

# Interim Report

## January–September 2024

# Q3

### Highlights during the quarter

- > Leases corresponding to 88,700 square metres and annual rent of SEK 462 million were renegotiated or extended.
- > Continued stable trend for properties' market values resulted in a 0.5% value increase for the quarter.
- > New lettings corresponding to 28,500 square metres and annual rent of SEK 135 million were contracted.
- > Occupancy rate declined 0.7 percentage points in the quarter. The decrease was largely attributable to the Royal Swedish Opera and Dramaten moving from their premises in Nacka ahead of the upcoming housing project.

### January–September 2024

Rental revenue

+3%

Loan-to-value ratio

40%

Change in value

+0.4%

Interest coverage ratio, LTM

3.6x

Vasakronan

### January–September 2024 in summary

- > Rental revenue increased 3% to a total of SEK 7,048 million (6,826). The increase was primarily due to indexation. In comparable property holdings, the increase in rental revenue was 2%.
- > New lettings corresponding to 93,000 square metres (85,000) and annual rent of SEK 505 million (438) were contracted. Net lettings amounted to a negative SEK 220 million (negative: 79).
- > The occupancy rate was 89.3% at the end of the period, compared with 90.9% at the end of 2023.
- > Operating surplus increased 3% to SEK 5,271 million (5,110). For comparable property holdings, the increase was 2%.
- > Net interest amounted to an expense of SEK 1,422 million (expense: 1,294). The increase was due to higher short market interest rates during the period.
- > The LTM interest coverage ratio amounted to a multiple of 3.6 (3.8).
- > Income from property management amounted to SEK 3,607 million (3,608), primarily as a result of higher net interest income of SEK 128 million.
- > The change in value amounted to an increase of SEK 585 million (decrease: 9,160) for the period, corresponding to an increase in value of 0.4% since the start of the year.

Amounts in SEK million	Jan–Sep 2024	Jan–Sep 2023	Jul–Sep 2024	Jul–Sep 2023	Oct 2023–Sep 2024	Jan–Dec 2023
Rental revenue	7,048	6,826	2,344	2,322	9,379	9,157
Operating surplus	5,271	5,110	1,778	1,799	7,023	6,862
Net interest expense	-1,422	-1,294	-468	-453	-1,858	-1,730
Income from property management	3,607	3,608	1,231	1,278	4,850	4,852
Change in value of investment properties	585	-9,160	788	-1,481	-6,805	-16,550
Profit/loss for the period	2,647	-5,209	1,219	-647	-3,002	-10,858
Cash flow from operating activities	3,458	3,177	1,089	1,338	4,815	4,534
Cash flow after investing activities	868	1,228	620	693	1,326	1,686
Market value of properties	177,625	181,088	177,625	181,088	177,625	174,569
Surplus ratio, %	75	75	76	77	75	75
Closing average interest rate, %	2.7	2.7	2.7	2.7	2.7	2.7
Net lettings	-220	-79	-128	17	-205	-65
Occupancy rate, %	89.3	91.1	89.3	91.1	89.3	90.9
Interest coverage ratio, multiple	3.5	3.8	3.6	3.8	3.6	3.8
Loan-to-value (LTV) ratio, %	40	41	40	41	40	42
Environmental certification of investment portfolio, share of market value, %	93	94	93	94	93	93
Specific energy consumption, kWh/sq. m., rolling 12 months	72	73	72	73	72	73

# Statement by the CEO

While economic growth and employment within the service sector remains challenging, interest rates are starting to improve and the capital market is back to strength, which is positive for the property market as a whole. However, it is clear that the prevailing concern and weak economy are creating increased uncertainty and caution among our customers. This is reflected in our business, where competition for customers has increased and processes are longer, resulting in climbing vacancy rates.

## Challenging lettings market

The year was characterised by high activity with many customer dialogues – companies who are looking for new premises have a lot to choose from. Many of them are inclined to optimise floorspace in favour of higher quality and efficiency as well as better locations. This is clear in the demand from customers and helps us maintain a high rate of new lettings, which amounted to SEK half a billion for the period.

At the same time, we are affected by the weak economy and competition for customers is intense. The volume of terminated leases is therefore unusually high, which is also reflected in our net lettings, and resulted from a few major terminations. Additionally, some of our tenants reduced their floorspace during renegotiations. This includes King on Malmskillnads-gatan in Stockholm, Wise Group at Garnisonen in Stockholm and Sweco in Gothenburg. That said, the majority of our customers nevertheless choose to remain Vasakronan tenants and our repurchase rate amounted to 72%. The volume of renegotiations was once again at a record high level, corresponding to SEK 1.4 billion to date this year.

Market conditions combined with previously announced tenant departures, primarily in Stockholm, kept the occupancy rate down during the period. The Royal Swedish Opera and Dramaten, for example, are vacating their premises of over 31,000 square metres at Kvarnholmen in Nacka. We are now continuing work on a detailed development plan of the area, whose proximity to the ocean makes it an ideal location for housing.

## Development in focus

Recent years' increases in rent levels have naturally led to higher expectations among customers. To address this, we are making strategically important investments, developing our properties, places and our offering. We know this is a recipe for competitive success.

A recent example of this is Grev Tureplan in Östermalm in Stockholm. After a comprehensive renovation, the property is fully let to Eidra, who moved in as of August and intend to make the property a hub for its customers and 1,200 employees. At street level, the traditional pub The Bull and Bear Inn recently reopened at new premises and the restaurant TAKO opened. Together with the City of Stockholm and Eva Bonniers donationsnämnd, we have renovated, restored and inaugurated the beautiful fountain designed by Carl Eldh. This part of the project is an important part of the cityscape and gives character to a previously anonymous place.

In Uppsala we also inaugurated the fully let Lumi, an ambitious reuse project. The second phase of the Södra City development area is now complete and we are welcoming tenants like Försäkringskassan (the Swedish Social Insurance Agency) and Gyros Protein Technologies to the area. In Gothenburg, NTI Gymnasiet moved in with 400 students to a remodelled



“The year was characterised by high activity with many customer dialogues.”



*In Östermalm, Stockholm, the fully let Grev Tureplan property was inaugurated on 5 September.*

property in central Gothenburg, just in time for the autumn start of the academic year.

In Fredstan in the same city, Arkivet opened a store and the façade on Arkaden was upgraded to meet exposure needs for our tenant Sephora. Continuously making these kinds of investments helps draw people in and increases activity in our areas. This is reflected in the interest in our street-level premises, where the occupancy rate is a comfortable 95%.

### **Stronger key metrics**

Capital markets continue to strengthen. The Riksbank (Sweden's central bank) cut interest rates during the year, and more cuts are likely to follow. In combination with increased access to capital, this has led many to believe that property values have bottomed out, which is also reflected in the interest and activity in the transaction market.

*In Södra City, Uppsala, the refurbishment of the Lumi property, with reused building materials, has been completed. The property is fully let.*

Transaction numbers are rising in central Stockholm. This provides our external valuers with better data than before when it comes to assessing the value of our properties and confirms the underlying value of our portfolio. The property value now amounts to close to SEK 178 billion, which is a slight positive change of 0.4 percentage points since the beginning of the year.

Lower interest rates have already had a positive effect on our income from property management and we had a stronger interest coverage ratio and lower average interest rate than in the previous quarter. The decline both in interest rates and in credit margins means that we have lowered our costs for new credits compared with one year ago. That we can now raise new lending at the same level or lower than our average interest rate gives us good opportunities for further improving our key metrics going forward.

### **Positioned correctly for the future**

The office market is dependent on the economy and many companies see a need to change their premises. This is a trend we have noted in our operations and one we are well prepared for. Vasakronan takes a long-term perspective, with high-quality properties in sought-after locations. We have several fully let projects that are nearing completion and a strong financial position. Moreover, over time, we have developed a broad offering that meets customers' increasing needs for flexibility and service.

Each day when I walk into the office, the intensity of customer dialogues and activity is highly evident. Vasakronan has fantastic, highly committed employees with substantial know-how. That makes me extremely proud.

We have a strong offering and an organisation with the power to follow through. With the above in place, I am convinced that Vasakronan is very well positioned for the future.

Stockholm, 5 November 2024

**Johanna Skogestig,**  
Chief Executive Officer

# Earnings and financial position

Unless otherwise stated, earnings and cash flow items encompass the January–September 2024 period and are compared with the year-earlier period. Likewise, balances pertain to the position at the end of September 2024 and are compared with the position at the end of 2023. Performance measures and their calculations are presented on pages 18–19.

## Rental revenue

Rental revenue for the period increased 3% to SEK 7,048 million (6,826). The increase was primarily due to indexation. Revenue from new construction and redevelopment projects as well as the first quarter acquisition of Sthlm HUB also had positive impacts. Most of Vasakronan's leases include indexation clauses that primarily follow the consumer price index. Approximately two thirds of the total lease portfolio is subject to quarterly indexation, while the remainder has annual indexation. For comparable property holdings, the increase in rental revenue was 2%.

