Vasakronan

Standing firm in a weak market

- Operational headwinds persist
- Financial strength remains solid
- High creditworthiness intact

Main recommendation
Senior unsecured • SEK
M
Market Perform

Like-for-like rental income down but vacancies up

On a like-for-like basis, Vasakronan's rental income was down 2% y-o-y in Q2 2026, and net letting amounted to SEK -73m (primarily due to the termination of one of Ericsson's contracts in Kista). At 12.8%, vacancies were up slightly and value changes amounted to SEK 243m. All numbers were weaker than in Q1. According to the CEO, market conditions remain largely unchanged, with high office vacancies and an increasing polarisation with quality and location ever more important. The majority of Vasakronan's new letting is concentrated around central Stockholm, for example.

Unchanged credit metrics, in line with Moody's expectations

Reported LTV was down slightly q-o-q at 40%, as was ICR at 3.5x – with both metrics thus falling within Moody's requirements for the A3 rating. Moody's affirmed the rating in late April, which came as no surprise to us. The fixed interest term of 3.6 years and average debt maturity of 4.4 years were both stable q-o-q, and compare favourably with those of most peers. The liquidity profile remains strong.

Financial strength offsets soft operational numbers

Despite somewhat soft operational numbers, we view Vasakronan's Q2 results as largely credit-neutral as its financials remain robust. We regard Vasakronan as one of the strongest issuers in the Nordic real estate sector, and see no reason to change our view having read the Q2 report. The impact on the company's credit spreads should also be limited, and we thus maintain our Market Perform recommendation.

Key figures

SEKm	2021	2022	2023	2024	2025	Q2-26LTM
Rental revenues	7,425	8,167	9,157	9,447	9,503	9,550
Op. net (NOIRE)	5,533	5,968	6,862	7,055	7,037	7,034
Income fr property mgmt adj	4,391	4,333	4,645	4,849	4,862	4,770
Net income adj	16,359	8,465	-10,858	3,823	3,015	2,727
Property value	186,732	193,467	180,898	185,737	189,289	190,288
Gross debt adj	78,996	82,576	82,589	82,322	82,398	84,449
Net debt to prop value adj (%)	40.4	41.1	43.9	42.2	42.5	42.6
Total debt to total assets adj (%)	40.3	39.6	42.4	41.4	40.8	41.4
FFO/gross debt adj (%)	5	5	6	5	6	5
Gross debt/EBITDA adj (x)	14.6	14.1	12.2	11.8	11.9	12.2
EBITDA/interest expense adj (x)	4.5	4.2	3.3	3.1	3.2	3.1
Dividends/FFO adj (%)	56.0	93.6	n.m	n.m	41.2	47.3
Vacancy rate (%)	9.0	9.1	9.1	10.9	12.3	12.8
Pledged assets to total assets (%)	4.0	5.5	5.9	5.8	6.7	n.m
Secured debt to total assets (%)	4.0	5.3	5.7	5.6	6.5	6.4
Valuation yield (%)	3.9	4.0	4.5	4.5	4.5	4.5

Source: Handelsbanken

For full disclaimer and definitions, please refer to the end of this report.

Profile

Vasakronan is one of Sweden's largest real estate companies with total assets of SEK 203bn as of 31 December 2025. The company focuses on office and retail properties in Stockholm, Uppsala, Gothenburg and Malmö. Vasakronan is owned by the Second, Third and Fourth Swedish National Pension Funds. The borrowing programmes benefit from change of control language. Vasakronan was founded in 1993 and is headquartered in Stockholm, Sweden.

