

Year-end report

January–December 2024

Q4

Highlights during the quarter

- > New lettings corresponding to an annual rent of SEK 192 million were contracted, which contributed to positive net lettings of SEK 23 million.
- > In Nordstan in central Gothenburg, a ten-year lease totalling 8,800 square metres was signed with If.
- > Two property projects – Grev Tureplan in Stockholm and Kronhusgatan in Gothenburg – were completed, representing a total investment of SEK 760 million. Both projects are fully let.
- > Leases corresponding to 94,000 square metres and annual rent of SEK 471 million were renegotiated or extended.

January–December 2024

Rental revenue

+3%

Loan-to-value ratio

40%

Change in value

+0.3%

Interest coverage ratio, LTM

3.6x

Vasakronan

January–December 2024 in summary

- > Rental revenue increased 3% to a total of SEK 9,447 million (9,157). The increase was due to indexation and occupancy in completed projects. In comparable property holdings, the increase in rental revenue was 1%.
- > New lettings corresponding to 128,000 square metres (117,000) and annual rent of SEK 697 million (609) were contracted. Net lettings amounted to a negative SEK 197 million (negative: 65).
- > Renegotiations were completed in the year corresponding to an annual rent of SEK 1,859 million (1,480).
- > The occupancy rate was 89.1% at the end of the year, compared with 90.9% at the end of 2023.
- > Operating surplus increased 3% to SEK 7,055 million (6,862). For comparable property holdings, the increase was 1%.
- > Net interest amounted to an expense of SEK 1,885 million (expense: 1,730). The increase was due to higher average interest rates during the year.
- > Income from property management amounted to SEK 4,845 million (4,852).
- > The change in value of investment properties amounted to an increase of SEK 444 million (decrease: 16,550), corresponding to an increase in value of 0.3%. The property portfolio value amounted to SEK 178,183 million (174,569).
- > The Board proposes a dividend totalling SEK 2,000 million (0) to the Annual General Meeting, to be distributed on two occasions.

Amounts in SEK million	Jan-Dec 2024	Jan-Dec 2023	Oct-Dec 2024	Oct-Dec 2023
Rental revenue	9,447	9,157	2,399	2,331
Operating surplus	7,055	6,862	1,784	1,752
Net interest expense	-1,885	-1,730	-463	-436
Income from property management	4,845	4,852	1,238	1,243
Change in value of investment properties	444	-16,550	-141	-7,390
Profit/loss for the period	3,823	-10,858	1,176	-5,649
Cash flow from operating activities	4,795	4,534	1,337	1,358
Cash flow after investing activities	1,498	1,686	630	459
Market value of properties	178,183	174,569	178,183	174,569
Surplus ratio, %	75	75	74	75
Closing average interest rate, %	2.6	2.7	2.6	2.7
Net lettings	-197	-65	23	14
Occupancy rate, %	89.1	90.9	89.1	90.9
Interest coverage ratio, multiple	3.6	3.8	3.7	3.8
Loan-to-value (LTV) ratio, %	40	42	40	42
Environmental certification of investment portfolio, share of market value, %	92	93	92	93
Specific energy consumption, kWh/sq. m., rolling 12 months	70	73	70	73

Statement by the CEO

Vasakronan continued to show its strength in 2024. Despite an uncertain operating environment, and a challenging economy and lettings market, we displayed an ability to adapt and navigate while maintaining stability. We continued to develop our property portfolio and our areas, acquired one property and completed several major projects. We have also strengthened our customer relationships and we are delivering stable income from property management and a higher operating surplus.

Challenging office market

The Swedish property market benefited from falling interest rates and a more stable capital market during the year. At the same time, geopolitical uncertainty continues and the weak economy remains stubbornly persistent. This has led to a cautious labour market with declining employment in the service sector. This affects the office rental market, particularly in Stockholm. Many companies are hesitant to expand and the supply of vacant office space is growing in all of our markets. Therefore, the company has been highly active and the fourth quarter was also characterised by a large number of customer dialogues.

There is a clear trend where most companies that can do so are reviewing their needs for premises. This is both due to reasons of cost and due to having to meet new needs arising from changed ways of working. Customers have plenty to choose from and have exacting requirements for location, quality and design. For premises that meet these requirements

– the demand and willingness to pay is still there. In secondary locations, such as Stockholm’s suburbs, interest is significantly cooler. Net lettings for the quarter were positive and amounted to SEK 23 million. For the year as a whole, net lettings totalled a negative SEK 197 million, which is an effect of a historically high level of notices to vacate in 2024.

The largest letting in the fourth quarter was to the non-life insurance company If, which is leasing 8,800 square metres and moving to Nordstan in Gothenburg in 2028. The lease runs for ten years and means that If will take over the lease when the current tenant, SEB, leaves the premises to move to Vasakronan’s Kaj 16 project development, which is currently under construction at Lilla Bommen.

If is a good example of the market’s requirements; location has always been important, but today it is a central factor. In addition, tenants want high-quality premises in a larger context, ideally in city centre locations with a broad range of services. We have excellent opportunities to make a difference here and that is why we are working actively with developing and improving all of our areas.

The occupancy rate for our retail premises remains at a high level of 96% and, despite a challenging economic climate, there are businesses who are choosing to establish and expand when the location is right. We completed a number of excellent lettings at locations such as Triangeln, Fredstan and Nordstan during the year, and I remain confident about city retail in our cities.



“We are delivering stable income from property management and a higher operating surplus despite a challenging economy.”



Successful project development

Project operations remain an important component of our business and during the quarter we finalised two projects, Grev Tureplan in Stockholm and Kronhusgatan in Gothenburg. Both projects were completed with good project margins and are fully let.

We are continuing to work on our major urban development areas and in Gothenburg the focus is on Lilla Bommen. The foundation and entrance floor for Kaj 16 are now in place, as are the cranes – perhaps the clearest sign that things are starting to happen.

Södra City in Uppsala is another one of our major urban transformation projects. We welcomed companies, mainly in Life Science, to our project development Lumi during the year, and the building is fully let.