## Property expenses

Property expenses increased 4% during the period to an expense of SEK 1,777 million (expense: 1,716). For comparable property holdings, the increase was 2%. The increase was attributable to items including increased costs for maintenance and repairs, and higher property tax costs as a result of raised tax assessment values for properties with completed new construction and redevelopment projects.

## Operating surplus and revised yield

The operating surplus for the period increased 3% to SEK 5,271 million (5,110). In comparable property holdings, the increase in operating surplus was 2%. The surplus ratio was 75%, which was unchanged year-on-year.

The reported rolling 12-month yield amounted to 3.86% (3.52) for the total property portfolio and 4.00% (3.68) for the investment portfolio.

## Central administration

Year-on-year, central administration costs decreased to SEK 85 million (cost: 86).

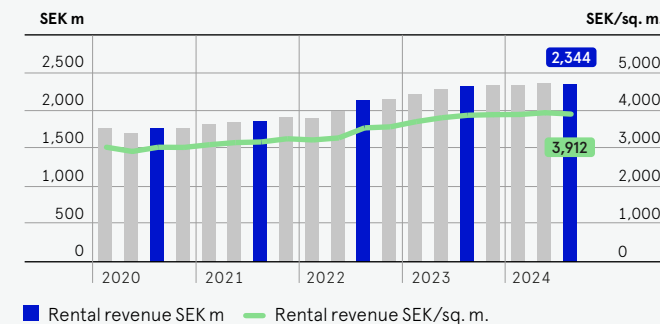
## Net interest

Net interest for the period deteriorated to an expense of SEK 1,422 million (expense: 1,294), due to higher short market interest rates. The average interest rate for loans and derivatives amounted to 2.7%, which was the same as at the end of the third quarter of 2023. The LTM interest coverage ratio decreased to a multiple of 3.6 (3.8), due to higher interest expenses.

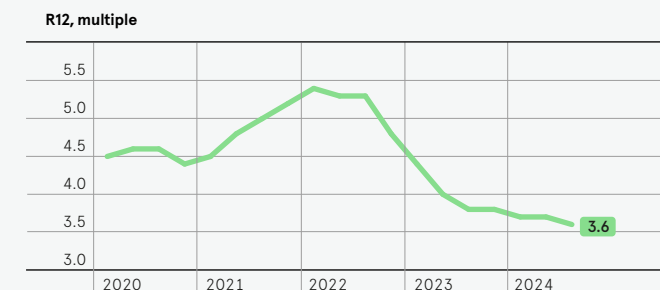
## Income from property management

Income from property management amounted to SEK 3,607 million (3,608), positively impacted by a higher operating surplus, which was offset by higher interest expenses. Interest expenses for right-of-use assets have also risen, primarily as a result of increases in assessed ground rents.

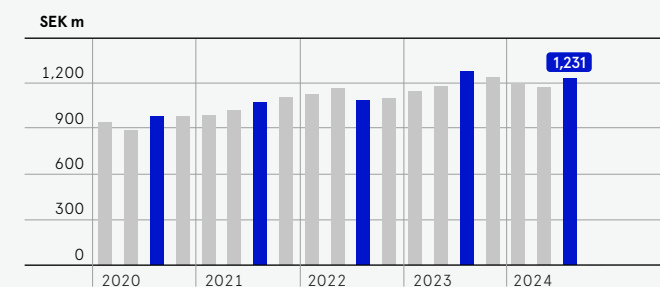
## Rental revenue



## Interest coverage ratio



## Income from property management



### Result from participations in associates and joint ventures

The result from associates and joint ventures pertains to Vasakronan's holdings in Stora Ursvik and Järvastaden that develop residential development rights. Earnings also include Vasakronan's share of equity in the associated companies Hydda Holding and Idun Real Estate Solutions, which are active within PropTech. Profit for the period from these companies amounted to a loss of SEK 40 million (loss: 108), primarily attributable to the PropTech companies.

SEK m	Jan–Sep 2024	Jan–Sep 2023
Income from property management	-3	-2
Change in value	-12	-132
Other operating profit/loss	-27	1
Tax	2	25
<b>Total result from participations in associates and joint ventures</b>	<b>-40</b>	<b>-108</b>

### Change in value of investment properties

Every year and mid year, the entire property portfolio is valued by external valuation experts. As before, these valuations provide the basis for the external reporting. External valuations are made according to RICS Red Book guidelines and MSCI Sweden Annual Property Index.

On 30 September 2024, the entire property portfolio had been valued internally. The internal valuation was conducted based on the most recent external valuation and applied the same principles as previous internal valuations. Market value is influenced by property-specific events during the period, such as new and renegotiated leases, properties being vacated and investments made. Consideration has also been taken for any assessed changes in market rents and yield requirements since the previous valuation.

For more information about valuation of Vasakronan's property, refer to Note 4.2 on pages 61–64 in Vasakronan's 2023 Annual Report.

The total change in property value for the period amounted to an increase of SEK 585 million, which included a positive effect of SEK 25 million attributable to the adjustment of a previously completed transaction. The unrealised change in value thus amounted to an increase of SEK 560 million (decrease: 9,160), which corresponded to a 0.4% increase (decrease: 4.8) in value.

Office properties in Gothenburg and central Stockholm posted positive value trends, where Stockholm's CBD performed best. The change in value for investment properties amounted to an increase of SEK 325 million (decrease: 8,702), which corresponded to a 0.2% increase (decrease: 4.8) in value. The change in value for project developments and development properties amounted to an increase of SEK 243 million (decrease: 378), up 3.0% (down: 4.4).

The average yield requirement used for valuation of the property portfolio was 4.53%, compared with 4.51% for corresponding properties at the end of 2023.

### Average yield requirement

	Yield requirement, %	Change for the period, percentage points
Stockholm	4.39	-0.01
Gothenburg	4.56	0.07
Uppsala	5.13	0.07
Malmö	5.16	0.11
<b>Total</b>	<b>4.53</b>	<b>0.02</b>

### Factors impacting value

	Value impact, %
Yield requirement	-0.4
Market rents	1.7
Long-term vacancies and other changed cost and investment assumptions	-0.9
<b>Total</b>	<b>0.4</b>

### Change in value by region

	Change in value, %	Contribution to change in value, percentage points
Stockholm	0.6	0.4
Gothenburg	0.5	0.1
Uppsala	-1.0	-0.1
Malmö	-1.2	-0.1
<b>Total</b>		<b>0.4</b>

### Change in value, by category

	Change in value, %	Contribution to change in value, percentage points
Investment properties	0.2	0.2
Project developments and development properties	3.0	0.1
Transactions		0.0
<b>Total</b>		<b>0.4</b>

### Sensitivity analysis yield requirements

Change	Affects	Impact
+/-0.25 percentage points	Market value	-9,212/+10,295 SEK m
+/-0.25 percentage points	Loan-to-value ratio	+/-2.2 percentage points

### Change in value of financial instruments

The value change in derivatives amounted to a negative SEK 808 million (negative: 855), mainly due to lower long-term market interest rates compared with the year-end 2023. Derivatives are used to adjust interest-rate risk in the loan portfolio, to hedge borrowings in foreign currencies and to secure electricity prices.

### Tax

The Group reported a total tax expense of SEK 696 million (income: 1,309). Of the tax, an expense of SEK 267 million (expense: 335) comprised current tax expense and SEK 429 million (income: 1,644) comprised deferred tax expense resulting from temporary differences attributable to a change in value for investment properties and financial instruments.

On 30 September 2024, the deferred tax liability was SEK 25,521 million, compared with SEK 25,093 million at year-end 2023. The deferred tax liability pertained primarily to investment properties.

### Cash flow

Cash flow from operating activities before changes in working capital was SEK 3,377 million (3,365). Investments in existing properties amounted to SEK 1,804 million (1,931) and property acquisitions to SEK 692 million (0). The acquisition pertains to Uggelborg 14, SthlmHUB, which was acquired in a corporate wrapper in the first quarter of the year with an underlying property value of SEK 715 million. Cash flow after investing activities thus amounted to an inflow of SEK 868 million (inflow: 1,228).

Net borrowing for the period amounted to a decrease of SEK 1,623 million (decrease: 50). Other changes in net borrowing pertain to revaluation of foreign currency borrowings, which did not impact cash flow. In total, cash and cash equivalents declined SEK 422 million (increase: 420) during the period and amounted to SEK 2,803 million at the end of the period.

### Equity

Equity amounted to SEK 81,550 million as of 30 September 2024, compared with SEK 78,902 million at the end of 2023. Comprehensive income for the period amounted to SEK 2,647 million, compared with a loss of SEK 5,206 million for the corresponding year-earlier period.

