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Company Update

Property

Sweden

05 February 2021

Public ratings

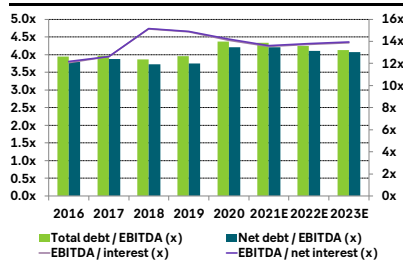
Moody's: A3/Stable

S&P: N.R.

Fitch: N.R.

Market cap (SEKm) Not listed

Vasakronan key credit metrics



Source: SEB

Prudent Q4, focus is on own projects

In light of the pandemic, Vasakronan ended 2020 firmly with stable earnings. Vasakronan reported positive value changes, despite being in a weak trend in terms of lettings and vacancies. Looking ahead, the project portfolio supports future organic growth and asset quality. We continue to calculate credit metrics within Moody's requirements for the A3 rating.

Positive value changes but a weak trend in terms of lettings and vacancies

The operating performance in the fourth quarter was stable, with negligible deviations from our estimates. The vacancy rate marginally declined sequentially to 91.9% from 92.6%, of which 2% was attributed to vacant development properties and ongoing projects. Net lettings for Q4 were negative at SEK 137m, although substantially smaller for FY 2020 (SEK -18m). Vasakronan said that some companies have put their expansion plans temporary on hold. Unrealised value changes of SEK 1.9bn contributed to a 1.3% increase in property value in Q4 (SEK 1.1bn full year). The positive revaluation was driven by yield compression among public properties, good occupancy rates in projects with reduced completion risk. However, the value of Vasakronan's retail properties declined approximate 5% for FY 2020.

The project portfolio supports future organic growth and asset quality

Considering high market valuations, Vasakronan's primary focus is on own development projects. We expect future growth to be derived organically from the SEK 15n project portfolio, of which SEK 9.4bn (71% capitalised). Vasakronan's projects are well located and are characterised by high environmental standards (predominately LEED Platinum certification). An occupancy rate of 81% among larger projects is strong, especially considering a cautious rental market. We expect the ongoing projects to preserve its attractiveness and enhance the portfolios asset quality.

Key metrics are in line with requirements for the A3/Stable rating

Key credit metrics such as 12-month net debt/EBITDA at 13.5x, 12-month ICR at 4.4x and net LTV of 41.1% were all in line with our expectations. Both capital and interest binding remain above five years. We assess that Vasakronan continues to enjoy adequate headroom in key credit metrics measured against requirements for the rating by Moody's, also in view of the SEK 2bn (conservative) dividend proposal for the 2020 financial year.

Key credit metrics & ratios

	2017	2018	2019	2020	2021E	2022E	2023E
Revenues (SEKm)	6,490	6,718	7,040	7,006	7,192	7,582	7,796
EBITDA (SEKm)	4,581	4,768	4,947	4,914	5,074	5,372	5,527
EBIT (SEKm)	4,581	4,768	4,947	4,914	5,074	5,372	5,527
FFO (SEKm)	3,383	3,729	3,973	3,581	3,822	4,059	4,184
FOCF (SEKm)	398	2,541	256	-1,445	322	809	1,184
Net debt (m)	56,998	58,872	63,123	66,759	68,437	70,628	72,443
Equity	51,377	60,271	70,156	70,869	72,844	74,281	76,106
EBITDA margin	70.6	71.0	70.3	70.1	70.6	70.8	70.9
EBIT margin (%)	70.6	71.0	70.3	70.1	70.6	70.9	70.9
Adjusted EBITDA net int. cover. (x)	3.9	4.6	4.4	4.4	4.2	4.3	4.3
Adjusted net debt to EBITDA (x)	12.4	12.3	12.8	13.6	13.5	13.1	13.1
Adjusted FFO / Net debt	6%	6%	6%	5%	6%	6%	6%
Adjusted net debt to capital	53%	49%	47%	49%	48%	49%	49%

Source: SEB

Analyst

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Q4 vs SEB DCM Research

Vasakronan's Q4 2020 report was similar to those of commercial real estate peers that have reported so far, with stable operating items (partly affected by Covid-19) and positive value changes. The fourth quarter rental income and NOI were down 2% and 1% year-over-year, respectively. For the full year, Vasakronan has provided Covid-19 related discounts of SEK 106m (of which SEK 48m will be covered by the government). Rental support is small and corresponding to about 1.5% of Vasakronan's annual rental income. The interest expense for Q4 was 6% lower than our expectation at SEK 264m, corresponding to an average interest rate of 1.6%, down 10 bp sequentially. All credit metrics were in line with expected levels and our estimates, including a 12M interest coverage of 4.4x (4.3x expected) and net LTV of 41.1% (40.9% expected).