It is an exciting project and one where we have successfully explored the possibilities of large-scale reuse. This has been appreciated by several tenants in the building, who were in turn inspired to choose reused material and furniture in their own premises.

Sustainable business model

Work to improve energy efficiency is still ongoing and during the year we continued to reduce our energy consumption. We are now reporting an average specific energy consumption of 70 kWh/sq. m., which has contributed to 60% of our investment portfolio now being Taxonomy-aligned. Briefly, this means that 60% of our buildings have energy performance certificates confirming that they are among the 15% most energy-efficient properties in Sweden. This is a milestone that not only benefits the environment and our own finances, but also positively impacts dialogues with our customers.



More and more businesses are beginning to understand that premises in many cases account for a large part of a service company's environmental impact and we are receiving a growing number of questions from our tenants who want data about the premises and the property related to increased reporting requirements.

The green transition in the industry is also driven by the EU Energy Performance of Buildings Directive, which includes obligatory energy efficiency requirements for all of the worst-performing buildings. I am happy to say that none of the properties in Vasakronan's property portfolio were above the proposed threshold values for either 2030 or 2033. This is the result of the systematic energy efficiency work that the company is constantly undertaking.

Financial key metrics

Interest rates have started to fall and is reflected in the gradual decline of our average interest rate in the latter half of the year. In 2024, we issued debt of SEK 6.7 billion in the Swedish and Norwegian bond markets and raised a new loan of SEK 590 million with the Nordic Investment Bank.

Looking back on the last few years of high interest rates and a turbulent capital market, it is clear how robust our financing strategy is. This is perhaps most evident in the interest coverage ratio, which is at a reassuring multiple of 3.6.

The fact that we have retained our strong credit rating and that we have continuously been able to issue bonds in recent years showcases our financial strength and the confidence we have from our investors.

Increased activity in the transaction market

Transaction market activity has picked up and compared with the previous year, volumes are up in our markets. We have also been active, acquiring Sthlm HUB at Stockholm Central Station at the beginning of the year.

Property values were stable during the year and the average yield requirement has remained essentially unchanged at 4.5%. This means that the total value of our properties is increasing in pace with our investments and at the end of the year it amounted to SEK 178 billion.

Operating environment remains turbulent

The operating environment remains turbulent with many factors generating uncertainty. Accordingly, while I assume that 2025 will continue to challenge, I nevertheless see bright spots. Redundancy notices have started to dry up, more and

more people working from the office and, in pace with interest rates falling and incomes rising, household purchasing power is expected to increase. I also believe that the increased activity we noted in the transaction market in 2024 will continue, which can create opportunities for a strong actor such as Vasakronan.

Our long-term strategy and ambition to be the preferred choice for tenants looking for office or retail premises remains firm. Delivering on this is only possible thanks to all of the employees who work every day to enable the best possible customer experience and to the exceptional engagement in all parts of the company. This was clear in the year's employee survey. Our customers appreciate our efforts, which was also reflected in the year's customer satisfaction survey, with a significant increase from already high levels.

This makes me incredibly happy and provides a reassuring foundation as we have now entered 2025 with an even sharper focus on meeting our customers' expectations as best as we can and accelerating lettings.

With the drive of our employees, a strong offering of premises and a robust capital structure, we have good preconditions to meet 2025 with confidence.

Stockholm, 6 February 2025

Johanna Skogestig,
Chief Executive Officer

Earnings and financial position

Unless otherwise stated, earnings and cash flow items encompass the January–December 2024 period and are compared with the year-earlier period. Likewise, balances pertain to the position at the end of December 2024 and are compared with the position at the end of 2023. Performance measures and their calculations are presented on pages 19–20.

Rental revenue

Rental revenue for the year increased 3% to SEK 9,447 million (9,157). The increase was due to indexation and revenue from new construction and redevelopment projects as well as the acquisition of Sthlm HUB. 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 1%.

Property expenses

Property expenses increased 4% during the year to SEK 2,392 million (expense: 2,295). For comparable property holdings, the increase was 3%. 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

Operating surplus for the year increased 3% to SEK 7,055 million (6,862). In comparable property holdings, the increase in operating surplus was 1%. The surplus ratio was 75%, which was unchanged year-on-year.

The reported rolling 12-month yield increased to 3.93% (3.74) for the total property portfolio and 4.05% (3.90) for the investment portfolio.

Central administration

Central administration costs were on a par with the previous year and amounted to to SEK 112 million (cost: 111).

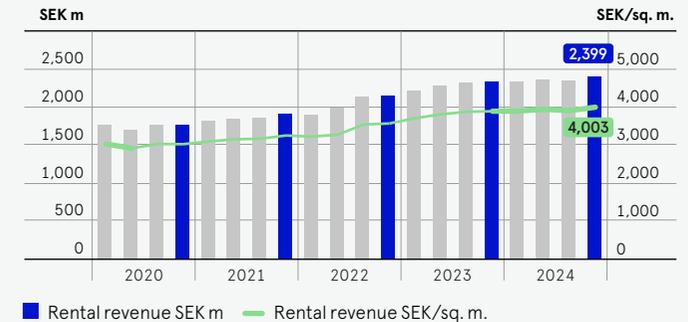
Net interest

Net interest for the year deteriorated to an expense of SEK 1,885 million (expense: 1,730), mainly due to higher average interest rates during the year. The average interest rate for loans and derivatives amounted to 2.6% at the end of 2024, compared with 2.7% at the end of 2023. The LTM interest coverage ratio decreased to a multiple of 3.6 (3.8), due to higher interest expenses.

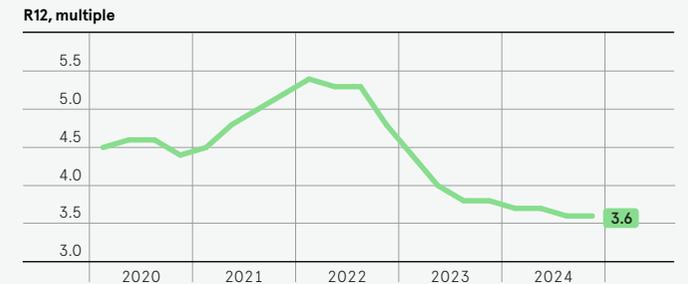
Income from property management

Income from property management amounted to SEK 4,845 million (4,852), 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 for ground rent agreements that expired but are still under negotiation.