At the end of the period, the equity/assets ratio was 41%, compared with 40% at year-end 2023.

### Property acquisitions

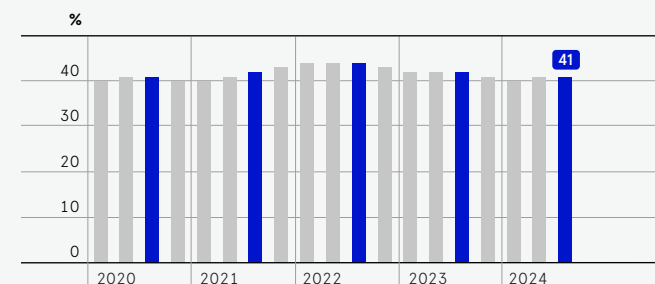
Property	City	Seller	Purchase price, SEK m	Occupancy
Uggelborg 14, SthlmHUB	Stockholm	Union Investment	715	March 2024
<b>Total property value</b>			<b>715</b>	
Transaction costs, as well as deduction for deferred tax			-23	
<b>Total acquisitions</b>			<b>692</b>	

### Sensitivity analysis earnings and cash flow

	Change	Affects	Impact
Rental revenue	+/-1%	Income from property management	+/-94 SEK m
Occupancy rate	+/-1 percentage point	Income from property management	+/-125 SEK m
Property expenses	+/-1%	Income from property management	-/+24 SEK m
Interest expense <sup>1)</sup>	+/-1 percentage point	Income from property management	-/+98 SEK m
Interest expense <sup>1)</sup>	+/-1 percentage point	Interest coverage ratio	-/+0.2x

1) Effect calculated based on the maturity structure as of the balance-sheet date.

### Equity/assets ratio



# Property holdings and lease portfolios

## Property portfolio

As of 30 September 2024, Vasakronan's entire property portfolio had been valued internally. The assessed market value of the property portfolio was SEK 177,625 million at the end of the period (174,569). During the period, investments in existing properties amounted to SEK 1,804 million and the Uggleborg 14/Sthlm HUB property was acquired during the first quarter for SEK 692 million.

The total change in property value for the period amounted to an increase of SEK 585 million (decrease: 9,160), which included a positive effect of SEK 25 million attributable to the adjustment of a previously completed transaction. The unrealised change in value thus amounted to an increase of SEK 560 million (decrease: 9,160), which corresponded to a 0.4% increase (decrease: 4.8) in value.

## Change in property values

SEK m	2024	2023
<b>Opening value, 1 January</b>	<b>174,569</b>	<b>188,317</b>
Investments	1,804	1,931
Acquisitions	692	0
Sales	0	0
Change in value	560	-9,160
<b>Closing value, 30 September</b>	<b>177,625</b>	<b>181,088</b>

## Environmental certification

Vasakronan has set high goals for environmental certification of its property portfolio. Our ambition is for the share of properties certified in accordance with LEED Gold or higher to increase and to obtain environmental certification for the entire investment portfolio. At the end of the period and on a market value basis, 93% (93) of our investment portfolio was

## Ongoing property projects

City	Property	Total investment, SEK m	Share capitalised, %	Area of premises, sq. m.	Start Occupancy	Occupancy rate, % <sup>1)</sup>	Estimated completion date	LEED environmental certification <sup>2)</sup>
Gothenburg	Kaj 16	1,600	14	30,000	Q2 2027	43	May 2027	Platinum
Uppsala	Lumi	740	96	15,000	Q2 2024	100	Dec 2024	Platinum
Stockholm	Grev Tureplan	690	99	8,500	Q2 2024	98	Oct 2024	Platinum
Stockholm	Hästkopalatset	600	71	9,100	Q1 2025	89	Apr 2025	Platinum
Gothenburg	Kronhusgatan	90	91	2,540	Q3 2024	100	Oct 2024	Gold
<b>Total major property projects</b>		<b>3,720</b>	<b>57</b>	<b>65,140</b>		<b>71</b>		
Other projects		2,609	43					
<b>Total</b>		<b>6,329</b>	<b>52</b>					

1) Calculated based on area. 2) Forecast at completion.

environmentally certified, of which 86 percentage points (84) were certified according to LEED Gold or higher.

## Investments

Investments pertain to new construction as well as investments in existing property. Premises are often renovated in connection with new lettings, which thereby increases rental value. Of the investments during the period 21% pertained to investments linked to new lettings.

At the end of the period, the total investment volume of ongoing property projects amounted to SEK 6,329 million (8,902), of which 52% (41) had been capitalised. The projects Lumi in Uppsala and Grev Tureplan in Stockholm are approaching completion and have had opening ceremonies, and tenants are now gradually moving in. The remodelling of Hötorgshus 2 in Stockholm was completed in the second quarter. The property has been modernised to meet market demand for attractive and sustainable premises, and has a key role in the development of Sergelstan.

At the end of the period, the occupancy rate for major projects was 71% (64). In total, leases have been signed in major ongoing projects equivalent to SEK 280 million in annual rent. The total contracted annual rent for these projects when fully let amounts to over SEK 360 million.

## Right-of-use assets, leaseholds and land leases

Right-of-use agreements pertain mainly to ground rent agreements that are given market valuations by discounting future fees using a discount rate corresponding to between 3.00 and 3.75%. As of 30 September 2024, right-of-use assets totalled SEK 6,529 million, compared with SEK 6,329 million at year-end 2023. The increase was attributable to higher ground rents on the ground rent agreements that expired during the year but that are still under negotiation as well as to the acquisition of the leasehold for Uggleborg 14 in the first quarter.

### Lease portfolio

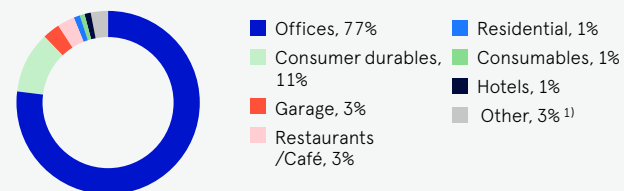
Contracted annual rent amounted to SEK 9,666 million at the end of the period, compared with SEK 9,465 million at the end of 2023. The average remaining maturity for the entire lease portfolio was 3.3 years (3.3). Of contracted rent, 24% (24) pertained to the public sector. The average remaining term to maturity for these contracts was 5.1 years (5.2).

### Occupancy rate

The occupancy rate at the end of the period was 89.3%, compared with 90.9% at the end of 2023. Of total vacancies at the end of the period, 0.5 percentage points (0.3) were attributable to ongoing project developments and development properties. The decrease in the occupancy rate was due to items including the move of the Royal Swedish Opera and Dramaten from 31,200 square metres at Kvarnholmen in Nacka. As part of a new residential area along Gäddviken, the plan is to redevelop vacated premises as housing. The residential area will comprise some 1,900 new homes totalling 135,000 square metres, of which Vasakronan owns two properties encompassing around 50,000 square metres.

At the end of the period, the occupancy rate was 88.3% for offices and 95.2% for retail, compared with 90.1% and 95.6%, respectively, at the end of 2023.

### Lease breakdown by segment, share of contracted rent

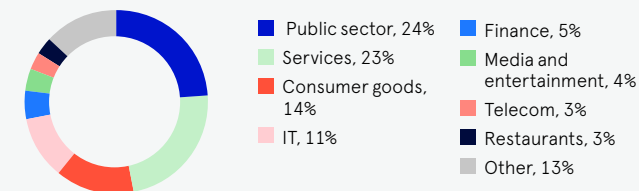


1) Other encompasses segments including health and social care, sports and recreation facilities, and warehouses.

