Market Perform • SEK Senior unsecured

Vasakronan

Retained credit strength in continued office market headwinds

- Increasing polarisation in a slowly recovering office market
- Unchanged credit metrics and financial strength
- High creditworthiness intact

Increasing polarisation in a slowly recovering office market

On a like-for-like basis, Vasakronan's rental income was unchanged y-o-y in Q3 2026 (-2% in Q2), and net letting amounted to SEK -58m in the quarter, SEK -125m year-to-date (primarily due terminations by Ericsson and King). At 12.9%, vacancies were up marginally and value changes amounted to SEK 554m. The positive value changes were mainly driven by a favourable ruling in a leasehold dispute between Vasakronan and the City of Stockholm. Thus, the operational performance was similar to the previous quarter. According to the CEO, the office market recovery remains slow, with high office vacancies and an increasing polarisation with quality and location ever more important. This is similar to the trends the company is seeing in the transaction market.

Unchanged credit metrics and financial strength

Reported LTV was unchanged 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 was down slightly q-o-q at 3.5 years, while average debt maturity was unchanged q-o-q at 4.4 years. Both numbers compare favourably with those of most peers. The liquidity profile remains strong.

High creditworthiness intact

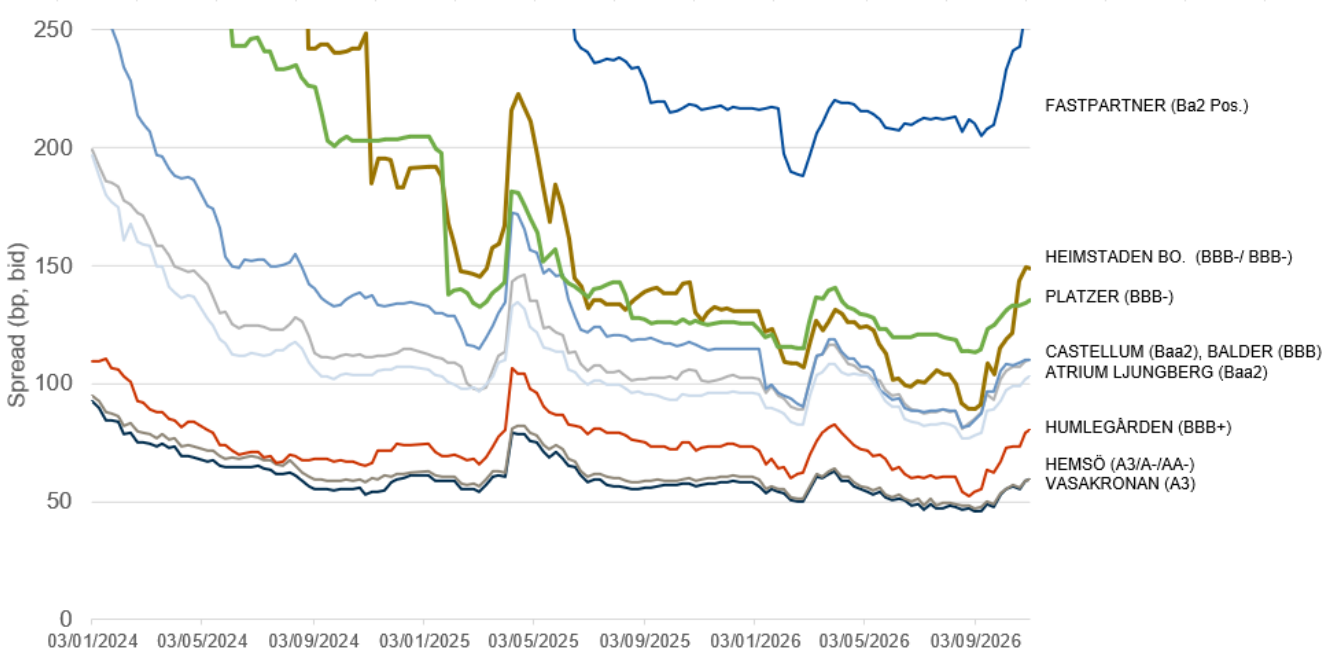
Despite somewhat soft operational numbers, we view Vasakronan's Q3 results as credit-neutral as its financials remain robust. We regard Vasakronan as one of the strongest issuers in the Nordic real estate sector, and see no reason to change our view having read the Q3 report. The impact on the company's credit spreads should also be limited. Vasakronan's strong financial position and relatively long funding profile is also comforting in the current volatile and uncertain markets, in our view.

Key figures

SEKm	2021	2022	2023	2024	2025	Q3-26LTM
Rental revenues	7,425	8,167	9,157	9,447	9,503	9,566
Op. net (NOIRE)	5,533	5,968	6,862	7,055	7,037	7,030
Income fr property mgmt adj	4,391	4,333	4,645	4,849	4,862	4,798
Net income adj	16,359	8,465	-10,858	3,823	3,015	3,389
Property value	186,732	193,467	180,898	185,737	189,289	191,102
Gross debt adj	78,996	82,576	82,589	82,322	82,398	84,503
Net debt to prop value adj (%)	40.4	41.1	43.9	42.2	42.5	42.4
Total debt to total assets adj (%)	40.3	39.6	42.4	41.4	40.8	41.1
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	3.2
Dividends/FFO adj (%)	56.0	93.6	n.m	n.m	41.2	48.6
Vacancy rate (%)	9.0	9.1	9.1	10.9	12.3	12.9
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

Interpolated 3-year SEK spreads (bid)



Sources: Bloomberg and Handelsbanken

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Credit research disclaimer

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Recommendations: definitions and allocations

SHB recommendation[1]	SHB universe main[2]	IB services[3]
Outperform	22%	58%
Market Perform	67%	62%
Underperform	11%	67%

[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 3 November 2026

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Vasakronan

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Completion date: 3 Nov 2026 15:42 CET