

Please note: the statement at the rear of this report contains details of investment banking services recently provided by SEB which could be considered relevant to the subject matter of this report.

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Company Update

Property

Sweden

28 April 2021

Public ratings

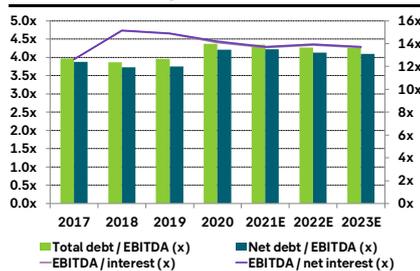
Moody's: A3/Stable

S&P: N.R.

Fitch: N.R.

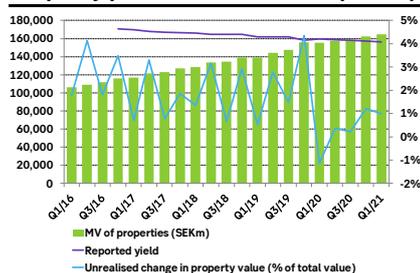
Market cap (SEKm) Not listed

Vasakronan key credit metrics



Source: SEB

Property portfolio information (SEKm)



Source: Company reports

Q1: Overall, a resilient performance

We view Vasakronan's Q1 performance as resilient given that it continues to deliver overall stable earnings. The net LTV of 41.7% and LTM ICR of 4.5x were supported by an asset revaluation of 1% and reduced financing costs due to low credit margins and good funding conditions. That said, the rental market appears cautious and net lettings remained negative in Q1, only partly balanced by good results in renegotiated leases.

Negative net lettings, partly balanced by good renegotiation levels

Vasakronan reported another quarter of softer new leasing, with net lettings amounting to negative SEK 154m, underpinning a cautious rental market. However, this is partly balanced by good renegotiation results, with a 16% average increase in renegotiated leases in Q1 (10% in Q1/20). On a l-f-l portfolio, rental income was flat, with only negligible rent relief provided in the quarter, amounting to SEK 9m. The average valuation yield declined 4bp sequentially to 4.08%. Unrealised value changes of SEK 1.6bn contributed to a 1% increase in the property value, mainly attributable to yield compression among offices. The occupancy rate remained largely stable around 91.5%, of which 1.8% is attributed to the development portfolio.

Credit metrics broadly in line and ratings leeway remains adequate

The LTM interest coverage ratio amounted to 4.5x (we expected 4.4x), including healthy headroom to both Vasakronan's financial policy (above 2.0x) and Moody's ratio requirements for the A3 rating (above 3.5x). Net financial items was 4% lower than we had forecast, due to historically low credit margins, and the average reported interest rate decreased by about 10bp sequentially to 1.5%. Net LTV was 41.7%, up somewhat sequentially and a little higher than the 41.2% that we had expected, albeit no large changes from year-end 2020.

Fairly valued bonds and a credit neutral report

We view the report as credit neutral given the decent operating performance and stable credit quality. Vasakronan's SEK maturities are indicated roughly in line with A-/A3 rated peers (Hemsö, Willhem and Rikshem), and slightly wider than Jernhusen (A/Negative), which appears fair.

Key credit metrics & ratios

	2017	2018	2019	2020	2021E	2022E	2023E
Revenues (SEKm)	6,490	6,718	7,040	7,006	7,197	7,608	7,804
EBITDA (SEKm)	4,581	4,768	4,947	4,914	5,054	5,343	5,533
EBIT (SEKm)	4,581	4,768	4,947	4,914	5,054	5,343	5,533
FFO (SEKm)	3,383	3,729	3,973	3,581	3,818	4,052	4,175
FOCF (SEKm)	398	2,541	256	-1,445	318	702	1,075
Net debt (m)	56,998	58,872	63,123	66,759	68,441	70,738	72,663
Equity	51,377	60,271	70,156	70,869	72,841	74,223	75,787
EBITDA margin	70.6	71.0	70.3	70.1	70.2	70.2	70.9
EBIT margin (%)	70.6	71.0	70.3	70.1	70.2	70.2	70.9
Adjusted EBITDA net int. cover. (x)	3.9	4.6	4.4	4.4	4.3	4.3	4.3
Adjusted net debt to EBITDA (x)	12.4	12.3	12.8	13.6	13.5	13.2	13.1
Adjusted FFO / Net debt	6%	6%	6%	5%	6%	6%	6%
Adjusted net debt to capital	53%	49%	47%	49%	48%	49%	49%

Source: SEB

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Q1 vs SEB DCM Research

Overall, Vasakronan reported an overall stable set of Q1 results. Operating performance (rental income, NOI and EBITDA) was broadly in line or somewhat better than our expectations. FFO deviated negatively due to a higher cash tax expense than we had expected but FFO/ND was in line on a 12-month basis at 5.3%. Credit metrics corresponded well with our expectations and Moody's rating requirements. The stable credit quality was maintained, with a healthy 12M ICR of 4.5x (expected 4.4x) and a net LTV of 41.7% (expected 41.2%). ND/EBITDA at 13.8x is moderately high, thus reflecting Vasakronan's high asset-quality (low yielding) and development strategy. Unrealised value changes amounted to about SEK 1.6bn (we expected SEK 0.8bn). The increase in value was largest for office properties in Stockholm and Gothenburg CBD.