### Largest tenants, share of contracted rent

	Share in %
Swedish Police Authority	3
Ericsson	3
Swedish Prison and Probation Service	2
The Swedish Tax Agency	2
H&M	2
Försäkringskassan (Social Insurance Agency)	2
King	2
EY	1
Scandic	1
Swedish National Courts Administration	1
<b>Total</b>	<b>19</b>

### Lease breakdown by sector, share of contracted rent



### Maturity structure for contracted rent

	No. of contracts	Annual rent, SEK m	% of total
Q4 2024	785	441	5
2025	1,063	1,449	15
2026	768	1,645	17
≥2027	1,341	5,740	59
<b>Total</b>	<b>3,957</b>	<b>9,275</b>	<b>96</b>
Residential	1,169	120	1
Garage	–	271	3
<b>Total</b>	<b>5,126</b>	<b>9,666</b>	<b>100</b>

### Net lettings and renegotiations

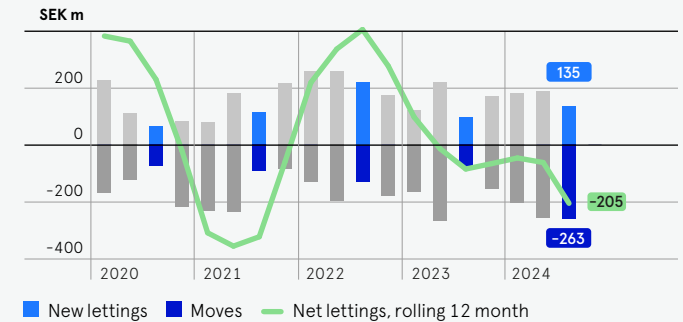
New lettings corresponding to 93,000 square metres (85,000) and an annual rent of SEK 505 million (438) were contracted during the period, of which 17% (20) of the annual rents impact on revenue for the current year. The period’s largest new letting took place in the first quarter and was to Nasdaq in the Klara Zenit property in Stockholm and comprises 8,300 square metres. New lettings in the third quarter included a five-year lease for 1,550 square metres at the Rosteriet 6 and 8 properties in Liljeholmen, Stockholm, and a six-year lease for 1,260 square metres at the Klara C property on Vasagatan in Stockholm. In central Malmö, a five-year lease was signed for 1,255 square metres at the Hans Michelsen 9 property.

Notices to vacate were received during the period corresponding to annual rent of SEK 725 million (517) and net lettings were negative at SEK 220 million (negative: 79). A large share of the notices comprised reductions in existing leases in connection with renegotiation or extension.

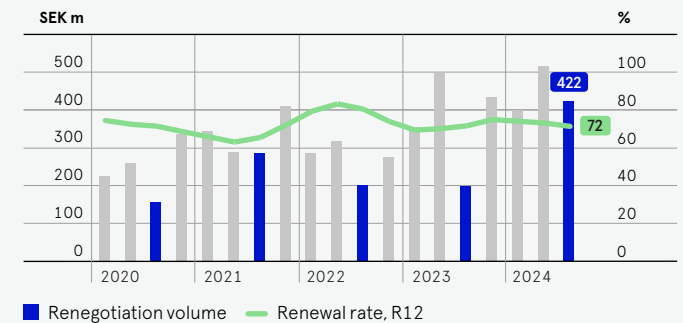
Lettings corresponding to 267,000 square metres (235,000) and an annual rent of SEK 1,388 million (1,056) were renegotiated or extended during the period. These negotiations resulted in an increase on the previous rent payable of 0.1% above index. Renegotiations and extensions in the quarter included King’s extension of its lease of 7,700 square metres at Sergelhusen in central Stockholm. In Gothenburg, Sweco has chosen to retain its lease of 8,800 square metres at the Bärnstenen property and COWI of 7,100 square metres at the Platinan property.

Of all the contracts that have been the subject of renegotiation and extension in the past twelve months, almost 72% (72) have chosen to remain a tenant of Vasakronan.

### Net lettings



### Renegotiations and lease extensions



# Financing

## Interest-bearing liabilities

To reduce risk, Vasakronan aims to have as broad a financing structure as possible, both in terms of loan instruments and in terms of markets. The majority of borrowing is unsecured and is raised in the international capital market through bonds. All foreign currency borrowing is hedged through cross-currency derivatives.

Through our A3 strong rating and due to our close links to state ownership, Vasakronan has continued to have good access to financing throughout the period. Vasakronan issued bonds for a total of SEK 4.4 billion (6.6) during the period with maturities of between two and ten years in the Swedish and Norwegian markets. During the period, unsecured bank loans totalling SEK 590 million (0) were also raised with the Nordic Investment Bank (NIB).

At the end of the period, interest-bearing liabilities amounted to SEK 74,479 million, compared with SEK 76,259 million at the end of 2023. After deduction of cash and cash equivalents, net debt amounted to SEK 71,676 million, compared with SEK 73,034 million at the end of 2023. At the end of the period, the loan-to-value ratio was 40% compared with 42% at year-end 2023.

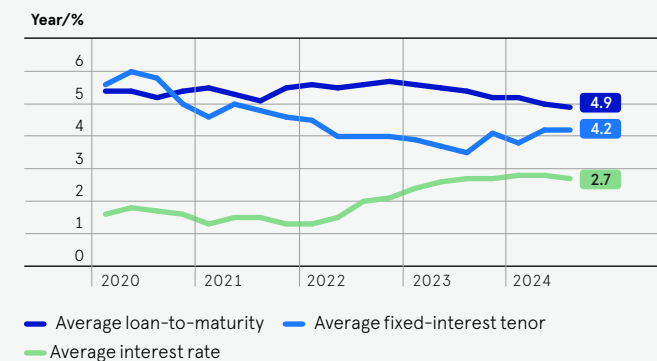
The average interest rate for loans and derivatives amounted to 2.7% at the end of the period, unchanged compared with the end of 2023.

To minimise financing risk and secure its access to capital, the company has a credit facility with its owners that totals SEK 18 billion. The agreement extends until further notice with a notice period of two years. As before, the credit facility was unutilised during the period. The average loan-to-maturity, including the above credit facilities, amounted to 4.9 years (5.2) at the end of the period and the average fixed-interest tenor was 4.2 years (4.1).

## Financial risks

	Financial policy in brief	Outcome, 30 Sep 2024
<b>Financing risk</b>		
Loan-to-maturity, excluding unutilised credit commitments	min. 2 years	4.6 years
Loan-to-maturity	–	4.9 years
Loans maturing, 12 months	max. 40%	19%
Credit commitments and cash/loans maturing 12 months	min. 100%	150%
<b>Interest-rate risk</b>		
Interest coverage ratio	min. 2.0x (LTM)	3.6x
Fixed-interest period	min. 2 years	4.2 years
Fixed-interest maturity within 12 months	max. 55%	19%
<b>Credit risk</b>		
Counterpart's rating	min. A-, or BBB+ with CSAs	met
<b>Currency risk</b>		
Currency exposure	No exposure	met
<b>Other</b>		
Secured financing/total assets	max. 20%	6%

## Average interest rate, tenors and loan-to-maturity



## Fixed-interest tenors and loan-to-maturity

Maturity date	Fixed-interest		Loan-to-maturity	
	SEK m	Share, %	SEK m	Share, %
0–1 year	14,132	19	13,857	19
1–2 years	2,149	3	7,443	10
2–3 years	18,950	25	13,508	18
3–4 years	14,800	20	8,037	11
4–5 years	9,800	13	8,718	12
5–6 years	1,000	1	4,700	6
6–7 years	550	1	3,575	5
7–8 years	1,200	2	2,678	4
8–9 years	192	0	3,999	5
9–10 years	5,500	7	1,564	2
10 years or more	6,206	8	6,400	9
<b>Total</b>	<b>74,479</b>	<b>100</b>	<b>74,479</b>	<b>100</b>

### Green financing

In 2013, Vasakronan issued the world's first green corporate bond, and in 2018 we issued the world's first green commercial paper. Vasakronan is Sweden's largest issuer of green corporate bonds and commercial paper, and all borrowing during the period has been green.

At period end, the total volume of financing under Vasakronan's Green Finance Framework amounted to SEK 52 billion (51.8). At the same time, green assets encompassed by the framework totalled SEK 81.0 billion compared with SEK 64.7 billion at the end of 2023, up primarily because of energy improvements at existing properties. At period end, the remaining approved borrowing capacity was SEK 29 billion (12.9), which means that all loans maturing going forward will be possible to finance according to Vasakronan's Green Finance Framework.

The percentage of green financing, consisting of green bonds, green commercial paper and green bank loans, amounted to 84% (83) of the total loan portfolio. A more comprehensive description of the company's green financing and the investments made under Vasakronan's Green Finance Framework is available on Vasakronan's website.