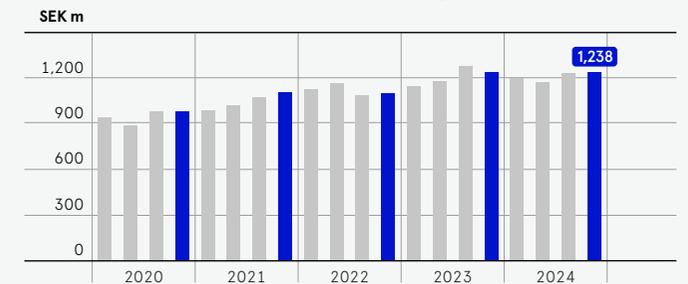
Rental revenue



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, and the associates Hydda Holding and PropTech OS, which operate in PropTech. Profit for the year from these companies amounted to a total loss of SEK 1 million (loss: 211).

SEK m	Jan–Dec 2024	Jan–Dec 2023
Income from property management	-5	-4
Change in value of investment properties	48	-171
Other operating profit/loss	-34	-67
Tax	-10	31
Total result from participations in associates and joint ventures	-1	-211

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 31 December 2024, the entire property portfolio had been valued by external appraisers Cushman & Wakefield and Forum Fastighetsekonomi, respectively. The valuations apply the same methodology as previous external 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 year amounted to an increase of SEK 444 million, which included a positive effect of SEK 25 million attributable to the adjustment of a previously completed transaction. The unrealised change in value amounted to an increase of SEK 420 million (decrease: 16,550), which corresponded to a 0.3% increase (decrease: 8.7) in value.

Office properties in Gothenburg and Stockholm's CBD as well as public sector properties posted positive value trends, where offices in Gothenburg performed best. The change in value for investment properties amounted to a decrease of SEK 35 million (decrease: 15,374), which corresponded to a 0.0% decrease (decrease: 8.6) in value. The change in value for project developments and development properties amounted to an increase of SEK 494 million (decrease: 1,060), up 6.1% (down: 12.2).

The average yield requirement used for valuation of the property portfolio was 4.52%, compared with 4.51% for corresponding properties at the end of 2023.

Average yield requirement

	Yield requirement, %	Change for the period, percentage points
Stockholm	4.38	-0.02
Gothenburg	4.57	0.07
Uppsala	5.13	0.07
Malmö	5.12	0.07
Total	4.52	0.01

Factors impacting value

	Value impact, %
Yield requirement	-0.19
Market rents, long-term vacancies and other changed cost and investment assumptions	0.48
Total	0.29

Change in value by region

	Change in value, %	Contribution to change in value, percentage points
Stockholm	0.27	0.18
Gothenburg	1.51	0.25
Uppsala	-2.11	-0.14
Malmö	-0.20	-0.01
Total		0.29

Change in value, by category

	Change in value, %	Contribution to change in value, percentage points
Investment properties	-0.02	-0.02
Project developments and development properties	6.07	0.29
Transactions		0.02
Total		0.29

Sensitivity analysis yield requirements

Change	Affects	Impact
+/-0.25 percentage points	Market value	-9,256/+10,346 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 decrease of SEK 418 million (decrease: -1,720). The negative change in value was primarily due to lower market interest rates. Derivatives are used to secure electricity prices, adjust interest-rate risk in the loan portfolio and to hedge borrowings in foreign currencies.

Tax

A total tax expense of SEK 1,045 million (expense: 2,774) was reported for the year. Of the tax, an expense of SEK 311 million (expense: 341) comprised current tax expense and SEK 734 million (income: 3,115) comprised deferred tax expense resulting from temporary differences attributable to a change in value for investment properties and financial instruments.

On 31 December 2024, the deferred tax liability was SEK 25,820 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 4,453 million (4,589). Investments in existing properties amounted to SEK 2,415 million (2,802) and property acquisitions to SEK 779 million (0). Acquisitions pertain to Uggleborg 14, SthlmHUB in the first quarter with an underlying property value of SEK 715 million and to the acquisition of land in the Lilla Bommen area in Gothenburg for SEK 88 million in the fourth quarter. Cash flow after investing activities thus amounted to an inflow of SEK 1,498 million (inflow: 1,686).

The change in net debt affecting cash flow, including pledged assets, amounted to a negative SEK 845 million (negative: 1,445) during the year. Other changes in net borrowing pertain to revaluation of foreign currency borrowings, which did not impact cash flow. Altogether, cash and cash equivalents increased SEK 653 million (241) and totalled SEK 3,878 million (3,225) at the end of the year.

Equity

Equity amounted to SEK 82,701 million as of 31 December 2024, compared with SEK 78,902 million at the end of 2023. Comprehensive income for the period amounted to SEK 3,798 million, compared with a loss of SEK 10,875 million for the previous year.

At the end of the year, the equity/assets ratio was 42%, compared with 40% at year-end 2023.