Website	Link
CEO	Johanna Skogestig
CFO	Johnny Engman
Treasurer	Thomas Nystedt

Public rating(s)

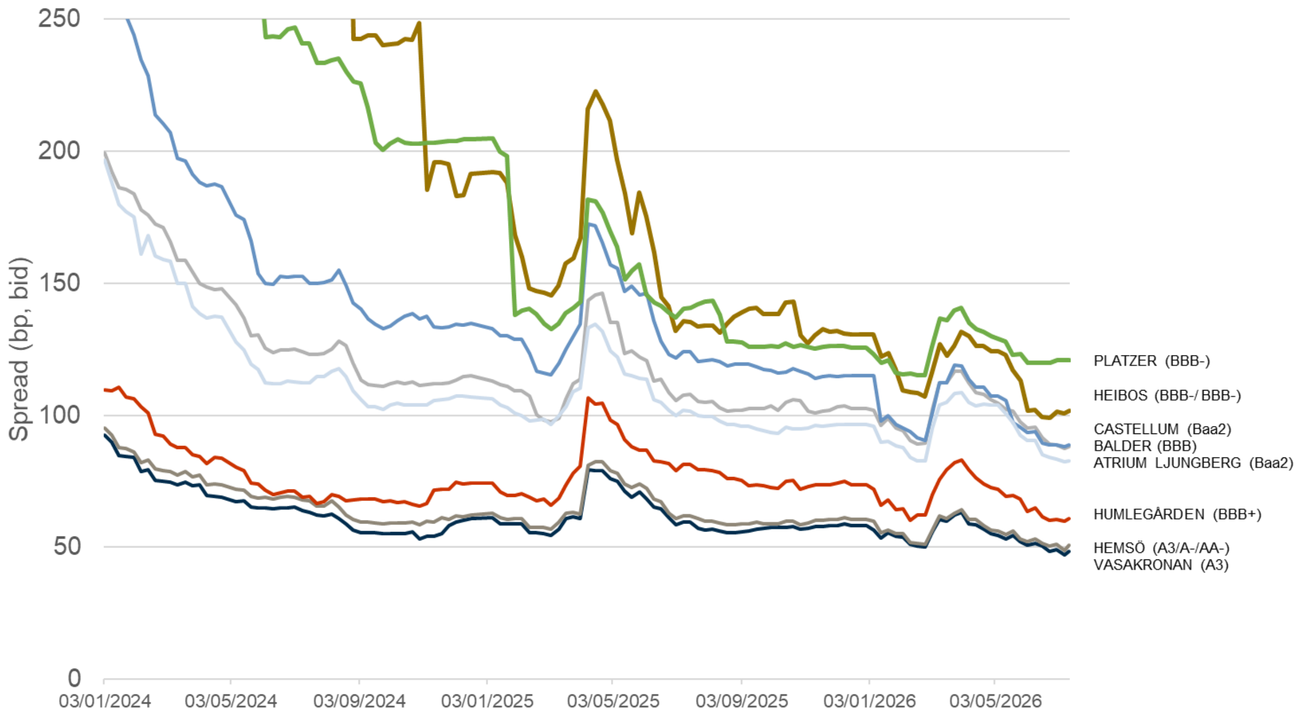
- Moody's / A3 / Stable

Michael Andersson
+46 738 042 894
michael.andersson
@handelsbanken.se

Relative value

Despite somewhat soft operational numbers, we view Vasakronan's Q2 results as largely credit-neutral as its financials remain robust. We regard Vasakronan as one of the strongest issuers in the Nordic real estate sector, and see no reason to change our view having read the Q2 report. The impact on the company's credit spreads should also be limited, and we thus maintain our Market Perform recommendation.

Interpolated 3-year SEK spreads (bid)



Sources: Bloomberg and Handelsbanken

Key figures

P&L accounts, annual data

SEKm	2021	2022	2023	2024	2025
Revenues	7,425	8,167	9,157	9,447	9,503
Total op expenses	-2,016	-2,315	-2,406	-2,504	-2,595
EBITDA	5,417	5,873	6,772	6,963	6,928
EBITDA adj	5,417	5,873	6,772	6,963	6,928
EBIT	5,602	5,701	6,540	6,942	6,878
Associated income	193	-151	-211	-1	-30
Interest income	4	30	154	184	128
Interest expense	-1,215	-1,398	-2,049	-2,277	-2,144
EBT	20,572	10,532	-13,632	4,868	3,917
Paid tax	-223	-135	-341	-311	-525
Net income	16,359	8,465	-10,858	3,823	3,015