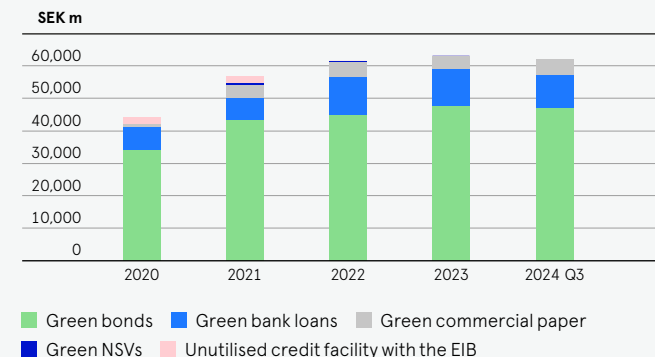
### Breakdown of funding sources

SEK m	Carrying amount, SEK m	Share, %
Commercial paper	5,025	7
Bonds, SEK	26,963	36
Bonds, NOK	11,316	15
Bonds, EUR, AUD, USD, HKD, CHF, JPY	15,448	21
Secured bank loans	11,130	15
NIB and EIB	4,597	6
<b>Total</b>	<b>74,479</b>	<b>100</b>

### Green financing

	Amount in SEK million
<b>Green financing under the framework</b>	
Green commercial paper	5,025
Green bonds, SEK	26,963
Green bonds, NOK	7,731
Green bonds, EUR, AUD, USD, HKD, CHF, JPY	12,284
<b>Total</b>	<b>52,003</b>
<b>Green bank financing</b>	
Green secured bank loans	5,619
Green loans from the EIB and NIB	4,597
<b>Total</b>	<b>10,216</b>
<b>Green financing, total</b>	<b>62,219</b>
Percentage of green financing in the total loan portfolio	84%

### Breakdown green financing



# Consolidated income statement

Amounts in SEK million	Jan-Sep 2024	Jan-Sep 2023	Jul-Sep 2024	Jul-Sep 2023	Oct 2023–Sep 2024	Jan-Dec 2023
Rental revenue	7,048	6,826	2,344	2,322	9,379	9,157
Operating expenses	-675	-662	-200	-190	-910	-898
Repairs and maintenance	-115	-96	-32	-29	-156	-137
Property management costs	-344	-334	-119	-96	-450	-440
Property tax	-644	-624	-215	-208	-840	-820
<b>Total property expenses</b>	<b>-1,777</b>	<b>-1,716</b>	<b>-566</b>	<b>-523</b>	<b>-2,356</b>	<b>-2,295</b>
<b>Operating surplus</b>	<b>5,271</b>	<b>5,110</b>	<b>1,778</b>	<b>1,799</b>	<b>7,023</b>	<b>6,862</b>
Central administration	-85	-86	-28	-26	-110	-111
Result from participations in associates and joint ventures	-40	-108	-13	-16	-143	-211
<b>Operating profit</b>	<b>5,146</b>	<b>4,916</b>	<b>1,737</b>	<b>1,757</b>	<b>6,770</b>	<b>6,540</b>
Interest income	143	100	42	39	197	154
Interest expense	-1,565	-1,394	-510	-492	-2,055	-1,884
Interest expense lease liability; ground rents and land leases	-153	-120	-50	-40	-198	-165
<b>Profit before value changes and tax</b>	<b>3,571</b>	<b>3,502</b>	<b>1,219</b>	<b>1,264</b>	<b>4,714</b>	<b>4,645</b>
<i>– Of which, income from property management</i>	<i>3,607</i>	<i>3,608</i>	<i>1,231</i>	<i>1,278</i>	<i>4,850</i>	<i>4,852</i>
Change in value of investment properties	585	-9,160	788	-1,481	-6,805	-16,550
Depreciation of right-of-use assets	-5	-5	-2	-2	-7	-7
Change in value of financial instruments	-808	-855	-479	-600	-1,673	-1,720
<b>Profit/loss before tax</b>	<b>3,343</b>	<b>-6,518</b>	<b>1,526</b>	<b>-819</b>	<b>-3,771</b>	<b>-13,632</b>
Current tax	-267	-335	-89	-98	-273	-341
Deferred tax	-429	1,644	-218	270	1,042	3,115
<b>Profit/loss for the period</b>	<b>2,647</b>	<b>-5,209</b>	<b>1,219</b>	<b>-647</b>	<b>-3,002</b>	<b>-10,858</b>
Of which, attributable to non-controlling interests	0	-3	0	-1	0	-3
<b>Of which, attributable to the Parent Company shareholders</b>	<b>2,647</b>	<b>-5,206</b>	<b>1,219</b>	<b>-646</b>	<b>-3,002</b>	<b>-10,855</b>

Amounts in SEK million	Jan-Sep 2024	Jan-Sep 2023	Jul-Sep 2024	Jul-Sep 2023	Oct 2023–Sep 2024	Jan-Dec 2023
<b>Other comprehensive income</b>						
<i>Items that will not be reclassified to profit or loss</i>						
Pensions, revaluation	-	-	-	-	-14	-14
Restriction for surplus in pension plan with asset cap	-	-	-	-	-11	-11
Income tax on pensions	-	-	-	-	-5	5
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-20</b>	<b>-20</b>
<b>Total comprehensive income for the period</b>	<b>2,647</b>	<b>-5,206</b>	<b>1,219</b>	<b>-646</b>	<b>-3,022</b>	<b>-10,875</b>
<b>Key metrics</b>						
Surplus ratio, %	75	75	76	77	75	75
Interest coverage ratio, multiple	3.5	3.8	3.6	3.8	3.6	3.8

# Consolidated balance sheet

Amounts in SEK million	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	2,001	2,020	2,001
<b>Property, plant and equipment (PPE)</b>			
Investment properties	177,625	181,088	174,569
Right-of-use assets, leaseholds and land leases	6,529	5,157	6,329
Equipment	167	136	140
<b>Total property, plant and equipment (PPE)</b>	<b>184,321</b>	<b>186,381</b>	<b>181,038</b>
<b>Financial assets</b>			
Participations in associates and joint ventures	515	603	530
Derivatives	2,438	6,376	3,321
Other non-current receivables	2,571	2,563	2,468
<b>Total financial assets</b>	<b>5,524</b>	<b>9,542</b>	<b>6,319</b>
<b>Total non-current assets</b>	<b>191,846</b>	<b>197,943</b>	<b>189,358</b>
<b>Current assets</b>			
Accounts receivable	154	66	58
Receivables from joint ventures	136	71	136
Current tax assets	0	0	0
Derivatives	92	45	54
Other current receivables, prepaid expenses and accrued income	1,526	1,892	1,989
Cash and cash equivalents	2,803	3,404	3,225
<b>Total current assets</b>	<b>4,711</b>	<b>5,478</b>	<b>5,462</b>
<b>TOTAL ASSETS</b>	<b>196,557</b>	<b>203,421</b>	<b>194,820</b>

Amounts in SEK million	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>81,550</b>	<b>84,558</b>	<b>78,902</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	60,622	63,916	65,197
Lease liability, leaseholds and land leases	6,529	5,158	6,330
Deferred tax liability	25,521	26,568	25,093
Derivatives	4,077	4,981	3,964
Other non-current liabilities	78	82	65
Provision for pensions	11	3	10
<b>Total non-current liabilities</b>	<b>96,838</b>	<b>100,708</b>	<b>100,659</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	13,857	13,226	11,062
Accounts payable	63	137	70
Liabilities joint ventures	23	23	23
Current tax liabilities	360	105	113
Derivatives	83	47	59
Other current liabilities, accrued expenses and deferred income	3,783	4,617	3,932
<b>Total current liabilities</b>	<b>18,169</b>	<b>18,155</b>	<b>15,259</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>196,557</b>	<b>203,421</b>	<b>194,820</b>

# Consolidated statement of changes in equity

Amounts in SEK million	Share capital	Other contributed capital	Retained earnings	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
<b>Equity, opening balance on 1 Jan 2023</b>	4,000	4,227	81,550	89,777	-9	89,767
Profit/loss for the period	-	-	-10,855	-10,855	-3	-10,858
Other comprehensive income	-	-	-20	-20	0	-20
<i>Comprehensive income for the period</i>	-	-	-10,875	-10,875	-3	-10,878
<i>Transactions with owners</i>						
Changes in the Group structure	-	-	0	0	12	12
Dividend	-	-	0	0	0	0
<b>Equity, closing balance on 31 Dec 2023</b>	<b>4,000</b>	<b>4,227</b>	<b>70,675</b>	<b>78,902</b>	<b>0</b>	<b>78,902</b>
<b>Equity, opening balance on 1 Jan 2024</b>	<b>4,000</b>	<b>4,227</b>	<b>70,675</b>	<b>78,902</b>	<b>0</b>	<b>78,902</b>
Profit/loss for the period	-	-	2,647	2,647	0	2,647
Other comprehensive income	-	-	-	-	-	0
<i>Comprehensive income for the period</i>	-	-	2,647	2,647	0	2,647
<i>Transactions with owners</i>						
Dividend	-	-	-	-	-	-
<b>Equity, closing balance on 30 Sep 2024</b>	<b>4,000</b>	<b>4,227</b>	<b>73,323</b>	<b>81,550</b>	<b>0</b>	<b>81,550</b>