SEB DCM Research deviation table

(SEKm)	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20E	Q4/20	Q4 vs SEB
Rental income	1,793	1,808	1,764	1,703	1,767	1,776	1,772	0%
NOI	1,259	1,293	1,247	1,218	1,293	1,261	1,274	1%
EBITDA	1,237	1,257	1,219	1,185	1,265	1,231	1,245	1%
FFO	1,005	1,215	740	880	977	1,094	984	-10%
FOCF	210	488	-751	-504	101	145	-274	
Interest expense	-299	-271	-280	-298	-285	-281	-264	-6%
Net interest expense	-298	-270	-277	-296	-282	-286	-263	-8%
Investment properties	147,385	156,071	155,454	157,455	158,641	160,736	162,420	1%
Total debt	64,971	66,638	68,852	67,753	67,292	66,755	69,317	4%
Net debt	61,598	63,123	62,560	63,342	63,196	65,760	66,759	2%
Total debt / EBITDA (x)	13.0x	12.6x	13.1x	12.9x	12.9x	13.6x	14.0x	
Net debt / EBITDA (x)	12.4x	12.0x	11.9x	12.1x	12.1x	13.4x	13.5x	
EBITDA / net interest (x)	4.6x	4.7x	4.5x	4.6x	4.6x	4.3x	4.4x	
FFO / net debt (%)	5.9%	6.2%	6.2%	6.1%	6.1%	5.7%	5.4%	
Gross LTV	44.1%	42.7%	44.3%	43.0%	42.4%	41.5%	42.7%	
Net LTV	41.8%	40.4%	40.2%	40.2%	39.8%	40.9%	41.1%	
Property								
Net acquisitions	-2	-890	0	-6	228	8	-174	
Investments in existing properties	-1,025	-1,295	-1,169	-1,417	-1,069	-1,045	-1,659	
Property revaluation	2,143	6,501	-1,786	578	345	1,058	1,946	
Yield	4.30%	4.16%	4.20%	4.17%	4.16%	4.13%	N.A.	
Operating costs								
Central administration	-22	-36	-28	-33	-28	-30	-29	-4%
Running costs	-165	-168	-197	-155	-158	-170	-185	9%
Repairs and maintenance	-24	-31	-31	-29	-27	-32	-28	-13%
Property administration	-79	-112	-84	-99	-80	-116	-90	-22%
Property taxes	-229	-165	-165	-163	-170	-154	-155	1%
Leasehold rents	-37	-39	-40	-39	-39	-43	-40	-7%
Total property costs	-534	-515	-517	-485	-474	-515	-498	-3%

Source: SEB, Company reports

Financial forecast

We have made minor changes to our financial forecast following the Q4 2020 report. Our assumptions regarding rental growth, property yields, and funding costs are more or less in line with our expectations since the Q3 report. During 2020, Vasakronan invested SEK 5.3bn in its developments, while investment activities (acquisitions and disposals) were very low. We assume that most of the rental and property growth will come from the high-quality development portfolio. Given that 18% of the annual rents come from retail tenants, we expect continued weak rental momentum over the short-term. However, this will be balanced by a meaningful share of public sector tenants (23%) and healthy renegotiations momentum among offices. We continue to calculate comforting headroom to Moody's requirements for the A3 rating in our financial base case, also in view of the 2020 dividend proposal.