SEB DCM Research deviation table

(SEKm)	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21E	Q1/21	Q1 vs SEB
Rental income	1,764	1,703	1,767	1,772	1,798	1,818	1%
NOI	1,247	1,218	1,293	1,274	1,272	1,293	2%
EBITDA	1,219	1,185	1,265	1,245	1,243	1,260	1%
FFO	740	880	977	984	942	798	-15%
FOCF	-751	-504	101	-274	-83	-333	
Interest expense	-280	-298	-285	-264	-283	-271	-4%
Net interest expense	-277	-296	-282	-263	-282	-270	-4%
Investment properties	155,454	157,455	158,641	162,420	164,257	164,819	0%
Total debt	68,852	67,753	67,292	69,317	72,000	73,167	2%
Net debt	62,560	63,342	63,196	66,759	67,644	68,752	2%
Total debt / EBITDA (x)	13.1x	12.9x	12.9x	14.0x	14.4x	14.6x	
Net debt / EBITDA (x)	11.9x	12.1x	12.1x	13.5x	13.6x	13.8x	
EBITDA / net interest (x)	4.5x	4.6x	4.6x	4.4x	4.4x	4.5x	
FFO / net debt (%)	6.2%	6.1%	6.1%	5.4%	5.5%	5.3%	
Gross LTV	44.3%	43.0%	42.4%	42.7%	43.8%	44.4%	
Net LTV	40.2%	40.2%	39.8%	41.1%	41.2%	41.7%	
Property							
Net acquisitions	0	-6	228	-174	0	183	
Investments in existing properties	-1,169	-1,417	-1,069	-1,659	-1,025	-945	
Property revaluation	-1,786	578	345	1,946	812	1,637	
Yield	4.20%	4.17%	4.16%	4.12%	4.12%	4.08%	
Operating costs							
Central administration	-28	-33	-28	-29	-29	-33	15%
Running costs	-197	-155	-158	-185	-203	-208	2%
Repairs and maintenance	-31	-29	-27	-28	-33	-26	-22%
Property administration	-84	-99	-80	-90	-88	-87	-1%
Property taxes	-165	-163	-170	-155	-162	-164	1%
Leasehold rents	-40	-39	-39	-40	-40	-40	1%
Total property costs	-517	-485	-474	-498	-526	-525	0%

Source: SEB

Financial forecast

We have made minor changes to our financial forecast following the Q1 report, including minor adjustments to assumptions by adjusting the revenue growth following smaller letting and divestment activities. Almost all forecast rental income is expected to derive from major ongoing property projects (SEK 8.8bn investment capitalised). The occupancy rate in the project portfolio is healthy at 80%, with several projects with estimated completion of end 2021-beginning of 2022. Also, we have marginally lowered our assumptions for 2021 financing costs, due to historically low credit margins, for the time being. Vasakronan benefits from good access to long-term funding from several different financing sources. All in all, we continue to calculate adequate headroom to Moody's requirements for the A3 rating in our financial base case.