Property acquisitions

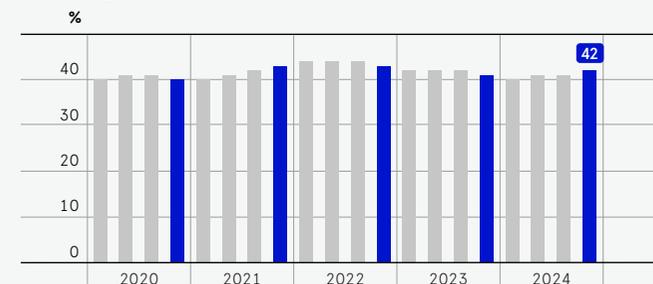
Property	City	Seller	Purchase price, SEK m	Occupancy
Uggelborg 14, SthlmHUB	Stockholm	Union Investment	715	March 2024
Gullbergsvass 1:16 (Transfer of title to land)	Gothenburg	City of Gothenburg	88	December 2024
Total property value			802	
Transaction costs, as well as deduction for deferred tax			-23	
Total acquisitions			779	

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	+/- 123 SEK m
Property expenses	+/- 1%	Income from property management	-/+ 24 SEK m
Interest expense ¹⁾	+/- 1 percentage point	Income from property management	-/+ 116 SEK m
Interest expense ¹⁾	+/- 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 31 December 2024, Vasakronan's entire property portfolio had been valued externally. The assessed market value of the property portfolio was SEK 178,183 million at the end of the period (174,569). Investments in existing properties amounted to SEK 2,415 million (2,802) during the year and property acquisitions to SEK 779 million (0).

The total change in property value for the year amounted to an increase of SEK 444 million, which included a positive effect of SEK 25 million attributable to the adjustment of a previously completed transaction. The unrealised change in value amounted to an increase of SEK 420 million (decrease: 16,550), which corresponded to a 0.3% increase (decrease: 8.7) in value.

Change in property values

SEK m	2024	2023
Opening value, 1 January	174,569	188,317
Investments	2,415	2,802
Acquisitions	779	0
Sales	0	0
Change in value	420	-16,550
Closing value, 31 December	178,183	174,569

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 year, 20% pertained to investments directly linked to new lettings.

At the end of the year, the total investment volume of ongoing property projects amounted to SEK 5,394 million (6,831), of which 48% (47) had been capitalised. Two property

Ongoing property projects

City	Property	Total investment, SEK m	Share capitalised, %	Area of premises, sq. m.	Start Occupancy	Occupancy rate, % ¹⁾	Estimated completion date	LEED environmental certification ²⁾
Gothenburg	Kaj 16	1,600	18	30,000	Q2 2027	43	May 2027	Platinum
Uppsala	Lumi	740	99	15,000	Q2 2024	100	Dec 2024	Platinum
Stockholm	Hästkopalatset	600	88	9,100	Q1 2025	89	Apr 2025	Platinum
Total major property projects		2,940	54	54,100		71		
Other projects		2,454	42					
Total		5,394	48					

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

projects were completed during the fourth quarter, Grev Tureplan in Stockholm and Kronhusgatan in Gothenburg. Grev Tureplan was an office property upgrade and modernisation, and remains a key component in the development of Stureplan. It represents an investment of SEK 690 million and the property is fully let. For Kronhusgatan, 2,500 square metres of offices were converted into a school, with NTI Gymnasiet as the tenant. The project is fully let and the investment amounted to just under SEK 70 million. The Lumi project in Uppsala is also nearing completion and the project was inaugurated during the quarter. At the end of the year, the occupancy rate for major projects was 71% (66). In total, leases have been signed in major ongoing projects equivalent to SEK 190 million in annual rent. The total contracted annual rent for these projects when fully let amounts to SEK 270 million.

Right-of-use assets and lease liabilities

Right-of-use assets 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%. On 31 December 2024, right-of-use assets totalled SEK 7,554 million, compared with SEK 6,329 million at year-end 2023. Lease liability for ground rent agreements and land leases amounted to SEK 7,555 million (6,330). The increase was attributable to assessed 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.

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 year and on a market value basis, 92% (93) of our investment portfolio was environmentally certified, of which 85 percentage points (84) were certified according to LEED Gold or higher.

Lease portfolio

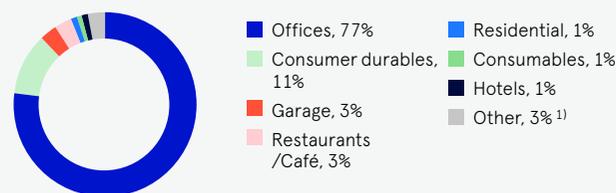
Contracted annual rent amounted to SEK 9,718 million at the end of the year, compared with SEK 9,465 million at the end of 2023. The average remaining maturity for the entire lease portfolio was 3.4 years (3.3). Of contracted rent, 24% (24) pertained to the public sector. The average remaining term for these contracts was 5.0 years (5.2).

Occupancy rate

The occupancy rate at the end of the year was 89.1%, compared with 90.9% at the end of 2023. Of total vacancies at the end of the year, 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.

At the end of the year, the occupancy rate was 88.0% for offices and 95.7% for retail, compared with 90.1% and 95.6%, respectively, at the end of 2023.

Lease breakdown by segment, share of contracted rent

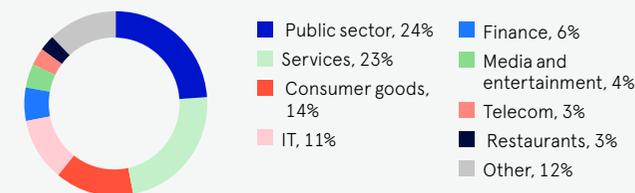


1) Other encompasses segments including health and social care, sports and recreation facilities, and warehouses.

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	1
Scandic	1
EY	1
Swedish National Courts Administration	1
Total	18

Lease breakdown by sector, share of contracted rent



Maturity structure for contracted rent

	No. of contracts	Annual rent, SEK m	% of total
2025	1,708	1,635	17
2026	794	1,602	16
2027	724	1,841	19
≥2028	759	4,257	44
Total	3,985	9,336	96
Residential	1,191	121	1
Garage	-	261	3
Total	5,176	9,718	100

Net lettings and renegotiations

New lettings corresponding to 128,000 square metres (117,000) and an annual rent of SEK 697 million (609) were contracted during the year, of which 13% (15) of the annual rents impact on revenue in 2024.

New lettings in fourth quarter include a ten-year lease totalling 8,800 square metres with If in Nordstan in central Gothenburg. If's move is planned for autumn 2028, when the current tenant, SEB, will be leaving the premises to move to Vasakronan's Kaj 16 project development, which is currently under construction at Lilla Bommen. New lettings meant that net lettings were positive for the fourth quarter, amounting to SEK 23 million.