Source: Handelsbanken

P&L, quarterly data

SEKm	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26
Revenues	2,338	2,380	2,454	2,369	2,347
Total op expenses	-651	-600	-676	-700	-667
EBITDA	1,692	1,785	1,783	1,674	1,685
EBITDA adj	1,692	1,785	1,783	1,674	1,685
EBIT	1,682	1,773	1,771	1,662	1,672
Associated income	-5	-7	-7	-7	-8
Interest income	46	34	20	30	30
Interest expense	-495	-552	-561	-549	-560
EBT	1,869	1,438	198	1,693	133
Paid tax	-131	-106	-164	-114	-114
Net income	1,456	1,286	-38	1,404	75

Source: Handelsbanken

Balance sheet, annual data

SEKm	2021	2022	2023	2024	2025
Financial assets	1,222	2,147	2,998	3,046	5,324
Total tangible assets	186,834	193,620	181,038	185,897	189,401
Total intangible assets	2,044	2,018	2,001	2,001	2,006
Other long-term assets	2,044	2,018	2,001	2,001	2,006
Other current assets	158	310	190	96	61
Cash and equivalents	3,521	2,984	3,225	3,878	1,954
Total assets	196,194	208,588	194,820	198,916	202,064
Equity	85,290	89,767	78,902	82,701	83,703
LT interest-bearing debt	64,500	71,635	71,527	69,096	68,765
Other long term liabilities	69	78	65	132	66
ST interest bearing debt	14,496	10,941	11,062	13,226	13,633
Other current liabilities	22	23	136	304	541
Total equity and liabilities	196,156	208,567	194,761	198,858	201,913
Total equity and liabilities adj	196,194	208,588	194,820	198,916	202,064
Total debt	78,996	82,576	82,589	82,322	82,398
Total debt adj	78,996	82,576	82,589	82,322	82,398

Source: Handelsbanken

Cash flow, annual data

SEKm	2021	2022	2023	2024	2025
Funds from operations (FFO)	3,572	4,272	4,589	4,453	4,857
FFO adj	3,572	4,272	4,589	4,453	4,857
Change in working capital	375	164	-55	342	-389
Operating cash flow (OCF)	3,947	4,436	4,534	4,795	4,468
Cash flow from investments	-3,858	-1,792	-2,848	-3,297	-4,513
Capex	-4,137	-2,366	-2,802	-2,415	-2,505
Dividends paid	-2,000	-4,000	0.0	0.0	-2,000
Discretionary cash flow	-2,190	-1,930	1,732	2,380	-37
Net change in debt	3,132	1,650	239	-1,981	2,776
Cash flow from financing	874	-3,181	-1,445	-845	-1,502
Net cash flow	963	-537	241	653	-1,547

Source: Handelsbanken

Key metrics, annual data

%	2021	2022	2023	2024	2025
EBITDA adj margin	73.0	71.9	74.0	73.7	72.9
EBIT adj margin	75.4	69.8	71.4	73.5	72.4
Equity ratio	43.5	43.0	40.5	41.6	41.5
Equity ratio adj	43.5	43.0	40.5	41.6	41.4
Net debt/equity (x)	0.88	0.89	1.0	0.95	0.96
Net debt/EBITDA (x)	13.9	13.6	11.7	11.3	11.6
Net debt/EBITDA adj (x)	13.9	13.6	11.7	11.3	11.6
Debt/EBITDA (x)	14.6	14.1	12.2	11.8	11.9
Debt/EBITDA adj (x)	14.6	14.1	12.2	11.8	11.9
EBITDA/net interest adj (x)	4.5	4.3	3.6	3.3	3.4
EBIT/interest (x)	5	4	3	3	3
FFO/net debt	4.7	5.4	5.8	5.7	6.0
FFO/total debt adj	4.5	5.2	5.6	5.4	5.9
FFO/net debt adj	4.7	5.4	5.8	5.7	6.0
FOCF/debt	n.m	2.5	2.1	2.9	2.4