Vasakronan SEB financial forecast, SEB DCM Research base case

(SEKm)	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	2018	2019	2020	2021E	2022E	2023E
Rental income	7,040	7,080	7,068	7,042	7,006	6,718	7,040	7,006	7,192	7,582	7,796
NOI	5,060	5,064	5,017	5,051	5,032	4,869	5,060	5,032	5,193	5,497	5,656
EBITDA	5,268	5,269	5,252	5,221	4,961	4,942	5,268	4,961	5,086	5,384	5,540
FFO	3,899	3,875	3,878	3,864	3,608	3,761	3,899	3,608	3,834	4,071	4,197
Y/Y growth in rental income (%)	5%	4%	4%	1%	0%	4%	5%	0%	3%	5%	3%
NOI margin (%)	72%	72%	71%	72%	72%	72%	72%	72%	72%	73%	73%
EBITDA margin (%)	75%	74%	74%	74%	71%	74%	75%	71%	71%	71%	71%
Interest expense	-1,135	-1,166	-1,148	-1,134	-1,127	-1,046	-1,135	-1,127	-1,202	-1,256	-1,281
Net interest expense	-1,131	-1,160	-1,141	-1,125	-1,118	-1,043	-1,131	-1,118	-1,196	-1,250	-1,275
Hybrid / preferred interest / dividends	0	0	0	0	0	0	0	0	0	0	0
Adjusted interest expense	-1,278	-1,311	-1,296	-1,282	-1,276	-1,189	-1,278	-1,276	-1,354	-1,410	-1,450
Investment properties	156,071	155,454	157,455	158,641	162,420	138,934	156,071	162,420	167,138	171,955	176,890
Total debt	66,638	68,852	67,753	67,292	69,317	61,087	66,638	69,317	70,500	73,000	73,400
Cash and equivalents	3,515	6,292	4,411	4,096	2,558	2,215	3,515	2,558	2,063	2,372	959
Net debt	63,123	62,560	63,342	63,196	66,759	58,872	63,123	66,759	68,437	70,628	72,441
Hybrid / preferred debt / capital	0	0	0	0	0	0	0	0	0	0	0
Adjusted debt	68,367	67,818	68,513	68,362	71,923	58,872	68,367	71,923	73,601	75,792	77,605
Secured debt	11,603	11,601	11,973	10,971	10,971	12,907	11,603	10,971	11,000	11,000	11,000
Equity	70,156	70,007	70,518	71,610	70,869	60,271	70,156	70,869	72,844	74,281	76,106
Adjusted equity	70,156	70,007	70,518	71,610	70,869	60,271	70,156	70,869	72,844	74,281	76,106
Net debt+equity	133,279	132,567	133,860	134,806	137,628	119,143	133,279	137,628	141,281	144,909	148,548
Credit metrics											
Total debt / EBITDA (x)	12.6x	13.1x	12.9x	12.9x	14.0x	12.4x	12.6x	14.0x	13.9x	13.6x	13.2x
Net debt / EBITDA (x)	12.0x	11.9x	12.1x	12.1x	13.5x	11.9x	12.0x	13.5x	13.5x	13.1x	13.1x
Adjusted debt / EBITDA (x)	12.6x	12.5x	12.7x	12.7x	14.1x	11.6x	12.6x	14.1x	14.0x	13.7x	13.6x
EBITDA / interest (x)	4.6x	4.5x	4.6x	4.6x	4.4x	4.7x	4.6x	4.4x	4.2x	4.3x	4.3x
EBITDA / net interest (x)	4.7x	4.5x	4.6x	4.6x	4.4x	4.7x	4.7x	4.4x	4.3x	4.3x	4.3x
EBITDA / adjusted interest (x)	4.2x	4.1x	4.2x	4.2x	4.0x	4.3x	4.2x	4.0x	3.9x	3.9x	3.9x
Fixed charge coverage (x)	0.4x	0.3x	0.4x	0.4x	0.3x	0.3x	0.4x	0.3x	4.3x	4.3x	4.3x
FFO / total debt (%)	5.9%	5.6%	5.7%	5.7%	5.2%	6.2%	5.9%	5.2%	5.4%	5.6%	5.7%
FFO / net debt (%)	6.2%	6.2%	6.1%	6.1%	5.4%	6.4%	6.2%	5.4%	5.6%	5.8%	5.8%
FFO / adjusted debt (%)	5.9%	5.9%	5.9%	5.9%	5.2%	6.6%	5.9%	5.2%	5.4%	5.6%	5.6%
Gross LTV	42.7%	44.3%	43.0%	42.4%	42.7%	44.0%	42.7%	42.7%	42.2%	42.5%	41.5%
Net LTV	40.4%	40.2%	40.2%	39.8%	41.1%	42.4%	40.4%	41.1%	40.9%	41.1%	41.0%
Adjusted LTV	42.4%	42.2%	42.1%	41.7%	42.9%	42.4%	42.4%	42.9%	42.7%	42.8%	42.6%
Net debt / debt+equity	47.4%	47.2%	47.3%	46.9%	48.5%	49.4%	47.4%	48.5%	48.4%	48.7%	48.8%
Adjusted debt / debt + equity	51.3%	51.2%	51.2%	50.7%	52.3%	49.4%	51.3%	52.3%	52.1%	52.3%	52.2%
Secured LTV	7.4%	7.5%	7.6%	6.9%	6.8%	9.3%	7.4%	6.8%	6.6%	6.4%	6.2%
Equity ratio	41.2%	40.2%	40.7%	41.2%	40.2%	41.5%	41.2%	40.2%	40.4%	40.0%	40.2%