One of the largest new lettings took place in the first quarter and was to Nasdaq in the Klara Zenit property in Stockholm and comprises 8,300 square metres.

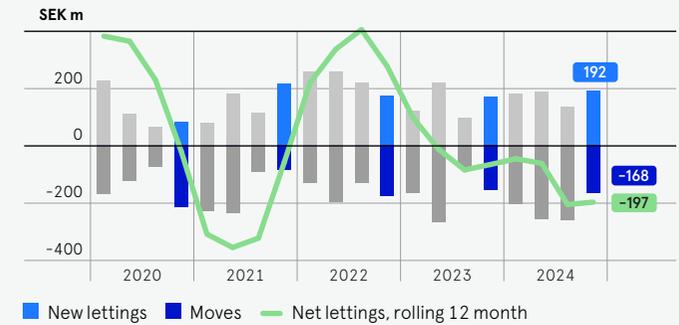
Notices to vacate were received during the year corresponding to annual rent of SEK 893 million (673) and net lettings were negative at SEK 197 million (negative: 65). A certain share of the notices comprised reductions in existing leases in connection with renegotiation or extension.

Lettings corresponding to 361,000 square metres (345,000) and an annual rent of SEK 1,859 million (1,480) were renegotiated or extended during the year. These negotiations resulted in a decrease on the previous rent payable of 0.4% excluding index. Renegotiations during the fourth quarter included XXL, which signed an 11-year extension for its 3,000 square metre store at the Spektern 13 property on Hamngatan in central Stockholm. The law firm Gernandt & Danielsson extended its agreement for 5,400 square metres at the Skravelberget Mindre 12–13 property at the intersection of Birger Jarlsgatan and Hamngatan in Stockholm for another seven years.

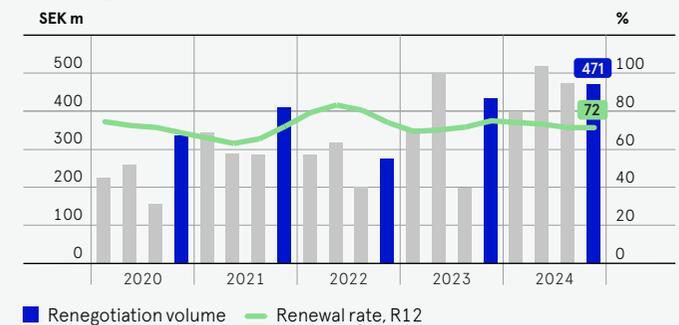
Major renegotiations and extensions previously in the year included King's extension of its lease of 7,700 square metres at Sergelhusen in central Stockholm in the third quarter. In Gothenburg, during the third quarter, Sweco also chose to retain its lease of 8,800 square metres at the Bärnstenen property 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% (76) 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 6.7 billion (10.1) during the year with maturities of between two and ten years in the Swedish and Norwegian markets. During the year, unsecured bank loans totalling SEK 590 million (0) were also raised with the Nordic Investment Bank (NIB).

At the end of 2024, interest-bearing liabilities amounted to SEK 74,767 million, compared with SEK 76,259 million at the end of 2023. After deduction of cash and cash equivalents, net debt amounted to SEK 70,889 million, compared with SEK 73,034 million at the end of 2023. At the end of the year, the loan-to-value ratio was 40% compared with 42% at year-end 2023.

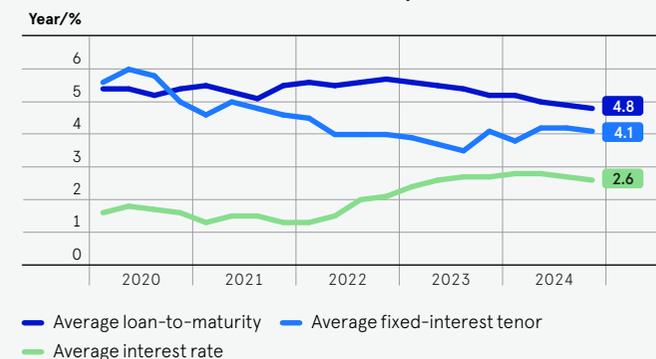
The average interest rate for loans and derivatives declined to 2.6% at the end of 2024, compared with 2.7% at the end of 2023.

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 4.8 years (5.2) at the end of the year and the average fixed-interest tenor was 4.1 years (4.1).

Financial risks

	Financial policy in brief	Outcome, 31 Dec 2024
Financing risk		
Loan-to-maturity, excluding unutilised credit commitments	min. 2 years	4.5 years
Loan-to-maturity	–	4.8 years
Loans maturing, 12 months	max. 40%	18%
Credit commitments and cash/loans maturing 12 months	min. 100%	163%
Interest-rate risk		
Interest coverage ratio	min. 2.0x (LTM)	3.6x
Fixed-interest period	min. 2 years	4.1 years
Fixed-interest maturity within 12 months	max. 55%	18%
Credit risk		
Counterpart's rating	min. A-, or BBB+ with CSAs	met
Currency risk		
Currency exposure	No exposure	met
Other		
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	13,243	18	13,226	18
1–2 years	6,595	9	10,262	14
2–3 years	21,838	29	11,755	16
3–4 years	8,848	11	10,417	14
4–5 years	8,093	11	6,368	8
5–6 years	1,167	2	4,669	6
6–7 years	1,587	2	3,510	5
7–8 years	1,191	2	2,550	3
8–9 years	1,734	2	4,752	6
9–10 years	5,061	7	787	1
10 years or more	5,410	7	6,471	9
Total	74,767	100	74,767	100

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 year end, the total volume of financing under Vasakronan's Green Finance Framework amounted to SEK 52.1 billion (51.8). At the same time, green assets encompassed by the framework totalled SEK 78.8 billion compared with SEK 64.7 billion at the end of 2023, up primarily because of energy improvements at existing properties. At year end, the remaining approved borrowing capacity was SEK 26.8 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 83% (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.