# Consolidated cash-flow statement

Amounts in SEK million	Jan-Sep 2024	Jan-Sep 2023	Jul-Sep 2024	Jul-Sep 2023	Oct 2023–Sep 2024	Jan-Dec 2023
<b>Operating activities</b>						
Operating surplus	5,271	5,110	1,778	1,799	7,023	6,862
Central administration	-85	-86	-28	-26	-110	-111
Add back amortisation and depreciation	41	35	14	14	56	50
Adjustment for other non-cash items	0	1	0	0	-18	-17
<b>Cash flow from operating activities before interest and tax</b>	<b>5,227</b>	<b>5,060</b>	<b>1,764</b>	<b>1,787</b>	<b>6,951</b>	<b>6,784</b>
Interest paid <sup>1)</sup>	-1,783	-1,581	-546	-482	-2,304	-2,102
Interest received	113	66	33	26	154	107
Taxes paid	-180	-180	-60	-60	-200	-200
<b>Cash flow before changes in working capital</b>	<b>3,377</b>	<b>3,365</b>	<b>1,191</b>	<b>1,271</b>	<b>4,601</b>	<b>4,589</b>
Increase (-)/decrease (+) in operating receivables	230	-666	-93	11	418	-478
Increase (+)/decrease (-) in operating liabilities	-149	478	-9	56	-204	423
<b>Cash flow from operating activities</b>	<b>3,458</b>	<b>3,177</b>	<b>1,089</b>	<b>1,338</b>	<b>4,815</b>	<b>4,534</b>
<b>Investing activities</b>						
Investments in existing properties	-1,804	-1,931	-467	-643	-2,675	-2,802
Property acquisitions	-692	0	0	0	-692	0
Property divestments	0	0	0	0	0	0
Other PPE, net	-68	-14	-2	-2	-87	-33
Intangible assets, net	0	-4	0	0	1	-3
Transactions with associates and joint ventures	-25	0	0	0	-35	-10
Other financial assets, net	-1	0	0	0	-1	0
<b>Cash flow from investing activities</b>	<b>-2,590</b>	<b>-1,949</b>	<b>-469</b>	<b>-645</b>	<b>-3,489</b>	<b>-2,848</b>
<b>Cash flow after investing activities</b>	<b>868</b>	<b>1,228</b>	<b>620</b>	<b>693</b>	<b>1,326</b>	<b>1,686</b>

Amounts in SEK million	Jan-Sep 2024	Jan-Sep 2023	Jul-Sep 2024	Jul-Sep 2023	Oct 2023–Sep 2024	Jan-Dec 2023
<b>Financing activities</b>						
Dividend	0	0	0	0	0	0
Raised debt: interest-bearing liabilities	15,545	19,041	4,635	3,543	22,297	25,793
Repayment of debt: interest-bearing liabilities	-17,168	-19,091	-5,106	-3,892	-23,631	-25,554
Change in collateral	333	-750	326	118	-593	-1,676
Redemption of financial instruments	0	-8	0	0	0	-8
<b>Cash flow from financing activities</b>	<b>-1,290</b>	<b>-808</b>	<b>-145</b>	<b>-231</b>	<b>-1,927</b>	<b>-1,445</b>
<b>Cash flow for the period</b>	<b>-422</b>	<b>420</b>	<b>475</b>	<b>462</b>	<b>-601</b>	<b>241</b>
Opening balance, cash and cash equivalents	3,225	2,984	2,328	2,942	3,404	2,984
Cash flow for the period	-422	420	475	462	-601	241
<b>Closing balance, cash and cash equivalents</b>	<b>2,803</b>	<b>3,404</b>	<b>2,803</b>	<b>3,404</b>	<b>2,803</b>	<b>3,225</b>

1) Interest paid includes interest on lease liabilities for ground rents and land leases.

# Vasakronan AB – Parent Company in summary

## Income statement

Amounts in SEK million	Jan–Sep 2024	Jan–Sep 2023	Jan–Dec 2023
Net sales	576	551	781
Operating expenses	-705	-677	-935
<b>EBIT</b>	<b>-129</b>	<b>-126</b>	<b>-154</b>
<b>Financial items</b>			
Profit from participations in subsidiaries	2,796	6,549	7,394
Net interest expense	-192	-138	-170
Change in value of financial instruments	-808	-855	-1,720
<b>Profit before tax</b>	<b>1,667</b>	<b>5,430</b>	<b>5,350</b>
Tax	224	204	246
<b>Profit for the period</b>	<b>1,891</b>	<b>5,634</b>	<b>5,596</b>

## Statement of comprehensive income

Profit for the period recognised in profit or loss	1,891	5,634	5,596
<b>Total comprehensive income for the period</b>	<b>1,891</b>	<b>5,634</b>	<b>5,596</b>

## Parent Company

The operations of the Parent Company, Vasakronan AB (publ), consist of Group-wide functions and providing an organisation for the management of properties owned by subsidiaries. The Parent Company does not directly own any properties.

The Parent Company's revenue for the period was SEK 576 million (551), which primarily consists of the Parent Company's invoices to the subsidiaries for services rendered. The profit from participations in subsidiaries of SEK 2,796 million (6,549) pertained to dividends. The value change in financial instruments amounted to negative SEK 808 million (negative: 855), primarily attributable to the downturn in long market interest rates. Profit before tax thus amounted to SEK 1,667 million (5,430).

Cash and cash equivalents amounted to SEK 2,800 million at the end of the period, compared with SEK 3,222 million at the end of 2023.

## Balance sheet

Amounts in SEK million	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment	126	98	103
Shares and participations in subsidiaries	37,564	37,586	37,564
Receivables from subsidiaries	50,469	50,469	50,469
Derivatives	2,438	6,376	3,321
Deferred tax assets	337	0	171
Non-current receivables	2,552	2,554	2,449
<b>Total non-current assets</b>	<b>93,487</b>	<b>97,083</b>	<b>94,077</b>
<b>Current assets</b>			
Accounts receivable	1	2	4
Receivables from subsidiaries	17,942	15,672	15,469
Receivables from joint ventures	136	71	136
Derivatives	92	71	54
Current tax assets	191	296	113
Current receivables	1,115	989	1,405
Cash and cash equivalents	2,800	3,400	3,222
<b>Total current assets</b>	<b>22,277</b>	<b>20,475</b>	<b>20,403</b>
<b>TOTAL ASSETS</b>	<b>115,764</b>	<b>117,558</b>	<b>114,480</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	31,262	29,408	29,371
Untaxed reserves	1,122	1,122	1,122
<b>Liabilities</b>			
Interest-bearing liabilities	74,479	77,142	76,259
Derivatives	4,160	5,028	4,023
Deferred tax liability	0	7	0
Non-interest-bearing liabilities	1,157	1,729	1,150
Liabilities to subsidiaries	3,584	3,122	2,555
<b>Total liabilities</b>	<b>83,380</b>	<b>87,028</b>	<b>83,987</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>115,764</b>	<b>117,558</b>	<b>114,480</b>

# Segment reporting

## Total Vasakronan

January–September	2024	2023
Rental revenue, SEK m	7,048	6,826
Operating surplus, SEK m	5,271	5,110
Surplus ratio, %	75	75
On balance-sheet date	30 Sep 2024	31 Dec 2023
Market value of properties, SEK m	177,625	174,569
Occupancy rate, %	89	91
Number of properties	166	166
Area, thousand sq. m.	2,397	2,393
Environmental certification in the investment portfolio based on market value, %	93	93

### Contracted rent by geographic market

Pertains to share of contracted rent.



Stockholm	66%
Gothenburg	17%
Malmö	9%
Uppsala	8%

Pertains to share of market value.



Stockholm	69%
Gothenburg	17%
Malmö	7%
Uppsala	7%

### Contracted rent by property type

Pertains to share of contracted rent.



Offices	77%
Retail	16%
Other	7%

## Stockholm

2024	2023
4,627	4,455
3,485	3,371
75	75
30 Sep 2024	31 Dec 2023
123,093	120,592
88	90
76	76
1,407	1,403
90	90



66%



69%



Offices	83%
Retail	11%
Other	6%

## Gothenburg

2024	2023
1,245	1,226
948	919
76	75
30 Sep 2024	31 Dec 2023
29,959	29,449
93	93
34	34
447	447
100	97



17%



17%



Offices	62%
Retail	30%
Other	8%

## Malmö

2024	2023
651	631
465	450
71	71
30 Sep 2024	31 Dec 2023
13,041	13,113
91	91
31	31
299	299
100	100



9%



7%



Offices	63%
Retail	26%
Other	11%

## Uppsala

2024	2023
525	514
373	370
71	72
30 Sep 2024	31 Dec 2023
11,532	11,415
91	94
25	25
244	244
100	98