Vasakronan SEB financial forecast, SEB DCM Research base case

(SEKm)	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	2018	2019	2020	2021E	2022E	2023E
Rental income	7,080	7,068	7,042	7,006	7,060	6,718	7,040	7,006	7,197	7,608	7,804
NOI	5,064	5,017	5,051	5,032	5,078	4,869	5,060	5,032	5,173	5,469	5,661
EBITDA	5,269	5,252	5,221	4,961	5,000	4,942	5,268	4,961	5,066	5,355	5,545
FFO	3,875	3,878	3,864	3,608	3,666	3,761	3,899	3,608	3,830	4,064	4,187
Y/Y growth in rental income (%)	4%	4%	1%	0%	0%	4%	5%	0%	3%	6%	3%
NOI margin (%)	72%	71%	72%	72%	72%	72%	72%	72%	72%	72%	73%
EBITDA margin (%)	74%	74%	74%	71%	71%	74%	75%	71%	70%	70%	71%
Interest expense	-1,166	-1,148	-1,134	-1,127	-1,118	-1,046	-1,135	-1,127	-1,186	-1,234	-1,299
Net interest expense	-1,160	-1,141	-1,125	-1,118	-1,111	-1,043	-1,131	-1,118	-1,180	-1,229	-1,294
Hybrid / preferred interest / dividends	0	0	0	0	0	0	0	0	0	0	0
Adjusted interest expense	-1,311	-1,296	-1,282	-1,276	-1,269	-1,189	-1,278	-1,276	-1,330	-1,388	-1,469
Investment properties	155,454	157,455	158,641	162,420	164,819	138,934	156,071	162,420	167,138	171,992	176,705
Total debt	68,852	67,753	67,292	69,317	73,167	61,087	66,638	69,317	70,500	73,000	75,500
Cash and equivalents	6,292	4,411	4,096	2,558	4,415	2,215	3,515	2,558	2,059	2,262	2,837
Net debt	62,560	63,342	63,196	66,759	68,752	58,872	63,123	66,759	68,441	70,738	72,663
Hybrid / preferred debt / capital	0	0	0	0	0	0	0	0	0	0	0
Adjusted debt	67,818	68,513	68,362	71,923	73,915	58,872	68,367	71,923	73,605	75,902	77,827
Secured debt	11,601	11,973	10,971	10,971	9,969	12,907	11,603	10,971	11,000	11,000	11,000
Equity	70,007	70,518	71,610	70,869	73,186	60,271	70,156	70,869	72,841	74,223	75,787
Adjusted equity	70,007	70,518	71,610	70,869	73,186	60,271	70,156	70,869	72,841	74,223	75,787
Net debt+equity	132,567	133,860	134,806	137,628	141,938	119,143	133,279	137,628	141,282	144,962	148,450
Credit metrics											
Total debt / EBITDA (x)	13.1x	12.9x	12.9x	14.0x	14.6x	12.4x	12.6x	14.0x	13.9x	13.6x	13.6x
Net debt / EBITDA (x)	11.9x	12.1x	12.1x	13.5x	13.8x	11.9x	12.0x	13.5x	13.5x	13.2x	13.1x
Adjusted debt / EBITDA (x)	12.5x	12.7x	12.7x	14.1x	14.3x	11.6x	12.6x	14.1x	14.1x	13.8x	13.6x
EBITDA / interest (x)	4.5x	4.6x	4.6x	4.4x	4.5x	4.7x	4.6x	4.4x	4.3x	4.3x	4.3x
EBITDA / net interest (x)	4.5x	4.6x	4.6x	4.4x	4.5x	4.7x	4.7x	4.4x	4.3x	4.4x	4.3x
EBITDA / adjusted interest (x)	4.1x	4.2x	4.2x	4.0x	4.1x	4.3x	4.2x	4.0x	3.9x	4.0x	3.9x
Fixed charge coverage (x)	0.3x	0.4x	0.4x	0.3x	0.3x	0.3x	0.4x	0.3x	4.3x	4.4x	4.3x
FFO / total debt (%)	5.6%	5.7%	5.7%	5.2%	5.0%	6.2%	5.9%	5.2%	5.4%	5.6%	5.5%
FFO / net debt (%)	6.2%	6.1%	6.1%	5.4%	5.3%	6.4%	6.2%	5.4%	5.6%	5.7%	5.8%
FFO / adjusted debt (%)	5.9%	5.9%	5.9%	5.2%	5.2%	6.6%	5.9%	5.2%	5.4%	5.6%	5.6%
Gross LTV	44.3%	43.0%	42.4%	42.7%	44.4%	44.0%	42.7%	42.7%	42.2%	42.4%	42.7%
Net LTV	40.2%	40.2%	39.8%	41.1%	41.7%	42.4%	40.4%	41.1%	40.9%	41.1%	41.1%
Adjusted LTV	42.2%	42.1%	41.7%	42.9%	43.5%	42.4%	42.4%	42.9%	42.7%	42.8%	42.8%
Net debt / debt+equity	47.2%	47.3%	46.9%	48.5%	48.4%	49.4%	47.4%	48.5%	48.4%	48.8%	48.9%
Adjusted debt / debt + equity	51.2%	51.2%	50.7%	52.3%	52.1%	49.4%	51.3%	52.3%	52.1%	52.4%	52.4%
Secured LTV	7.5%	7.6%	6.9%	6.8%	6.0%	9.3%	7.4%	6.8%	6.6%	6.4%	6.2%
Equity ratio	40.2%	40.7%	41.2%	40.2%	40.4%	41.5%	41.2%	40.2%	40.4%	40.0%	39.7%