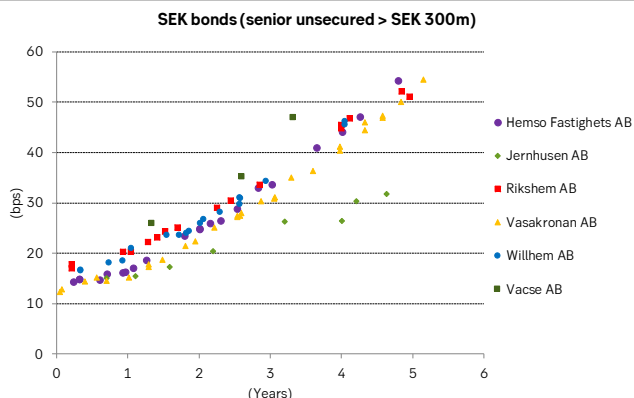
Source: SEB

Relative value and SEB view

Fairly valued bonds

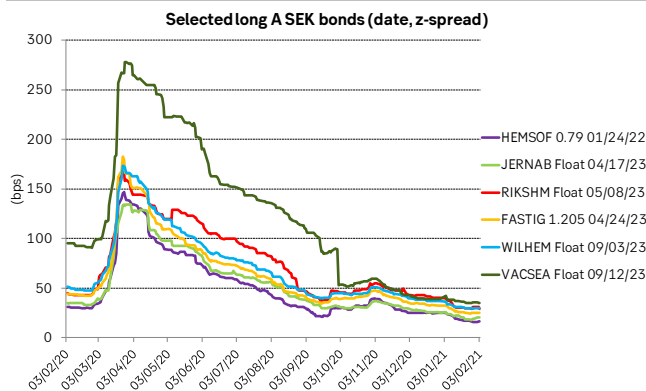
Vasakronan's SEK bonds, unsurprisingly, are trading in line with government and partly-government owned peers such as Hemsö, Willhem, Rikshem (all rated A- / A3 with stable outlook) and Jernhusen (A / Negative). Overall, we see Vasakronan's bonds as fairly valued. Although the shorter end of the bond curve still looks somewhat attractive, we consider the SEK A real estate bond curve to be relatively expensive compared with other rating categories following recent spread tightening to similar or lower than pre-pandemic levels.

Relative value comparison, selected A SEK bonds



Source: SEB, Bloomberg

Historical spread evolution, selected long A SEK bonds

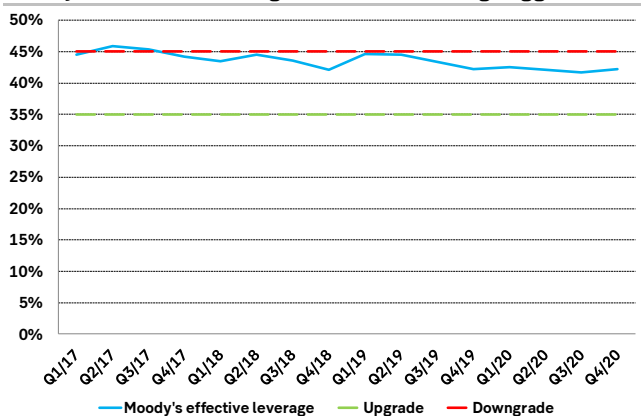


Source: SEB, Bloomberg

Adequate headroom to the A3 rating

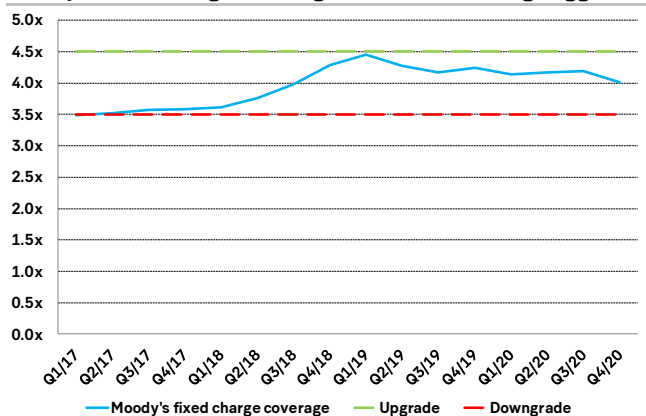
We calculate decent headroom to the current A3 rating. Vasakronan is required to maintain adjusted leverage of 35-45% (42.3% at YE 2020) and fixed-charge coverage above 3.5x (4.0x at YE 2020). In our updated financial forecast for 2021-2023, we expect the ratio headroom to remain adequate.