Source: Handelsbanken

Credit research disclaimer

Recommendation structure and allocations

Handelsbanken Credit Research employs a three-graded recommendation scale. The recommendations reflect the analyst's assessment of the bond's total return on a 12-month time horizon in relation to a relevant benchmark. An issuer may have more than one recommendation. One of them is designated as the main recommendation for the company. The analyst determines which is the main recommendation for a company based on an assessment of factors such as outstanding volume and liquidity.

The recommendations amongst companies under coverage and amongst companies under coverage for which Handelsbanken has provided investment banking services in the past 12 months are listed below. The table refers to the companies' main recommendation.

Recommendations are continuously reviewed by the analyst and monitored by the Research Management and will be updated and/or refreshed regularly. The rationale behind a change in recommendation will be explained in such a refresher/update.

A list of all recommendations made by investment research during the preceding 12-month period is available here: handelsbanken.researchonline.se/disclaimers/credit/recommendation-list.

Unless otherwise specified, prices and spreads mentioned in this report refer to the closing price of the previous day.

Recommendations: definitions and allocations

SHB recommendation[1]	SHB universe main[2]	IB services[3]
Outperform	21%	36%
Market Perform	68%	69%
Underperform	11%	50%

[1] Recommendation definitions:
Outperform: Over the next 12 months, the bond's total return is expected to exceed the total return of the relevant benchmark
Market perform: Over the next 12 months, the bond's total return is expected to be in line with the total return of the relevant benchmark
Underperform: Over the next 12 months, the bond's total return is expected to be below the total return of the relevant benchmark
[2] Percentage of companies under coverage within each recommendation
[3] Percentage of companies within each recommendation (unsecured) for which investment banking services have been provided in the past 12 months

Source: Handelsbanken, as per 15 July 2026

Risk warning

All investments involve risks and investors are encouraged to make their own decision as to the appropriateness of an investment in any securities referred to in this report, based on their specific investment objectives, financial status and risk tolerance. The historical return of a financial instrument is not a guarantee of future return. The value of financial instruments can rise or fall, and it is not certain that you will get back all the capital you have invested. At times, the expected total returns may fall outside of the above stated expectation because of price movement and/or volatility. Such interim deviations from specified expectations will be permitted but will become subject to review by Research Management.

Valuation and methodology

Handelsbanken provides investment research as defined in Article 36(1) of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive. Investment recommendations are based on one or more methods of valuation, such as cash flow analysis, recovery assignments, sector performance, market movements, etc. The recommendations reflect the analyst's assessment of the expected total return on the instrument compared to the relevant benchmark (i.e. the expected return on a relevant benchmark with regard to similar credit quality, sector, currency, maturity, seniority, documentation, etc.). This assessment is not based on a proprietary Handelsbanken model and the basis for the analyst's assessment is dependent on the characteristics of the sector and the company and a multitude of fundamental and timing factors are incorporated. The recommendation is made in total return terms relative a relevant benchmark on a 12-month time horizon and takes into account risks related to the investment. The recommendations do not represent the analyst's or the bank's assessment of the company's fundamental value or quality. For more detailed information about the valuation and methodology please consult Handelsbanken's Research website: handelsbanken.researchonline.se/disclaimers/credit/company-disclosures.

Research disclaimers

Svenska Handelsbanken AB (publ) (collectively referred to herein as 'SHB'), is responsible for the preparation of research reports. SHB is regulated in Sweden by the Swedish Financial Supervisory Authority, in Norway by the Financial Supervisory Authority of Norway and in Finland by the Financial Supervisory Authority of Finland. All research reports are prepared from trade and statistical services and other information that SHB considers to be reliable. SHB has not independently verified such information

In no event will SHB or any of its affiliates, their officers, directors or employees be liable to any person for any direct, indirect, special or consequential damages arising out of any use of the information contained in the research reports, including without limitation any lost profits even if SHB is expressly advised of the possibility or likelihood of such damages.