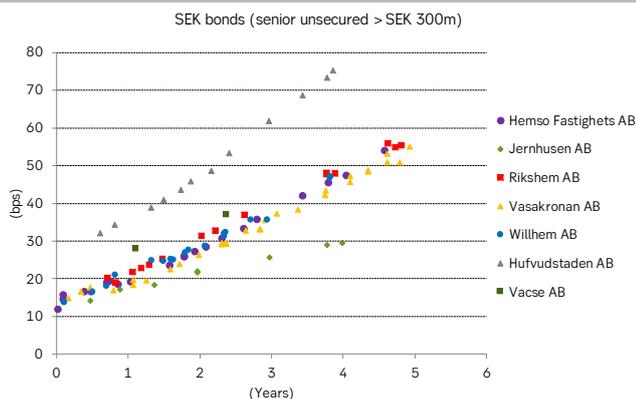
Source: SEB

Relative value and SEB view

Fairly valued bonds

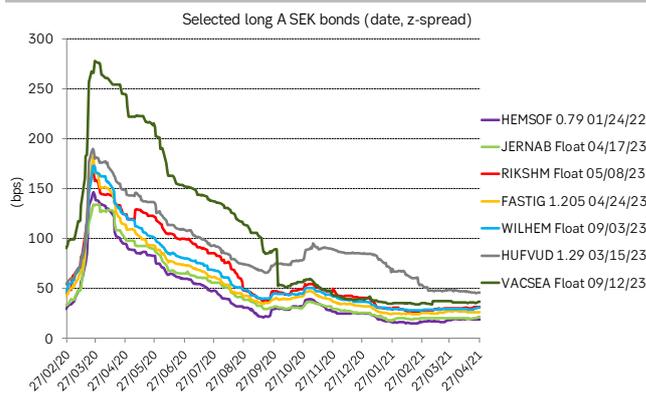
Vasakronan's SEK bonds, unsurprisingly, are trading in line with government and part-government owned peers such as Hemsö, Willhem, Rikshem (all rated A- / A3 with stable outlook), and somewhat wider than Jernhusen (A / Negative). Overall, we see Vasakronan's bonds as fairly valued in line with its peer group and companies with a similar credit quality.

Relative value comparison, selected A SEK bonds



Source: SEB, Bloomberg

Historical spread evolution, selected long A SEK bonds

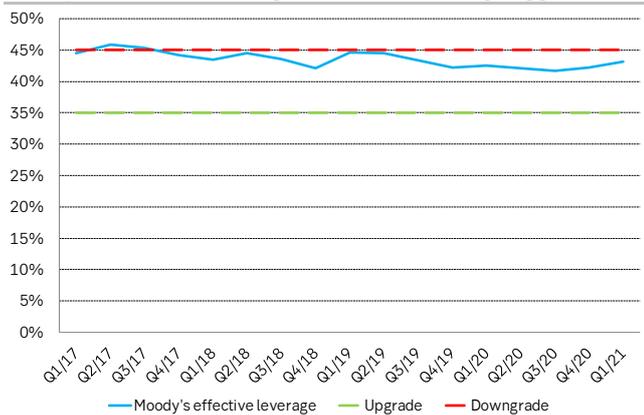


Source: SEB, Bloomberg

Adequate headroom to Moody's A3 ratio requirements

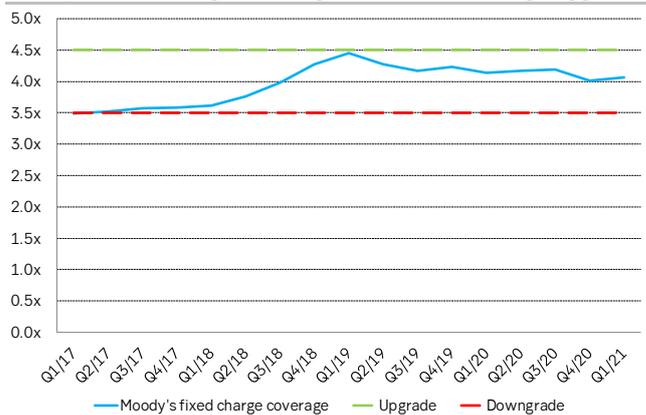
We calculate decent headroom to the current A3 rating. Vasakronan is required to maintain adjusted leverage of 35-45% (43.2% at end-Q1 2021) and fixed-charge coverage above 3.5x (4.1x at end-Q1 2021). In our updated financial base case for 2021-2023, we expect the ratio headroom to remain adequate, translating into no rating pressure.

Moody's effective leverage and current rating triggers



Source: SEB, Moody's

Moody's fixed charge coverage and current rating triggers



Source: SEB, Moody's

Change of ownership or changes in regulations could lead to rating changes

Any weakening in financial support from the AP funds (change of ownership or changes in regulations), or conversely, an explicit guarantee of debt from the owners, are factors that could lead to a downgrade, respectively upgrade. That said, according to our understanding, there are no plans among the AP funds to reduce their interest in Vasakronan, which they effectively consider to be of a strategic nature given the size of investments.

Long-term credit profile

The credit profile and the A3/Stable Moody's rating are underpinned by Vasakronan's very large portfolio and dominant position in central office locations in major Swedish cities. The rating is also supported by the indirect government ownership, good liquidity position and high interest coverage. Conversely, Vasakronan is geographically concentrated in Sweden and it engages in development activities, some speculative.