Moody's effective leverage and current rating triggers



Source: SEB, Moody's

Moody's fixed charge coverage and current rating triggers



Source: SEB, Moody's

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

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

Long-term credit profile

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

SEK 162bn portfolio

Largest real estate company in Sweden

With a property portfolio valued at about SEK 162bn, Vasakronan is Sweden's largest real estate company. The portfolio consists of about 171 properties located in central locations in Stockholm, Gothenburg, Uppsala and Malmö/Lund. Vasakronan, in its current form, was established in 2008. The company operates in Sweden's most attractive office markets, focusing on high-quality and sustainable office buildings in prime locations. About 23% of the annual rental income derives from public sector tenants, which we consider to be a meaningful share. Vasakronan is owned by the Swedish pension funds (AP1-4) and, consequently, indirectly owned by the Swedish government.

Pioneer within the sustainability area

Vasakronan is pioneer within the sustainability area, after having issued the world's first green corporate bond in 2013 and first green commercial paper in 2018, where the funds raised are earmarked for green assets. As of year-end 2020, green funding consisting of green bonds, green CPs, and green loans amounted for 61% of the total loan portfolio. At the same date, 80% of Vasakronan's total lettable area was environmentally certified, of which 73% were rated LEED Gold or higher. Furthermore, Vasakronan's diversified funding sources, broad investor base and green investments secure access to financing.

A3 rating supported by ownership structure

A3/Stable by Moody's since May, 2018

Vasakronan has been rated A3 by Moody's since May 2018. The rating is underpinned by Vasakronan's large property portfolio with a dominant market position in the prime office segment, high quality assets, and a high share of public tenants. The rating agency also considers additional strengths, for example the strong liquidity position and good interest coverage. Secured LTV is low at about 7%. This is sufficiently low not to warrant any notching from the issuer rating under rating agency methodology. The A3 rating includes a one-notch uplift related to the likelihood of extraordinary government support.

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

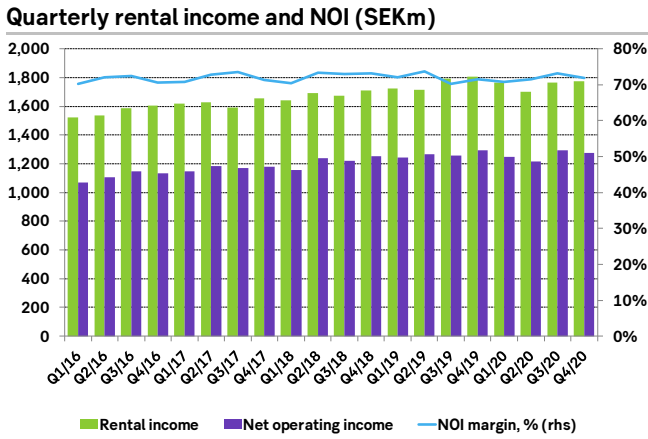
Rating affirmed with stable outlook in May 2020

Stable outlook and adequate ratings leeway

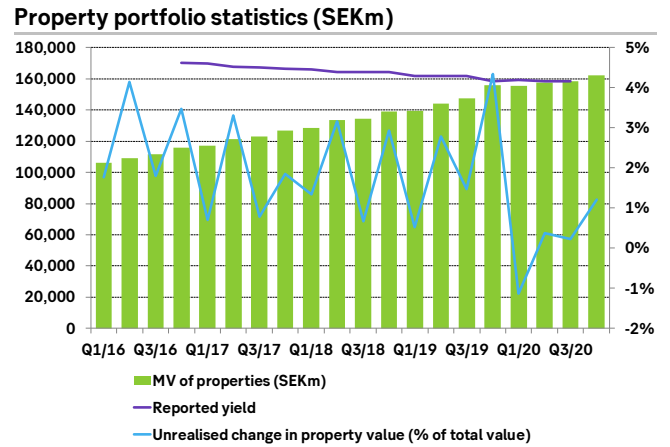
Vasakronan's A3/Stable rating was affirmed by Moody's in May 2020. The stable outlook reflects Moody's expectations of no significant impact on values or metrics coming from COVID-19. Moody's expects an adjusted debt-to-asset ratio of around 45% over the short-term.