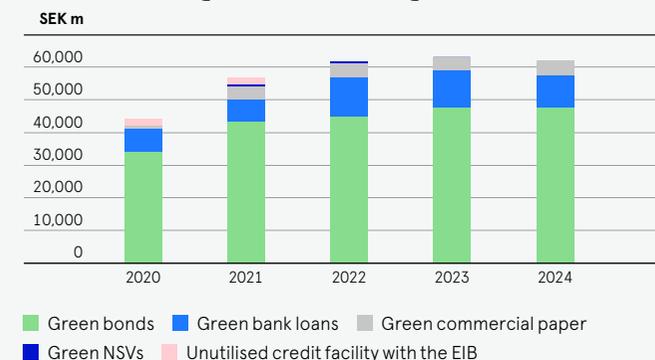
Breakdown of funding sources

SEK m	Carrying amount, SEK m	Share, %
Commercial paper	4,483	6
Bonds, SEK	27,085	36
Bonds, NOK	11,916	16
Bonds, EUR, AUD, USD, HKD, CHF, JPY	15,681	21
Secured bank loans	11,138	15
NIB and EIB	4,464	6
Total	74,767	100

Green financing

	Amount in SEK million
Green financing under the framework	
Green commercial paper	4,483
Green bonds, SEK	27,085
Green bonds, NOK	8,212
Green bonds, EUR, AUD, USD, HKD, CHF, JPY	12,284
Total	52,064
Green bank financing	
Green secured bank loans	5,606
Green loans from the EIB and NIB	4,467
Total	10,073
Green financing, total	62,137
Percentage of green financing in the total loan portfolio	83%

Breakdown green financing



Consolidated income statement

Amounts in SEK million	Jan–Dec 2024	Jan–Dec 2023	Oct–Dec 2024	Oct–Dec 2023
Rental revenue	9,447	9,157	2,399	2,331
Operating expenses	-922	-898	-248	-236
Repairs and maintenance	-163	-137	-48	-41
Property management costs	-454	-440	-110	-106
Property tax	-853	-820	-209	-196
Total property expenses	-2,392	-2,295	-615	-579
Operating surplus	7,055	6,862	1,784	1,752
Central administration	-112	-111	-27	-25
Result from participations in associates and joint ventures	-1	-211	39	-103
Operating profit	6,942	6,540	1,796	1,624
Interest income	184	154	41	54
Interest expense	-2,069	-1,884	-504	-490
Interest expense lease liability; ground rents and land leases	-208	-165	-55	-45
Profit before value changes and tax	4,849	4,645	1,278	1,143
<i>- Of which, income from property management</i>	<i>4,845</i>	<i>4,852</i>	<i>1,238</i>	<i>1,243</i>
Change in value of investment properties	444	-16,550	-141	-7,390
Depreciation of right-of-use assets	-7	-7	-2	-2
Change in value of financial instruments	-418	-1,720	390	-865
Profit/loss before tax	4,868	-13,632	1,525	-7,114
Current tax	-311	-341	-44	-6
Deferred tax	-734	3,115	-305	1,471
Profit/loss for the period	3,823	-10,858	1,176	-5,649
Of which, attributable to non-controlling interests	0	-3	0	0
Of which, attributable to the Parent Company shareholders	3,823	-10,855	1,176	-5,649

Amounts in SEK million	Jan–Dec 2024	Jan–Dec 2023	Oct–Dec 2024	Oct–Dec 2023
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Pensions, revaluation	-33	-14	-33	-14
Restriction for surplus in pension plan with asset cap	1	-11	1	-11
Income tax on pensions	7	5	7	5
Other comprehensive income for the period, net of tax	-25	-20	-25	-20
Total comprehensive income for the period	3,798	-10,875	1,151	-5,669

Consolidated balance sheet

Amounts in SEK million	31 Dec 2024	31 Dec 2023	30 Sep 2024	30 Sep 2023
ASSETS				
Non-current assets				
Intangible assets	2,001	2,001	2,001	2,020
Property, plant and equipment (PPE)				
Investment properties	178,183	174,569	177,625	181,088
Right-of-use assets, leaseholds and land leases	7,554	6,329	6,529	5,157
Equipment	160	140	167	136
Total property, plant and equipment (PPE)	185,897	181,038	184,321	186,381
Financial assets				
Participations in associates and joint ventures	554	530	515	603
Receivables from joint ventures	155	0	0	0
Derivatives	2,474	3,321	2,438	6,376
Other non-current receivables	2,337	2,468	2,571	2,563
Total financial assets	5,520	6,319	5,524	9,542
Total non-current assets	193,418	189,358	191,846	197,943
Current assets				
Accounts receivable	94	58	154	66
Receivables from joint ventures	1	136	136	71
Derivatives	95	54	92	45
Other current receivables, prepaid expenses and accrued income	1,430	1,989	1,526	1,892
Cash and cash equivalents	3,878	3,225	2,803	3,404
Total current assets	5,498	5,462	4,711	5,478
TOTAL ASSETS	198,916	194,820	196,557	203,421

Amounts in SEK million	31 Dec 2024	31 Dec 2023	30 Sep 2024	30 Sep 2023
EQUITY AND LIABILITIES				
Equity	82,701	78,902	81,550	84,558
Non-current liabilities				
Interest-bearing liabilities	61,541	65,197	60,622	63,916
Lease liability, leaseholds and land leases	7,555	6,330	6,529	5,158
Deferred tax liability	25,820	25,093	25,521	26,568
Derivatives	3,089	3,964	4,077	4,981
Other non-current liabilities	132	65	78	82
Provision for pensions	9	10	11	3
Total non-current liabilities	98,146	100,659	96,838	100,708
Current liabilities				
Interest-bearing liabilities	13,226	11,062	13,857	13,226
Accounts payable	85	70	63	137
Liabilities joint ventures	0	23	23	23
Current tax liabilities	304	113	360	105
Derivatives	58	59	83	47
Other current liabilities, accrued expenses and deferred income	4,396	3,932	3,783	4,617
Total current liabilities	18,069	15,259	18,169	18,155
TOTAL EQUITY AND LIABILITIES	198,916	194,820	196,557	203,421

