income statement	5.7	5.7	5.8	5.5	5.7	5.8	5.7	5.9
Interest coverage ratio after changes in income statement	6.1	6.1	6.1	5.8	5.7	5.8	5.7	5.7

Key ratios – multi-year summary

	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
Accumulated during period									
PROPERTY-RELATED KEY RATIOS									
Net operating income, properties, SEK million	942	459	1,763	1,322	860	414	1,613	1,205	781
Surplus ratio, property management, %	76.2	74.5	75.9	76.8	75.7	73.8	75.7	76.4	75.1
Income from property management, SEK million	650	322	1,280	968	609	291	1,131	860	549
Changes in value, new construction, SEK million	374	187	1,502	599	389	145	853	616	429
Value of investment properties, SEK million	64,913	63,864	63,949	60,949	60,441	59,262	57,933	56,226	55,127
Area, sq m (thousand)	1,342	1,314	1,330	1,306	1,307	1,312	1,235	1,231	1,230
Occupancy rate – lettable area, %	97	97	98	97	98	97	98	97	98
Development properties, net, SEK million	169	147	123	88	155	128	126	291	281
FINANCIAL KEY RATIOS									
Profit after tax, SEK million	2,150	1,207	4,717	2,650	1,822	723	1,908	974	631
Return on equity, %	16.5	17.8	16.9	13.4	12.0	9.3	7.8	11.2	12.0
Return on total capital, %	9.6	9.3	8.9	6.8	6.1	5.4	4.6	6.6	7.0
Interest coverage ratio, times	6.1	6.1	6.1	6.1	5.8	5.7	5.8	5.7	5.9
Loan-to-value ratio, %	43	43	43	44	45	46	46	46	46
Average interest rate on closing day, %	1.43	1.34	1.17	1.22	1.20	1.21	1.21	1.27	1.40
Average fixed-interest term, months	47	50	40	41	40	40	41	38	39
Equity/assets ratio, %	47	47	46	46	45	43	42	42	42
Equity, SEK million	32,720	31,975	30,767	28,899	28,069	26,281	25,558	24,766	24,423
Net asset value, SEK million	39,697	38,864	37,795	35,388	34,497	32,577	31,746	30,715	30,295
Market capitalization, SEK million	29,535	45,177	55,440	42,834	44,682	39,369	43,098	45,144	35,607
PER SHARE DATA									
Profit after tax, SEK	3.3	1.8	7.2	4.1	2.8	1.1	3.0	1.5	1.0
P/E ratio, times	5.9	8.7	11.7	11.8	14.2	16.6	22.1	16.5	12.5
Cash flow from operating activities, SEK	1.2	0.6	1.5	1.1	0.6	0.4	1.9	1.6	1.1
Equity, SEK	50	48	47	44	43	41	40	38	38
Net asset value per share, SEK	60.10	58.90	57.30	53.60	52.30	50.40	49.10	47.60	46.90
Share price, SEK	44.75	68.45	84.00	64.90	67.70	59.65	65.30	68.40	53.95
Shares outstanding, average, thousands	660,000	660,000	655,334	653,778	650,666	646,000	646,000	646,000	646,000
Shares outstanding at end of period, thousands	660,000	660,000	660,000	660,000	660,000	646,000	646,000	646,000	646,000

Quarterly overview

	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	Oct-Dec 2020	Jul-Sep 2020	Apr-Jun 2020
Rental income, SEK million	620	616	603	585	574	561	555	536	518
Net operating income, properties, SEK million	483	459	441	462	445	414	408	424	395
Surplus ratio, property management, %	77.9	74.5	73.1	79.0	77.5	73.8	73.5	79.1	76.3
Income from property management, SEK million	328	322	312	358	319	291	271	310	275
Return on equity, %	16.5	17.8	16.9	13.4	12.0	9.3	7.8	11.2	12.0
Earnings per share after tax, SEK	1.4	1.8	3.1	1.3	1.7	1.1	1.5	0.5	0.5
Cash flow per share from operating activities, SEK	0.6	0.6	0.4	0.5	0.3	0.4	0.3	0.5	0.6
Equity per share, SEK	50	48	47	44	43	51	40	38	38
Net asset value per share, SEK	60.10	58.90	57.30	53.60	52.30	50.40	49.10	47.60	46.90
Share price, SEK	44.75	68.45	84.00	64.90	67.70	59.65	65.30	68.40	53.95

Earnings-based key ratios are calculated on the average number of outstanding shares; yield figures are calculated on rolling twelve-month profit or loss. Key ratios per share have been restated after the 2-for-1 split, which was executed in May 2022.

Report signatures

The Board and CEO certify that the interim report provides a fair view of the Parent Company's and Group's operations, financial position and results and describes the significant risks and uncertainties to which the Parent Company and Group Companies are exposed.

Gothenburg, July 14, 2022

Lars-Åke Bokenberger
Chairman of the Board

Karin Mattsson
Vice Chairman of the Board

Anders Berntsson
Board member

Agneta Wallenstam
Board member

Mikael Söderlund
Board member

Hans Wallenstam
CEO

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 property

A development property refers to a property that is held for refinement with the intention of being divested, either in its entirety or per share, upon 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.

**	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
Bridge alternative performance measures									
Equity, SEK million	32,720	31,975	30,767	28,899	28,069	26,281	25,557	24,766	24,423
Average equity, SEK million	30,486	29,198	27,915	26,714	25,819	25,026	24,528	23,896	23,323
Total assets, SEK million	69,397	67,616	66,698	63,504	62,927	61,666	60,581	58,977	58,336
Average total assets, SEK million	66,028	64,482	63,075	61,531	60,497	59,104	57,708	56,084	54,524

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 20 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 11,800 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 53 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 6,300, are located in the Stockholm business area. Approximately 450 of these apartments are located in Uppsala. The Stockholm business area had around 500 apartments under construction on closing day.

Gothenburg

Our property holdings in the Gothenburg business area consist of around 5,500 apartments and about 900 commercial tenants that rent office and retail premises, mainly in inner city locations. The Gothenburg business area had around 1,200 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 Q3, 2022	October 25, 2022
Record day dividend no. 2	October 31, 2022
Expected disbursement of dividend no. 2	November 3, 2022
Year-end report 2022	February 8, 2023
Interim report Q1, 2023	May 3, 2023
Annual General Meeting 2023	May 3, 2023

This is information that Wallenstam is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08:00 CEST on July 14, 2022.

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

Contact

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