8%



7%



Offices	72%
Retail	17%
Other	11%

# Key metrics

	Jan-Sep 2024	Jan-Sep 2023	Jul-Sep 2024	Jul-Sep 2023	Oct 2023–Sep 2024	Jan-Dec 2023
<b>Property-related information</b>						
Closing occupancy rate, %	89.3	91.1	89.3	91.1	89.3	90.9
Surplus ratio, %	75	75	76	77	75	75
Investments in existing properties, SEK m	1,804	1,931	652	643	2,677	2,802
Property acquisitions, SEK m	692	0	0	0	692	0
Property divestments, SEK m	0	0	0	0	0	0
Net investments, SEK m	2,496	1,931	652	643	3,367	2,802
Closing market value of property, SEK m	177,625	181,088	177,625	181,088	177,625	174,569
Closing area, thousand sq. m.	2,397	2,393	2,397	2,393	2,397	2,393
Closing number of properties	166	166	166	166	166	166
Environmental certification, of investment portfolio, share of market value, %	93	94	93	94	93	93
Specific energy consumption, kWh/sq. m., rolling 12 months	72	73	72	73	72	73

	Jan-Sep 2024	Jan-Sep 2023	Jul-Sep 2024	Jul-Sep 2023	Oct 2023–Sep 2024	Jan-Dec 2023
<b>Financial metrics</b>						
EBITDA margin, %	71	72	72	74	72	72
Interest coverage ratio, multiple	3.5	3.8	3.6	3.8	3.6	3.8
Closing equity/assets ratio, %	41	42	41	42	41	40
Closing loan-to-value ratio, %	40	41	40	41	40	42
Fixed-interest tenor <sup>1)</sup> , years	4.2	3.5	4.2	3.5	4.2	4.1
Loan-to-maturity <sup>1)</sup> , years	4.9	5.4	4.9	5.4	4.9	5.2
Closing EPRA NRV, SEK m	106,800	107,832	106,800	107,832	106,800	102,742
Closing EPRA NTA, SEK m	98,910	99,316	98,910	99,316	98,910	94,819
Closing EPRA NDV, SEK m	81,477	87,808	81,477	87,808	81,477	80,446
Closing average interest rate, %	2.7	2.7	2.7	2.7	2.7	2.7
Closing net interest-bearing liabilities, SEK m	71,676	73,738	71,676	73,738	71,676	73,034
Cash flow before changes in working capital, SEK m	3,377	3,365	1,191	1,271	4,601	4,589
Net interest-bearing liabilities/EBITDA, rolling 12 months	10.7	11.6	10.7	11.6	10.7	11.1
<b>Other</b>						
Closing number of employees	303	301	303	301	303	300

1) Last day in the period.

# Basis for key metrics

	Jan–Sep 2024	Jan–Sep 2023	Jul–Sep 2024	Jul–Sep 2023	Oct 2023– Sep 2024	Jan–Dec 2023
<b>1. EPRA NRV, SEK m</b>						
Equity	81,550	84,558	81,550	84,558	81,550	78,902
Add back goodwill attributable to deferred tax	-1,901	-1,901	-1,901	-1,901	-1,901	-1,901
Add back derivatives	1,630	-1,393	1,630	-1,393	1,630	648
Add back recognised deferred tax	25,521	26,568	25,521	26,568	25,521	25,093
	<b>106,800</b>	<b>107,832</b>	<b>106,800</b>	<b>107,832</b>	<b>106,800</b>	<b>102,742</b>
<b>2. EPRA NTA, SEK m</b>						
Equity	81,550	84,558	81,550	84,558	81,550	78,902
Add back goodwill attributable to deferred tax	-1,901	-1,901	-1,901	-1,901	-1,901	-1,901
Add back other intangible assets	-100	-118	-100	-118	-100	-100
Add back derivatives	1,630	-1,393	1,630	-1,393	1,630	648
Add back recognised deferred tax	25,521	26,568	25,521	26,568	25,521	25,093
Deferred tax at fair value <sup>1)</sup>	-7,790	-8,397	-7,790	-8,397	-7,790	-7,823
	<b>98,910</b>	<b>99,316</b>	<b>98,910</b>	<b>99,316</b>	<b>98,910</b>	<b>94,819</b>
<b>3. EPRA NDV, SEK m</b>						
Equity	81,550	84,558	81,550	84,558	81,550	78,902
Add back goodwill attributable to deferred tax	-1,901	-1,901	-1,901	-1,901	-1,901	-1,901
Adjustment of interest-bearing liabilities to fair value	1,828	5,151	1,828	5,151	1,828	3,445
	<b>81,477</b>	<b>87,808</b>	<b>81,477</b>	<b>87,808</b>	<b>81,477</b>	<b>80,446</b>
<b>4. EBITDA, SEK m</b>						
Operating surplus	5,271	5,110	1,778	1,799	7,023	6,862
Central administration	-85	-86	-28	-26	-110	-111
Dividends from joint ventures	0	0	0	0	-10	-10
Interest expense lease liability, ground rents and land leases	-158	-125	-52	-42	-205	-172
	<b>5,028</b>	<b>4,899</b>	<b>1,698</b>	<b>1,731</b>	<b>6,698</b>	<b>6,569</b>

	Jan–Sep 2024	Jan–Sep 2023	Jul–Sep 2024	Jul–Sep 2023	Oct 2023– Sep 2024	Jan–Dec 2023
<b>5. EBITDA margin, %</b>						
Rental revenue	7,048	6,826	2,344	2,322	9,379	9,157
EBITDA	5,028	4,899	1,698	1,731	6,698	6,569
	<b>71</b>	<b>72</b>	<b>72</b>	<b>74</b>	<b>71</b>	<b>72</b>
<b>6. Interest coverage ratio, multiple</b>						
EBITDA	5,028	4,899	1,698	1,731	6,698	6,579
Net interest, excl. interest expense on lease liabilities	-1,422	-1,294	-468	-453	-1,858	-1,730
	<b>3.5</b>	<b>3.8</b>	<b>3.6</b>	<b>3.8</b>	<b>3.6</b>	<b>3.8</b>
<b>7. Net interest-bearing liabilities, SEK m</b>						
Non-current interest-bearing liabilities	60,622	63,916	60,622	63,916	60,622	65,197
Current interest-bearing liabilities	13,857	13,226	13,857	13,226	13,857	11,062
Cash and cash equivalents	-2,803	-3,404	-2,803	-3,404	-2,803	-3,225
	<b>71,676</b>	<b>73,738</b>	<b>71,676</b>	<b>73,738</b>	<b>71,676</b>	<b>73,034</b>
<b>8. Loan-to-value ratio, %</b>						
Net interest-bearing liabilities	71,676	73,738	71,676	73,738	71,676	73,034
Fair value of investment properties	177,625	181,088	177,625	181,088	177,625	174,569
	<b>40</b>	<b>41</b>	<b>40</b>	<b>41</b>	<b>40</b>	<b>42</b>

1) Calculated on the basis of a 30% current tax rate, i.e., 6.2%.

## Alternative performance measures

Vasakronan applies the ESMA guidelines for Alternative Performance Measures (APMs). APMs are financial metrics that are not defined in IFRS or the Annual Accounts Act. All APMs must be explained, together with the underlying reason why they are used. A breakdown on how the performance measure is calculated must also be given when information (not provided in the balance sheet or income statement) is required for the calculation.

The APMs used in Vasakronan's interim report are defined and motivated on page 22. Where deemed relevant, a breakdown of specific performance measures has been provided above on this page.

# Other information

## Risks and uncertainties

All business operations are associated with risks, and accordingly, the Board of Directors and the Executive Management continuously strive to achieve the desired risk profile, based on the policy established by the Board. The policy contains uniform methods for identifying, valuing, taking responsibility for, managing and reporting risks. No material changes have been made to the company's risk assessment since the publication of the 2023 Annual Report. The company's risks are described in the 2023 Annual Report on pages 24–27.

Vasakronan continues to stand on a stable foundation with long-term owners, good access to capital and a strong offering comprised of wonderful properties in markets and locations in high demand. In combination with strong cash flows, both from the existing property portfolio and from projects, this will ensure continued healthy earnings.

## Estimates and assessments

The preparation of financial statements in accordance with generally accepted accounting principles requires that the management makes assessments and assumptions that affect the amounts recognised in the accounts for assets, liabilities, income and expenses, as well as other information disclosed. The actual results may deviate from these assessments. The financial statements are particularly sensitive to assessments and assumptions that provide the basis for the valuation of the investment properties. Refer to page 5 of this report and page 64 of Vasakronan's 2023 Annual Report for the sensitivity analysis pertaining to assumptions linked to property valuations. Refer to page 6 of this report for the sensitivity analysis pertaining to changes in earnings and cash flow.

## Accounting policies

Vasakronan's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The same accounting policies, valuation principles and calculation methods as the ones used in the most recently issued annual report have been applied. Refer to Vasakronan's 2023 Annual Report, pages 50–75. Disclosures pursuant to IAS 34.16A, in addition to those in the financial statements, are also presented in other sections of the interim report.

Derivatives are valued at fair value in the balance sheet and other financial instruments at amortised cost. For interest-bearing liabilities, which consist of bonds, bank loans and commercial paper, fair values differ from the recognised amortised cost. Fair value is established using the current yield curve along with a borrowing margin and is included in the calculation of EPRA NDV.