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
Equity, opening balance on 1 Jan 2023	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>	-	-	<i>-10,875</i>	<i>-10,875</i>	<i>-3</i>	<i>-10,878</i>
<i>Transactions with owners</i>						
Changes in the Group structure	-	-	0	0	12	12
Dividend	-	-	0	0	0	0
Equity, closing balance on 31 Dec 2023	4,000	4,227	70,675	78,902	0	78,902
Equity, opening balance on 1 Jan 2024	4,000	4,227	70,675	78,902	0	78,902
Profit/loss for the period	-	-	3,823	3,823	0	3,823
Other comprehensive income	-	-	-25	-25	0	-25
<i>Comprehensive income for the period</i>	-	-	<i>3,798</i>	<i>3,798</i>	<i>0</i>	<i>3,798</i>
<i>Transactions with owners</i>						
Dividend	-	-	0	0	0	0
Equity, closing balance on 31 Dec 2024	4,000	4,227	74,474	82,701	0	82,701

Consolidated cash-flow statement

Amounts in SEK million	Jan–Dec 2024	Jan–Dec 2023	Oct–Dec 2024	Oct–Dec 2023
Operating activities				
Operating surplus	7,055	6,862	1,784	1,752
Central administration	-112	-111	-27	-25
Add back amortisation and depreciation	58	50	17	15
Adjustment for other non-cash items	-33	-17	-33	-17
Cash flow from operating activities before interest and tax	6,968	6,784	1,741	1,725
Interest paid ¹⁾	-2,358	-2,102	-575	-522
Interest received	151	107	38	41
Taxes paid	-308	-200	-128	-20
Cash flow before changes in working capital	4,453	4,589	1,076	1,224
Increase (-)/decrease (+) in operating receivables	159	-478	-71	188
Increase (+)/decrease (-) in operating liabilities	183	423	332	-54
Cash flow from operating activities	4,795	4,534	1,337	1,358
Investing activities				
Investments in existing properties	-2,415	-2,802	-610	-871
Property acquisitions	-779	0	-88	0
Other PPE, net	-78	-33	-10	-19
Intangible assets, net	0	-3	0	1
Transactions with associates and joint ventures	-25	-10	0	-10
Other financial assets, net	0	0	1	0
Cash flow from investing activities	-3,297	-2,848	-707	-899
Cash flow after investing activities	1,498	1,686	630	459

Amounts in SEK million	Jan–Dec 2024	Jan–Dec 2023	Oct–Dec 2024	Oct–Dec 2023
Financing activities				
Raised debt: interest-bearing liabilities	22,341	25,793	6,796	6,752
Repayment of debt: interest-bearing liabilities	-24,322	-25,554	-7,154	-6,463
Change in collateral	1,136	-1,676	803	-927
Redemption of financial instruments	0	-8	0	0
Cash flow from financing activities	-845	-1,445	445	-638
Cash flow for the period	653	241	1,075	-179
Opening balance, cash and cash equivalents	3,225	2,984	2,803	3,404
Cash flow for the period	653	241	1,075	-179
Closing balance, cash and cash equivalents	3,878	3,225	3,878	3,225

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–Dec 2024	Jan–Dec 2023
Net sales	796	781
Operating expenses	-977	-935
EBIT	-181	-154
Financial items		
Profit from participations in subsidiaries	4,390	7,394
Net interest expense	189	-170
Change in value of financial instruments	-418	-1,720
Profit before tax	3,980	5,350
Tax	-110	246
Profit for the period	3,870	5,596

Statement of comprehensive income

Profit for the period recognised in profit or loss	3,870	5,596
Total comprehensive income for the period	3,870	5,596

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 796 million (781), which primarily consists of the Parent Company's invoices to the subsidiaries for services rendered. The profit from participations in subsidiaries of SEK 4,390 million (7,394) pertained to dividends and Group contributions. The value change in financial instruments amounted to negative SEK 418 million (negative: 1,720), primarily attributable to the downturn in long market interest rates. Profit before tax thus amounted to SEK 3,980 million (5,350).

Cash and cash equivalents amounted to SEK 3,874 million at the end of the period, compared with SEK 3,222 million at the end of 2023.

Balance sheet

Amounts in SEK million	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Equipment	119	103
Shares and participations in subsidiaries	37,624	37,564
Receivables from subsidiaries	51,339	50,469
Receivables from joint ventures	155	0
Derivatives	2,474	3,321
Deferred tax assets	257	171
Non-current receivables	2,318	2,449
Total non-current assets	94,286	94,077
Current assets		
Accounts receivable	2	4
Receivables from subsidiaries	18,339	15,469
Receivables from joint ventures	1	136
Current tax assets	0	113
Derivatives	95	54
Current receivables	1,175	1,405
Cash and cash equivalents	3,874	3,222
Total current assets	23,486	20,403
TOTAL ASSETS	117,772	114,480
EQUITY AND LIABILITIES		
Equity	33,241	29,371
Untaxed reserves	1,122	1,122
Liabilities		
Interest-bearing liabilities	74,767	76,259
Derivatives	3,147	4,023
Current tax liability	195	0
Non-interest-bearing liabilities	1,782	1,150
Liabilities to subsidiaries	3,518	2,555
Total liabilities	83,409	83,987
TOTAL EQUITY AND LIABILITIES	117,772	114,480

Segment reporting

Total Vasakronan

January–December	2024	2023
Rental revenue, SEK m	9,447	9,157
Operating surplus, SEK m	7,055	6,862
Surplus ratio, %	75	75
On balance-sheet date	31 Dec 2024	31 Dec 2023
Market value of properties, SEK m	178,183	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, %	92	93

Contracted rent by geographic market

Pertains to share of contracted rent.



Pertains to share of market value.



Contracted rent by property type

Pertains to share of contracted rent.