SEK 165bn portfolio

Largest real estate company in Sweden

With a property portfolio valued at about SEK 165bn, Vasakronan is Sweden's largest real estate company. The portfolio consists of about 17 properties located in central locations in Stockholm, Gothenburg, Uppsala and Malmö/Lund. Vasakronan, in its current form, was established in 2008. The company operates in Sweden's most attractive office markets, focusing on high-quality and sustainable office buildings in prime locations. About 23% of the annual rental income derives from public sector tenants, which we consider to be a meaningful share. Vasakronan is owned by the Swedish pension funds (AP1-4) and, consequently, indirectly owned by the Swedish government. Moody's applies a one notch-uplift reflecting the likelihood of extraordinary government support.

Pioneer within the sustainability area

Vasakronan is a pioneer within the sustainability area, after having issued the world's first green corporate bond in 2013 and first green commercial paper in 2018, where the funds raised are earmarked for green assets. As of end-Q1 2021, green funding consisting of green bonds, green CPs and green loans amounted to 65% of the total loan portfolio. At the same date, 90% of Vasakronan's total lettable area was environmentally certified, of which 76% was rated LEED Gold or higher. Furthermore, Vasakronan's diversified funding sources, broad investor base and green investments secure access to financing.

A3 rating supported by ownership structure

A3/Stable by Moody's since May 2018

Vasakronan has been rated A3 by Moody's since May 2018. The rating is underpinned by Vasakronan's large property portfolio with a dominant market position in the prime office segment, high quality assets, and a high share of public tenants. The rating agency also considers additional strengths, for example, the strong liquidity position and good interest coverage. Secured LTV is low at about 6%. This is sufficiently low not to warrant any notching from the issuer rating under rating agency methodology. The A3 rating includes a one-notch uplift relating to the likelihood of extraordinary government support.

Conversely, Moody's believes that Vasakronan is exposed to potential regulatory changes which could limit the AP funds' exposure to real estate. It also highlights a geographic concentration to Sweden and a moderate development pipeline as factors which counterbalance credit strengths.

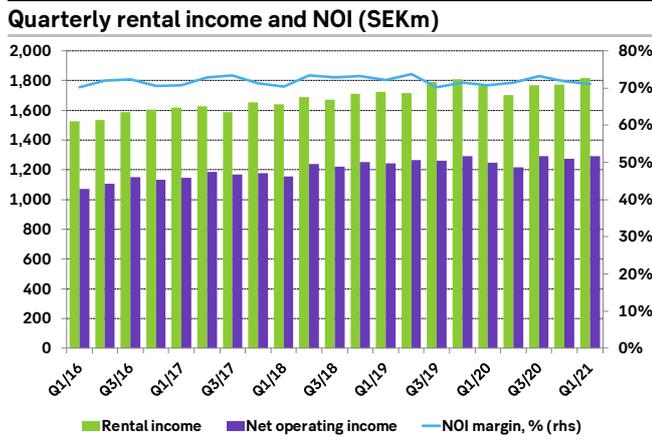
Rating affirmed with stable outlook in May 2020

Stable outlook and adequate ratings leeway

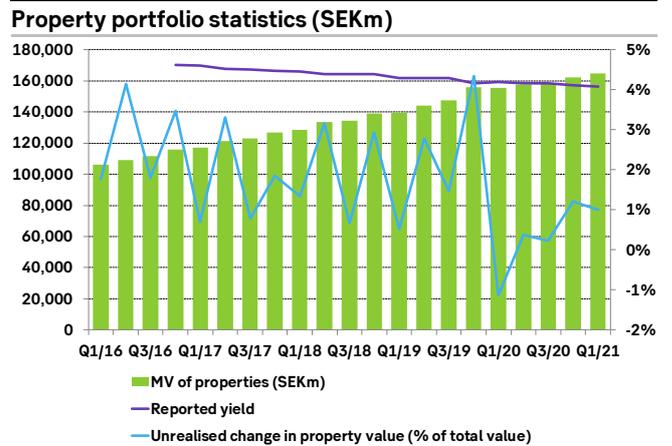
Vasakronan's A3/Stable rating was affirmed by Moody's in May 2020. The stable outlook reflects Moody's expectations of no significant impact on values or metrics due to COVID-19. Moody's expects an adjusted debt-to-asset ratio of around 45% over the near term.

We estimate the corresponding ratio at about 43% at Q1 2021, and we also expect it to remain below 45% in our financial base case. 12M interest rate coverage is also adequate in relation to the ratings requirement, with about 4.1x posted for Q1 2021, against a minimum of 3.5x required by Moody's in order to avoid ratings pressure.