Derivatives are valued in accordance with level 2 in IFRS 13's fair value hierarchy. For all derivatives, ISDA agreements are in place that allow offsetting of payables and receivables from the same counterparty in the event of insolvency. Investment properties are recognised at fair value in accordance with level 3 in the fair value hierarchy.

The Parent Company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

Vasakronan's activities have been organised according to the geographic regions of Stockholm, Gothenburg, Malmö and Uppsala. These regions thus represent the four operating segments used for reporting purposes. Refer to page 51 of Vasakronan's 2023 Annual Report.

## Related-party transactions

Information pertaining to Vasakronan's related-party transactions is provided in Note 7.4 on page 74 of Vasakronan's 2023 Annual Report. At the end of the period, the Third Swedish National Pension Fund held bonds issued by Vasakronan to a total value of SEK 325 million, compared with SEK 225 million at year-end 2023.

## New standards and interpretations

No new or amended IFRSs or IFRIC interpretive guidance have had any impact on the interim report or the accounting policies applied by Vasakronan.

## Significant events after the end of the period

No significant events have occurred after the end of the period that impact the assessment of Vasakronan's financial position.

## Johanna Skogestig

*Chief Executive Officer*

---

### For more information about this interim report, please contact:

Johnny Engman, *Chief Financial Officer*

Telephone: +46 8 782 03 89, E-mail: johnny.engman@vasakronan.se

# Auditor's review report

To the Board of Directors of Vasakronan AB (publ), Corp. ID. No. 556061-4603

## Introduction

We have reviewed the condensed interim financial information (interim report) of Vasakronan AB (publ) as of 30 September 2024 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 5 November 2024  
KPMG AB

## Johanna Hagström Jerkeryd

*Authorised Public Accountant*

# Definitions

## Area, sq. m.

Lettable area, not including garages and parking spaces on the closing date.

## Average fixed-interest tenor, years

The volume-weighted remaining maturity on interest-bearing liabilities and derivatives on the closing date. Intended as an indication of the company's financial risk.

## Average interest rate, %

The volume-weighted interest rate on interest-bearing liabilities and derivatives on the closing date. Intended as an indication of the company's financial risk.

## Average loan-to-maturity, years

The volume-weighted remaining maturity on interest-bearing liabilities and derivatives on the closing date. Intended as an indication of the company's financial risk.

## Average remaining term to maturity, years

The total contract value of commercial facilities divided by contracted rent for commercial facilities.

## Cash and cash equivalents, SEK m

Cash and bank balances, along with current investments with maturities of less than three months. Intended as an indication of the company's liquidity.

## Central administration, SEK m

Costs at the Group level that are not directly related to property management, such as costs associated with the Group management, property investments, financing and central marketing.

## Comparable property holdings

Properties included in holdings during the entire reporting period, and during the entire comparison period. Properties that were classified as project developments, or that were acquired or sold during the reporting period or comparison period are not included.

## Contracted rent, SEK m

Total annual rent from contracts in effect as of the closing date.

## Contracted rent by property type, SEK m

Contracted rent categorised according to the assigned premises use, for each lease, broken down as offices, retail and other. The category "other" includes residential space, parking and hotels.

## EBITDA divided by rental revenue.

Intended as an indication of the current earnings in property management activities.

## EBITDA margin, %

EBITDA divided by rental revenue. Intended as an indication of the current earnings in property management activities.

## EBITDA, SEK m

Operating surplus less central administration, with the addition of cash flow from dividends from joint ventures and less ground rents and land leases. Intended as an indication of the current earnings in property management activities.

## Environmental certification of investment properties, %

The total area/market value of investment properties certified pursuant to LEED or BREEAM, divided by the area/market value of the entire investment portfolio as of the balance-sheet date. Project developments are not included in the investment portfolio.

## EPRA NDV (Net Disposal Value), SEK m

Equity adjusted for goodwill and the fair value of interest-bearing liabilities as well as the full extent of deferred tax.

## EPRA NRV (Net Reinstatement Value), SEK m

Recognised equity, adding back goodwill, derivatives and deferred tax. The metric shows the company's EPRA NAV.

## EPRA NTA (Net Tangible Assets), SEK m

Recognised equity adding back goodwill, derivatives and other intangible assets after adjustment for estimated actual deferred tax. Calculated on the basis of a 30% current tax rate, in other words 6.2%. The metric reflects the actual NAV.

## Equity/assets ratio, %

Equity divided by total assets on the closing date. Intended as an indication of the company's financial stability.

## Fixed-interest, years

The volume-weighted remaining maturity on fixed-interest rates on interest-bearing liabilities and derivatives on the closing date. Intended as an indication of the company's financial risk.

## Income from property management, SEK m

Profit after net financial items excluding changes in value, tax and interest expenses from associated companies and joint ventures.

## Interest coverage ratio, multiple

EBITDA in relation to net financial items. Intended as an indication of the company's sensitivity to fluctuations in interest rates.

## Investments in existing projects, SEK m

Investments in ongoing projects. Intended as an indication of the company's investment volume.

## Loan-to-value (LTV) ratio, %

Net interest-bearing liabilities divided by the fair value of investment properties on the closing date. Intended as an indication of the company's financial risk.

## Net financial items, SEK m

Financial income less financial expenses excluding ground rents and land leases.

## Net interest-bearing liabilities, SEK m

Interest-bearing liabilities less cash and cash equivalents. Intended as an indication of the company's financial risk, excluding IFRS 16.

## Net interest, SEK m

Interest income less interest expenses, excl. interest expense on lease liabilities.

## Net interest-bearing liabilities/EBITDA, multiple

Interest-bearing liabilities less cash and cash equivalents in relation to EBITDA. Intended as an indication of the company's financial risk.

## Net investments, SEK m

The purchase price for property acquisitions, along with investments in property projects, less the consideration received from property divestment. Intended as an indication of capital invested in properties.

## Net lettings, SEK m

Contracted rent for new lettings during the period less contracted rent for leases where notices to vacate were received during the period.

## Occupancy rate, %

Contracted rent divided by the rental value on the closing date.

## Operating surplus, SEK m

Rental revenue less operating expenses, repairs and maintenance, property administration and property tax. For periods until 1 January 2019, ground rents and land leases are also deducted. Intended as an indication of the current earnings in property management activities. External control metric.

## Profit before value changes and tax, SEK m

Operating surplus less central administration, profit (loss) from participations in joint ventures and net interest. Intended as an indication of current earnings in the operations.

## Property acquisitions, SEK m

Acquisition of investment properties. Intended as an indication of the company's acquisitions during the period.

## Property category

The primary use of the property based on rental revenue.

## Property divestments, SEK m

Divestment of investment properties. Intended as an indication of the company's divestments during the period.

## Property management costs, SEK m

Administrative expenses at property level that are directly attributable to the management of properties. Denoted until 2023 as property administration.

## Rental value, SEK m

Contracted rent plus the assessed market rent for vacant premises.

## Reported yield, %

Reported net operating income in relation to the sum of the properties' opening and closing market values divided by two.

## Specific energy consumption, kWh/sq. m.

Energy consumption, adjusted to the level of a normal year, from heating, comfort cooling and property electricity, divided by the temperate area (indoor area for all floors of a building that are heated to more than 10°C) for the past 12 months. Reported energy intensity also includes some tenant electricity and process cooling which, for technical reasons, is not possible to remove from the calculation.

## Surplus ratio, %

Operating surplus divided by rental revenue. Intended as an indication of the current earnings in property management activities.

## Financial Calendar

### REPORTS

Year-end report 2024	6 February 2025
Annual Report 2024	March 2025

### ANNUAL GENERAL MEETING

Annual General Meeting	5 May 2025
------------------------	------------

### VASAKRONAN AB

Box 30074, SE-104 25 Stockholm  
Street address: Malmskillnadsgatan 36  
Tel. +46 8 566 20 500

WEBSITE [www.vasakronan.se](http://www.vasakronan.se)  
CORP. REG. NO. 556061-4603

### Vasakronan in brief

Vasakronan is Sweden's leading property company. The property portfolio comprises 166 properties with a total area of about 2.4 million square metres and a market value of SEK 178 billion. The property holdings encompass centrally located office and retail properties in Stockholm, Gothenburg, Malmö and Uppsala.

Vasakronan is owned in equal shares by the First, Second, Third and Fourth Swedish national pension funds, and thus contributes to financing the Swedish pension system. The company's operations embrace the management and development of commercial properties in growth areas of Sweden. Our vision is to create "future-proof cities for everyone, where people and companies thrive."

Vasakronan has a rating of A3 with a stable outlook from Moody's.

Further information about the company is available on Vasakronan's website [www.vasakronan.se](http://www.vasakronan.se)