Stockholm

2024	2023
6,210	5,973
4,685	4,522
75	76
31 Dec 2024	31 Dec 2023
122,993	120,592
88	90
76	76
1,407	1,403
89	90



66%



69%



Gothenburg

2024	2023
1,666	1,654
1,259	1,243
76	75
31 Dec 2024	31 Dec 2023
30,510	29,449
93	93
34	34
447	447
100	97



17%



17%



Malmö

2024	2023
865	841
611	600
71	71
31 Dec 2024	31 Dec 2023
13,214	13,113
91	91
31	31
299	299
100	100



9%



7%



Uppsala

2024	2023
706	689
500	497
71	72
31 Dec 2024	31 Dec 2023
11,466	11,415
89	94
25	25
244	244
100	98



8%



7%



Key metrics

	Jan–Dec 2024	Jan–Dec 2023	Oct–Dec 2024	Oct–Dec 2023
Property-related information				
Closing occupancy rate, %	89.1	90.9	89.1	90.9
Surplus ratio, %	75	75	74	75
Investments in existing properties, SEK m	2,415	2,802	610	871
Property acquisitions, SEK m	779	0	88	0
Property divestments, SEK m	0	0	0	0
Net investments, SEK m	3,194	2,802	698	871
Closing market value of property, SEK m	178,183	174,569	178,183	174,569
Closing area, thousand sq. m.	2,397	2,393	2,397	2,393
Closing number of properties	166	166	166	166
Environmental certification, of investment portfolio, share of market value, %	92	93	92	93
Specific energy consumption, kWh/sq. m., rolling 12 months	70	73	70	73

	Jan–Dec 2024	Jan–Dec 2023	Oct–Dec 2024	Oct–Dec 2023
Financial metrics				
EBITDA margin, %	71	72	71	72
Interest coverage ratio, multiple	3.6	3.8	3.7	3.8
Closing equity/assets ratio, %	42	40	42	40
Closing loan-to-value ratio, %	40	42	40	42
Fixed-interest tenor ¹⁾ , years	4.1	4.1	4.1	4.1
Loan-to-maturity ¹⁾ , years	4.8	5.2	4.8	5.2
Closing EPRA NRV, SEK m	107,198	102,742	107,198	102,742
Closing EPRA NTA, SEK m	99,117	94,819	99,117	94,819
Closing EPRA NDV, SEK m	82,456	80,446	82,456	80,446
Closing average interest rate, %	2.6	2.7	2.6	2.7
Closing net interest-bearing liabilities, SEK m	70,889	73,034	70,889	73,034
Cash flow before changes in working capital, SEK m	4,453	4,589	1,076	1,224
Net interest-bearing liabilities/EBITDA, rolling 12 months	10.5	11.1	–	–
Other				
Closing number of employees	311	300	311	300

1) Last day in the period.

Basis for key metrics

	Jan-Dec 2024	Jan-Dec 2023	Oct-Dec 2024	Oct-Dec 2023
1. EPRA NRV, SEK m				
Equity	82,701	78,902	82,701	78,902
Add back goodwill attributable to deferred tax	-1,901	-1,901	-1,901	-1,901
Add back derivatives	578	648	578	648
Add back recognised deferred tax	25,820	25,093	25,820	25,093
	107,198	102,742	107,198	102,742
2. EPRA NTA, SEK m				
Equity	82,701	78,902	82,701	78,902
Add back goodwill attributable to deferred tax	-1,901	-1,901	-1,901	-1,901
Add back other intangible assets	-100	-100	-100	-100
Add back derivatives	578	648	578	648
Add back recognised deferred tax	25,820	25,093	25,820	25,093
Deferred tax at fair value ¹⁾	-7,981	-7,823	-7,981	-7,823
	99,117	94,819	99,117	94,819
3. EPRA NDV, SEK m				
Equity	82,701	78,902	82,701	78,902
Add back goodwill attributable to deferred tax	-1,901	-1,901	-1,901	-1,901
Adjustment of interest-bearing liabilities to fair value	1,656	3,445	1,656	3,445
	82,456	80,446	82,456	80,446
4. EBITDA, SEK m				
Operating surplus	7,055	6,862	1,784	1,752
Central administration	-112	-111	-27	-25
Dividends from joint ventures	0	-10	0	-10
Interest expense lease liability, ground rents and land leases	-215	-172	-57	-47
	6,728	6,569	1,700	1,670

	Jan-Dec 2024	Jan-Dec 2023	Oct-Dec 2024	Oct-Dec 2023
5. EBITDA margin, %				
Rental revenue	9,447	9,157	2,399	2,331
EBITDA	6,728	6,569	1,700	1,670
	71	72	71	72
6. Interest coverage ratio, multiple				
EBITDA	6,728	6,579	1,700	1,670
Net interest, excl. interest expense on lease liabilities	-1,885	-1,730	-463	-436
	3.6	3.8	3.7	3.8
7. Net interest-bearing liabilities, SEK m				
Non-current interest-bearing liabilities	61,541	65,197	61,541	65,197
Current interest-bearing liabilities	13,226	11,062	13,226	11,062
Cash and cash equivalents	-3,878	-3,225	-3,878	-3,225
	70,889	73,034	70,889	73,034
8. Loan-to-value ratio, %				
Net interest-bearing liabilities	70,889	73,034	70,889	73,034
Fair value of investment properties	178,183	174,569	178,183	174,569
	40	42	40	42

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 year, 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

In a press release, the Government of Sweden has announced the launch of a review of the Swedish national pension funds, which may result in the concentration of ownership in Vasakronan to fewer of the funds.

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

The report has not been reviewed by the company's auditors.

For more information about this interim report, please contact:

Johnny Engman, *Chief Financial Officer*

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This information is of such a kind that Vasakronan AB (publ) is legally required to disclose pursuant to the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication through the agency of the above contact people on 6 February 2025, at 12.00 p.m. CET.

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

Annual Report 2024	March 2025
Interim report Jan–Mar	5 May 2025

ANNUAL GENERAL MEETING

Annual General Meeting	5 May 2025
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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