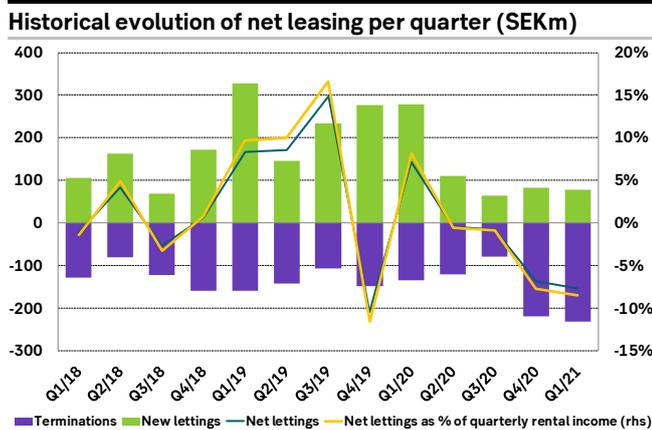
Company overview



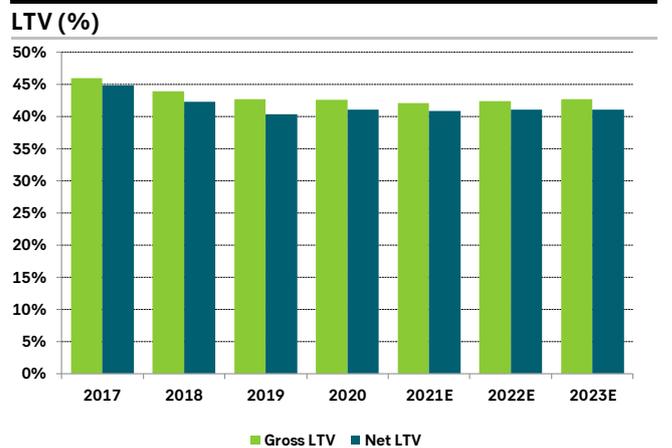
Source: Company reports



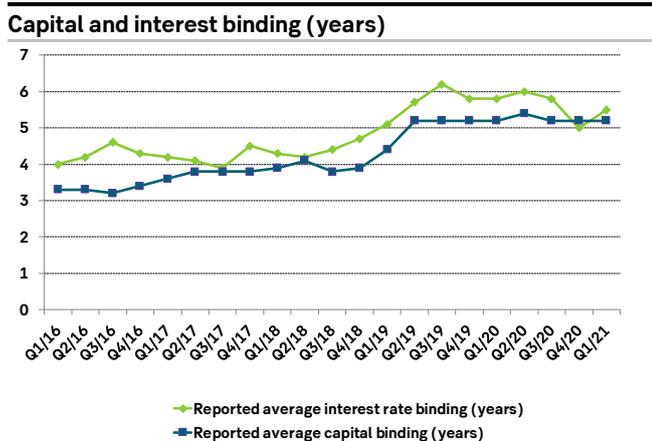
Source: Company reports



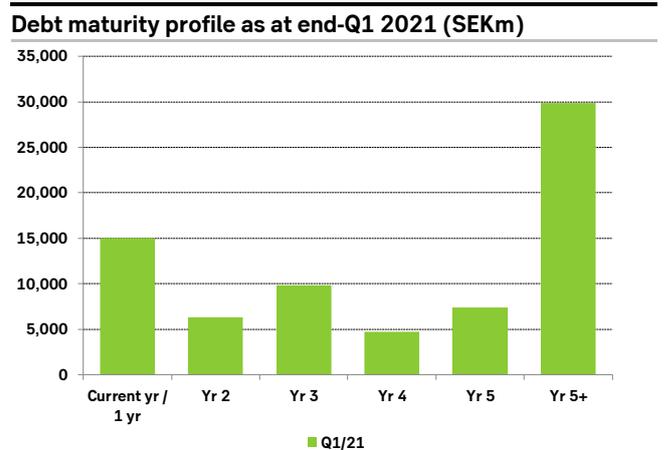
Source: Company reports



Source: SEB



Source: Company reports



Source: Company reports

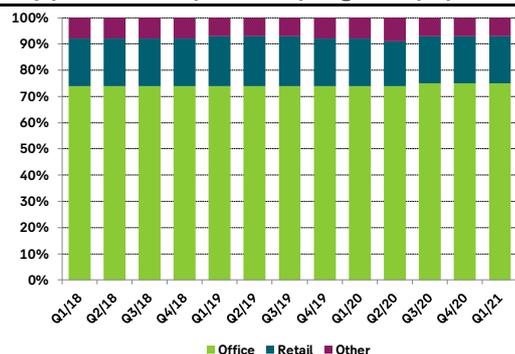
Credit strengths

- Large portfolio and high-quality property portfolio
- Indirectly owned by the Swedish government through AP1-4
- Strong liquidity, including commitment from owners
- Meaningful share of public sector tenants (about 23%)
- Strong interest coverage and LTV