The views contained in SHB research reports are the opinions of employees of SHB and its affiliates and accurately reflect the personal views of the respective analysts at this date and are subject to change. There can be no assurance that future events will be consistent with any such opinions. Each analyst identified in this research report also certifies that the opinions expressed herein and attributed to such analyst accurately reflect his or her individual views about the companies or securities discussed in the research report. This research report does not, and does not attempt to, contain everything material that there is to be said about the company or companies described herein. For additional information about our research methodology please visit, handelsbanken.researchonline.se/disclaimers/credit

Research reports are prepared by SHB for information purposes only. The information in the research reports does not constitute a personal recommendation or personalised investment advice and such reports or opinions should not be the basis for making investment or strategic decisions. This document does not constitute or form part of any offer for sale or subscription of or solicitation of any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. Past performance may not be repeated and should not be seen as an indication of future performance. The value of investments and the income from them may go down as well as up and investors may forfeit all principal originally invested. Investors are not guaranteed to make profits on investments and may lose money. Exchange rates may cause the value of overseas investments and the income arising from them to rise or fall. This research product will be updated on a regular basis.

No part of SHB research reports may be reproduced or distributed to any other person without the prior written consent of SHB. The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

The report does not cover any legal or tax-related aspects pertaining to any of the issuer's planned or existing debt issuances.

Please be advised of the following important research disclosure statements:

SHB employees, including analysts, receive compensation that is generated by overall firm profitability. Analyst compensation is not based on specific corporate finance or debt capital markets services. No part of analysts' compensation has been, is or will be directly or indirectly related to specific recommendations or views expressed within research reports.

From time to time, SHB and/or its affiliates may provide investment banking and other services, including corporate banking services and securities advice, to any of the companies mentioned in our research.

We may act as adviser and/or broker to any of the companies mentioned in our research. SHB may also seek corporate finance assignments with such companies.

We buy and sell securities mentioned in our research from customers on a principal basis. Accordingly, we may at any time have a long or short position in any such securities. We may also make a market in the securities of all the companies mentioned in this report. [Further information and relevant disclosures are contained within our research reports.] SHB, its affiliates, their clients, officers, directors or employees may own or have positions in securities mentioned in research reports.

In conjunction with services relating to financial instruments, the Bank may, under certain circumstances, pay or receive inducements, i.e. fees and commission from parties other than the customer. Inducements may be both monetary and non-monetary benefits. If inducements are paid to or received from a third party, it is required that the payment must aim to improve the quality of the service, and the payment must not prevent the Bank from safeguarding the customer's interests. The customer must be informed about such remuneration that the Bank receives. When the Bank provides investment research, the Bank receives minor non-monetary benefits. Minor non-monetary benefits consist of the following:

- Information or documentation about a financial instrument or an investment service that is general in character.
- Written material produced by a third party that is an issuer to market a new issue.
- Participation at conferences and seminars regarding a specific instrument or investment service

- Corporate hospitality up to a reasonable amount.