We estimate the corresponding ratio at about 42% at Q4 2020, and we also expect it to remain below 45% in our financial base case. 12M interest rate coverage is also adequate in relation to the ratings requirement, with about 4.0x posted for Q4 2020, against a minimum of 3.5x required by Moody's in order to avoid ratings pressure.

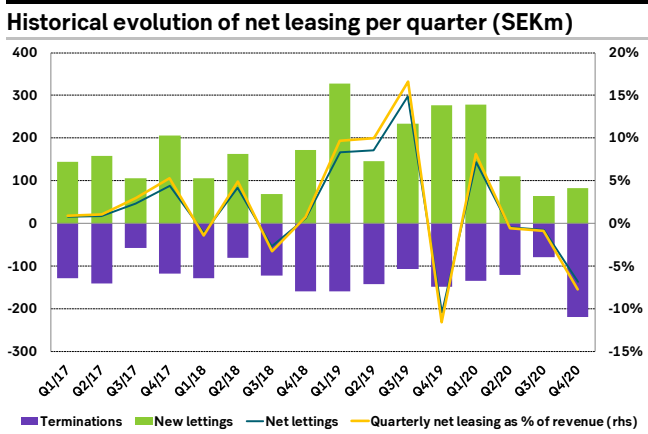
Company overview



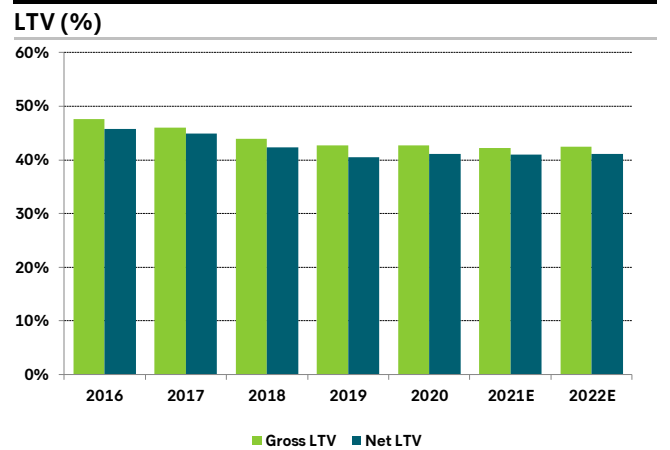
Source: Company reports



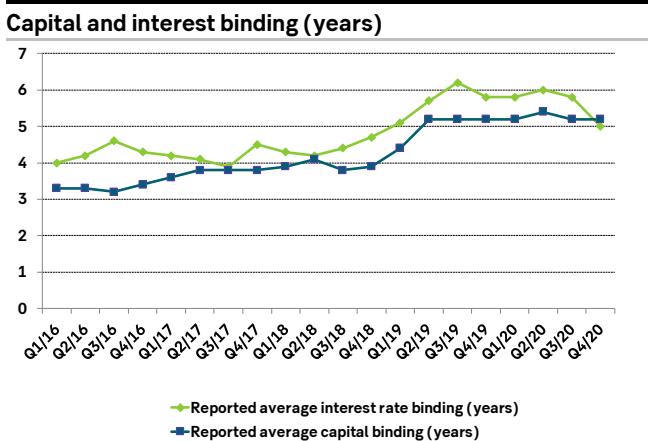
Source: Company reports



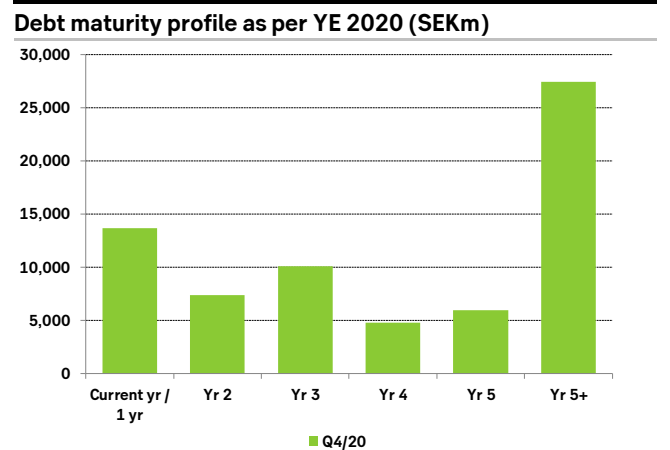
Source: Company reports



Source: SEB



Source: Company reports



Source: Company reports

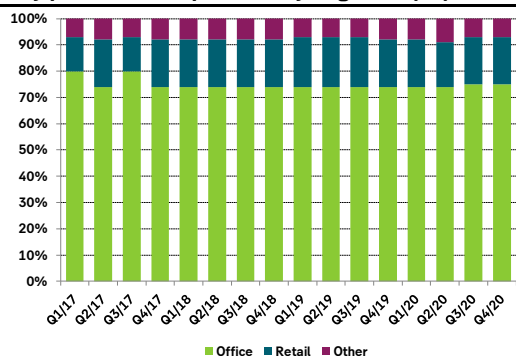
Credit strengths

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

Credit concerns

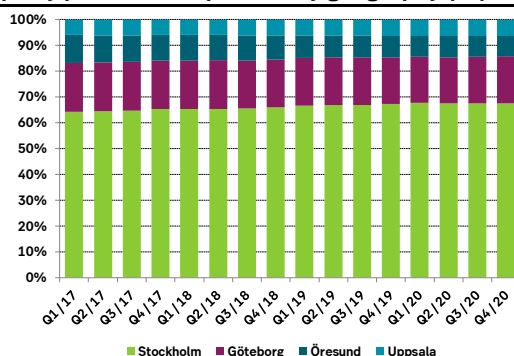
- Geographically concentrated to Sweden
- Exposed to commercial property segments where rent levels can be volatile
- Modest retail exposure, albeit attractive locations
- Engages in development activities with varying degree of speculation