Credit concerns

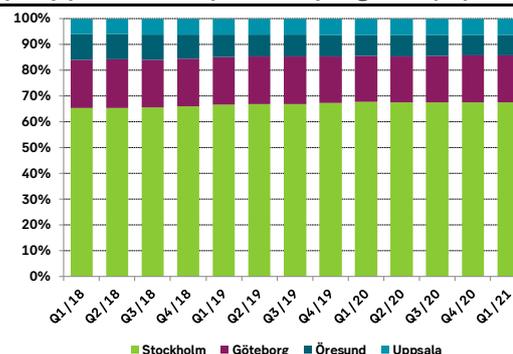
- Geographically concentrated to Sweden
- Exposed to commercial property segments where rent levels can be volatile
- Modest retail exposure, albeit attractive locations
- Engages in development activities with varying degree of speculation

Property portfolio composition by segment (%)



Source: SEB

Property portfolio composition by segment (%)



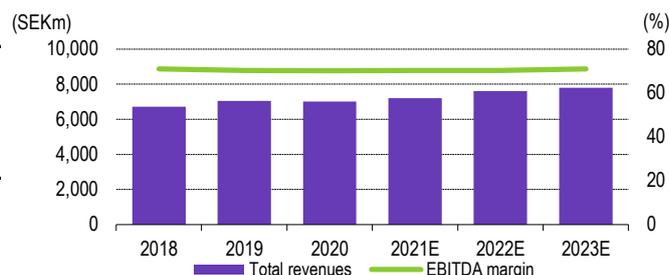
Source: SEB

Financial statement summary - Adjusted numbers (SEKm)

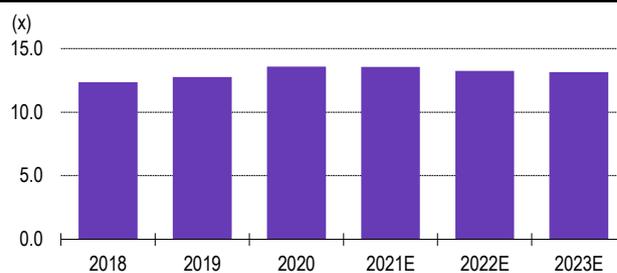
Income statement	2019	2020	2021E	2022E
Revenues	7,040	7,006	7,197	7,608
EBITDA	4,947	4,914	5,054	5,343
Net income (reported)	13,909	3,715	3,972	4,382
Cash flow statement	2019	2020	2021E	2022E
Funds from operations (FFO)	3,973	3,581	3,818	4,052
Operating Cash Flow	4,138	3,852	3,818	4,052
Free Operating cash flow	256.0	-1,445	318.3	702.3
Pre-financing cash flow	-3,744	-4,445	-1,682	-2,298
Balance sheet	2019	2020	2021E	2022E
Cash (and equivalents)	3,515	2,558	2,059	2,262
Total debt	66,638	69,317	70,500	73,000
Net debt	63,123	66,759	68,441	70,738
Equity	70,156	70,869	72,841	74,223
Total assets (reported)	170,179	176,226	180,445	185,502
Key credit metrics & ratios	2019	2020	2021E	2022E
Net debt to EBITDA (x)	12.8	13.6	13.5	13.2
Net debt to capital	47%	49%	48%	49%
FFO / Net debt	6%	5%	6%	6%
Equity ratio	41%	40%	40%	40%

Source: SEB and Vasakronan financial reports

Revenues and EBITDA margin



Adjusted net debt / EBITDA



Source: SEB and Vasakronan financial reports

Profit & loss statement

(SEKm)	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenues	6,251	6,490	6,718	7,040	7,006	7,197	7,608	7,804
Total expenses	-1,879	-1,909	-1,950	-2,093	-2,092	-2,143	-2,265	-2,271
EBITDA	4,372	4,581	4,768	4,947	4,914	5,054	5,343	5,533
Depreciation	0	0	0	0	0	0	0	0
Intangibles amortisation	0	0	0	0	0	0	0	0
EBIT	4,372	4,581	4,768	4,947	4,914	5,054	5,343	5,533
Associated companies	-3	-3	159	1,105	-219	0	0	0
Net interest expenses	-1,152	-1,165	-1,043	-1,131	-1,118	-1,180	-1,229	-1,293
Value changes	11,274	8,415	10,602	12,308	1,244	1,218	1,504	1,612
Other financial items	0	0	0	0	0	0	0	0
Reported pre-tax profit	14,491	11,828	14,486	17,229	4,821	5,092	5,619	5,852
Minority interests	0	0	0	0	0	0	0	0
Total taxes	-3,019	-2,559	-1,584	-3,320	-1,106	-1,120	-1,236	-1,287
Net profit	11,472	9,269	12,902	13,909	3,715	3,972	4,382	4,565
EBITDA margin	69.9	70.6	71.0	70.3	70.1	70.2	70.2	70.9
EBIT margin (%)	69.9	70.6	71.0	70.3	70.1	70.2	70.2	70.9
Tax rate (%)	20.8	21.6	10.9	19.3	22.9	22.0	22.0	22.0
Growth rates y-o-y (%)								
Total revenues	0.0	3.8	3.5	4.8	(0.5)	2.7	5.7	2.6
EBITDA	n.a.	4.8	4.1	3.8	(0.7)	2.9	5.7	3.6
EBIT	0.0	4.8	4.1	3.8	(0.7)	2.9	5.7	3.6
Pre-tax profit	0.0	(18.4)	22.5	18.9	(72.0)	5.6	10.3	4.2