The Bank has adopted Guidelines concerning Research which are intended to ensure the integrity and independence of research analysts and the research department, as well as to identify actual or potential conflicts of interests relating to analysts or the Bank and to resolve any such conflicts by eliminating or mitigating them and/or making such disclosures as may be appropriate. As part of its control of conflicts of interests, the Bank has introduced restrictions (“Information barriers”) on communications between the Research department and other departments of the Bank. In addition, in the Bank’s organisational structure, the Research department is kept separate from the Corporate Finance department and other departments with similar remits. The Guidelines concerning Research also include regulations for how payments, bonuses and salaries may be paid out to analysts, what marketing activities an analyst may participate in, how analysts are to handle their own securities transactions and those of closely related persons, etc. In addition, there are restrictions in communications between analysts and the subject company. According to the Bank’s Ethical Guidelines for the Handelsbanken Group, the board and all employees of the Bank must observe high standards of ethics in carrying out their responsibilities at the Bank, as well as other assignments. For full information on the Bank’s ethical guidelines please see the Bank’s website www.handelsbanken.com and click through to About the bank – Sustainability at Handelsbanken – Sustainability – Policy documents and guidelines – Policy documents – Policy for ethical standards in the Handelsbanken Group. Handelsbanken has a ZERO tolerance of bribery and corruption. This is established in the Bank’s Group Policy on Bribery and Corruption. The prohibition against bribery also includes the soliciting, arranging or accepting bribes intended for the employee’s family, friends, associates or acquaintances. For full information on the Bank’s Policy against corruption please see the Bank’s website www.handelsbanken.com and click through to About the bank – Sustainability at Handelsbanken – Sustainability – Policy documents and guidelines – Policy documents – Policy against corruption in the Handelsbanken Group.

When distributed in the UK

This document may be distributed in the United Kingdom only to persons who are authorised or exempted persons within the meaning of the Financial Services and Markets Act 2000 (as amended) (or any order made thereunder) or (i) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”), (ii) to high net worth entities falling within Article 49(2)(a) to (d) of the Order or (iii) to persons who are professional clients under Chapter 3 of the Financial Conduct Authority Conduct of Business Sourcebook (all such persons together being referred to as “Relevant Persons”).

Any person who is not a Relevant Person may not rely on this research report. UK customers should note that neither the UK Financial Services Compensation Scheme for investment business nor the rules of the Financial Conduct Authority made under the UK Financial Services and Markets Act 2000 (as amended) for the protection of private customers apply to this research report and accordingly UK customers will not be protected by that scheme.

When distributed in the United States

Important Third-Party Research Disclosures:

SHB research is not “globally branded” research and each recipient of SHB research is advised that in the United States, SHB research is distributed by Handelsbanken Markets Securities, Inc., (“HMSI”) an affiliate of SHB. HMSI does not produce research and does not employ research analysts. SHB research and SHB research analysts and its employees are not subject to FINRA’s research analyst rules which are intended to prevent conflicts of interest by, among other things, prohibiting certain compensation practices, restricting trading by analysts and restricting communications with the companies that are the subject of the research report. SHB has no affiliation or business or contractual relationship with HMSI that is reasonably likely to inform the content of SHB research reports; SHB makes all research content determinations without any input from HMSI.

SHB research reports are intended for distribution in the United States solely to “major U.S. institutional investors,” as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Each major U.S. institutional investor that receives a copy of research report by its acceptance hereof represents and agrees that it shall not distribute or provide research reports to any other person.

Any U.S. person receiving SHB research reports that desires to effect transactions in any equity securities discussed within the research reports should call or write HMSI. Address: 900 Third Avenue, New York NY 10022-4792. Phone: +1-212-326-5153. HMSI is a FINRA and SIPC Member.

Vasakronan

This report has not been given to the subject company, or any other external party, prior to publication to approve the accuracy of the facts presented. The subject company has not been notified of the recommendation or estimate changes, as stated in this report, prior to publication.

16 Jul 2026: Vasakronan - Handelsbanken's analyst Michael Andersson has no position in Vasakronan or a related instrument.

Handelsbanken has participated in a public offering of financial instruments of the subject company during the past twelve months.
Handelsbanken is party to an agreement with the following issuers relating to the provision of services of investment firms over the past twelve months.

On 5 Jan 2024 the recommendation (SEK Senior unsecured) Underperform, which was set on 28 Nov 2022, was changed to the current recommendation Market Perform.

For more company-specific disclosure texts, please consult Handelsbanken's Research website: handelsbanken.researchonline.se/disclaimers/credit/company-disclosures.

To find out when a recommendation on a specific company was first published, please consult Handelsbanken's Research website handelsbanken.researchonline.se/credit/companies.

Completion date: 16 Jul 2026 09:45 CET