Property portfolio composition by segment (%)



Source: Company reports

Property portfolio composition by geography (%)



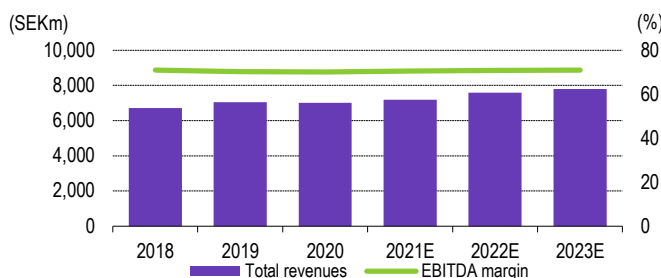
Source: Company reports

Financial statement summary - Adjusted numbers (SEKm)

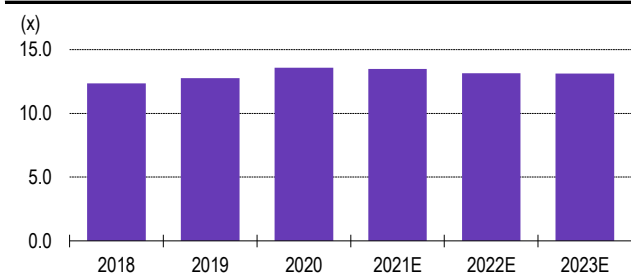
Income statement	2019	2020	2021E	2022E
Revenues	7,040	7,006	7,192	7,582
EBITDA	4,947	4,914	5,074	5,372
Net income (reported)	13,909	3,715	3,974	4,437
Cash flow statement	2019	2020	2021E	2022E
Funds from operations (FFO)	3,973	3,581	3,822	4,059
Operating Cash Flow	4,138	3,852	3,822	4,059
Free Operating cash flow	256.0	-1,445	321.9	808.8
Pre-financing cash flow	-3,744	-4,445	-1,678	-2,191
Balance sheet	2019	2020	2021E	2022E
Cash (and equivalents)	3,515	2,558	2,063	2,372
Total debt	66,638	69,317	70,500	73,000
Net debt	63,123	66,759	68,437	70,628
Equity	70,156	70,869	72,844	74,281
Total assets (reported)	170,179	176,226	180,449	185,575
Key credit metrics & ratios	2019	2020	2021E	2022E
Net debt to EBITDA (x)	12.8	13.6	13.5	13.1
Net debt to capital	47%	49%	48%	49%
FFO / Net debt	6%	5%	6%	6%
Equity ratio	41%	40%	40%	40%