Cash flow

(SEKm)	2016	2017	2018	2019	2020	2021E	2022E	2023E
FFO	3,137	3,383	3,729	3,973	3,581	3,818	4,052	4,175
Changes in working capital	302	0	271	165	271	0	0	0
Operating cash flow	3,439	3,383	4,000	4,138	3,852	3,818	4,052	4,175
Net capital expenditures	23	-2,985	-1,459	-3,882	-5,297	-3,500	-3,350	-3,100
Free operating cash flow	3,462	398	2,541	256	-1,445	318	702	1,075
Dividend paid	-7,382	-4,000	-4,000	-4,000	-3,000	-2,000	-3,000	-4,000
Acquisitions, divestments net	0	0	0	0	0	0	0	0
Pre-financing cash flow	-3,920	-3,602	-1,459	-3,744	-4,445	-1,682	-2,298	-2,925
Net loan proceeds	4,285	3,237	2,735	5,379	3,764	1,183	2,500	2,500
Share issue	0	0	0	0	0	0	0	0
Other	-519	-359	-484	-335	-277	0	0	0
Net change in cash	-154	-724	792	1,300	-958	-499	202	-425
Capex/sales (%)	-0.4	46.0	21.7	55.1	75.6	48.6	44.0	39.7

Balance sheet

(SEKm)	2016	2017	2018	2019	2020	2021E	2022E	2023E
Cash and liquid assets	2,147	1,423	2,215	3,515	2,558	2,059	2,262	2,837
Other current assets	909	871	905	1,176	1,234	1,234	1,234	1,234
Long-term financial assets	907	969	1,058	2,150	2,807	2,807	2,807	2,807
Fixed tangible assets	115,922	126,875	138,934	161,314	167,583	172,301	177,155	181,868
Intangibles	2,171	2,145	2,089	2,024	2,044	2,044	2,044	2,044
Total assets	122,056	132,283	145,201	170,179	176,226	180,445	185,502	190,790
Interest bearing debt	55,240	58,421	61,087	66,638	69,317	70,500	73,000	75,500
Other liabilities	20,699	22,485	23,843	33,385	36,040	37,104	38,279	39,502
Minority interests	0	0	0	0	0	0	0	0
Shareholders' equity	46,117	51,377	60,271	70,156	70,869	72,841	74,223	75,787
Total liabilities and equity	122,056	132,283	145,201	170,179	176,226	180,445	185,502	190,790
Net debt (m)	53,093	56,998	58,872	63,123	66,759	68,441	70,738	72,663
Net debt/equity (%)	115.1	110.9	97.7	90.0	94.2	94.0	95.3	95.9
Equity/total assets (%)	37.8	38.8	41.5	41.2	40.2	40.4	40.0	39.7
Net debt/EBITDA (x)	12.1	12.4	12.3	12.8	13.6	13.5	13.2	13.1
EBITDA Interest cover	3.8	3.9	4.6	4.4	4.4	4.3	4.3	4.3

Main shareholders

Name	(%)	Votes	Capital	Management		Company information	
Name				Title	Name	Contact	
Swedish National Pension Funds		100.0	100.0	COB	Ulrika Francke	Internet	www.vasakronan.se
				CEO	Johanna Skogestig	Phone number	+46 8 783 2100
				CFO	Christer Nerlich		

Company description: Vasakronan is Sweden's largest real estate company by far. It was created in 2008 through AP Fastigheter's acquisition of the "old" Vasakronan from the Swedish government. Vasakronan's strategy is to be a long-term owner of commercial real estate properties in regions enjoying high economic growth, mainly Stockholm, Gothenburg, Öresund and Uppsala. Commercial properties comprise 98% of the total portfolio with the remainder consisting of residential real estate and other.

Please note: The data in several tables and charts in this document have been adjusted in line with common practice in the field of DCM research. This mainly refers to adjustments of operating leases, pensions, derivatives and other contingent liabilities. For a detailed breakdown of the adjustments, please contact the author of this report.

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