Source: SEB and Vasakronan financial reports

Revenues and EBITDA margin



Adjusted net debt / EBITDA



Source: SEB and Vasakronan financial reports

Profit & loss statement

(SEKm)	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenues	6,251	6,490	6,718	7,040	7,006	7,192	7,582	7,796
Total expenses	-1,879	-1,909	-1,950	-2,093	-2,092	-2,118	-2,210	-2,269
EBITDA	4,372	4,581	4,768	4,947	4,914	5,074	5,372	5,527
Depreciation	0	0	0	0	0	0	0	0
Intangibles amortisation	0	0	0	0	0	0	0	0
EBIT	4,372	4,581	4,768	4,947	4,914	5,074	5,372	5,527
Associated companies	-3	-3	159	1,105	-219	0	0	0
Net interest expenses	-1,152	-1,165	-1,043	-1,131	-1,118	-1,197	-1,250	-1,277
Value changes	11,274	8,415	10,602	12,308	1,244	1,218	1,567	1,934
Other financial items	0	0	0	0	0	0	0	0
Reported pre-tax profit	14,491	11,828	14,486	17,229	4,821	5,095	5,689	6,185
Minority interests	0	0	0	0	0	0	0	0
Total taxes	-3,019	-2,559	-1,584	-3,320	-1,106	-1,121	-1,252	-1,361
Net profit	11,472	9,269	12,902	13,909	3,715	3,974	4,437	4,824
EBITDA margin	69.9	70.6	71.0	70.3	70.1	70.6	70.8	70.9
EBIT margin (%)	69.9	70.6	71.0	70.3	70.1	70.6	70.9	70.9
Tax rate (%)	20.8	21.6	10.9	19.3	22.9	22.0	22.0	22.0
Growth rates y-o-y (%)								
Total revenues	0.0	3.8	3.5	4.8	(0.5)	2.7	5.4	2.8
EBITDA	n.a.	4.8	4.1	3.8	(0.7)	3.3	5.9	2.9
EBIT	0.0	4.8	4.1	3.8	(0.7)	3.3	5.9	2.9
Pre-tax profit	0.0	(18.4)	22.5	18.9	(72.0)	5.7	11.6	8.7

Cash flow

(SEKm)	2016	2017	2018	2019	2020	2021E	2022E	2023E
FFO	3,137	3,383	3,729	3,973	3,581	3,822	4,059	4,184
Changes in working capital	302	0	271	165	271	0	0	0
Operating cash flow	3,439	3,383	4,000	4,138	3,852	3,822	4,059	4,184
Net capital expenditures	23	-2,985	-1,459	-3,882	-5,297	-3,500	-3,250	-3,000
Free operating cash flow	3,462	398	2,541	256	-1,445	322	809	1,184
Dividend paid	-7,382	-4,000	-4,000	-4,000	-3,000	-2,000	-3,000	-4,000
Acquisitions, divestments net	0	0	0	0	0	0	0	0
Pre-financing cash flow	-3,920	-3,602	-1,459	-3,744	-4,445	-1,678	-2,191	-2,816
Net loan proceeds	4,285	3,237	2,735	5,379	3,764	1,183	2,500	400
Share issue	0	0	0	0	0	0	0	0
Other	-519	-359	-484	-335	-277	0	0	0
Net change in cash	-154	-724	792	1,300	-958	-495	309	-2,416
Capex/sales (%)	-0.4	46.0	21.7	55.1	75.6	48.7	42.9	38.5

Balance sheet

(SEKm)	2016	2017	2018	2019	2020	2021E	2022E	2023E
Cash and liquid assets	2,147	1,423	2,215	3,515	2,558	2,063	2,372	957
Other current assets	909	871	905	1,176	1,234	1,234	1,234	1,234
Long-term financial assets	907	969	1,058	2,150	2,807	2,807	2,807	2,807
Fixed tangible assets	115,922	126,875	138,934	161,314	167,583	172,301	177,118	182,053
Intangibles	2,171	2,145	2,089	2,024	2,044	2,044	2,044	2,044
Total assets	122,056	132,283	145,201	170,179	176,226	180,449	185,575	189,094
Interest bearing debt	55,240	58,421	61,087	66,638	69,317	70,500	73,000	73,400
Other liabilities	20,699	22,485	23,843	33,385	36,040	37,105	38,294	39,588
Minority interests	0	0	0	0	0	0	0	0
Shareholders' equity	46,117	51,377	60,271	70,156	70,869	72,844	74,281	76,106
Total liabilities and equity	122,056	132,283	145,201	170,179	176,226	180,449	185,575	189,094
Net debt (m)	53,093	56,998	58,872	63,123	66,759	68,437	70,628	72,443
Net debt/equity (%)	115.1	110.9	97.7	90.0	94.2	94.0	95.1	95.2
Equity/total assets (%)	37.8	38.8	41.5	41.2	40.2	40.4	40.0	40.2
Net debt/EBITDA (x)	12.1	12.4	12.3	12.8	13.6	13.5	13.1	13.1
EBITDA Interest cover	3.8	3.9	4.6	4.4	4.4	4.2	4.3	4.3

Main shareholders

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

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

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

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