

Interim Report

January–March 2022

Q1

Statement by the CEO

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- > Rental revenue increased 5% (3) to a total of SEK 1,902 million (1,818). In comparable property holdings, the increase in rental revenue was 3% (0).
- > New lettings corresponding to 44,000 square metres (18,000) and an annual rent of SEK 260 million (78) were contracted. Net lettings amounted to SEK 125 million (negative: 154) for the quarter.
- > The price change after renegotiations averaged 7% compared with 16% last year. Renegotiations were completed in the quarter corresponding to an annual rent of SEK 285 million (344).
- > The occupancy rate was 91.8% (91.5) at the end of the period. Of total vacancies, 1.4 percentage points (1.8) were attributable to ongoing projects and development properties.
- > Operating surplus increased 5% (4), totalling SEK 1,400 million (1,333). For comparable property holdings, the increase in operating surplus was 3% (0).
- > Profit before value changes and tax rose to SEK 1,084 million (1,011).
- > The change in the property value amounted to SEK 2,922 million (1,638), corresponding to a 1.6% (1) increase in value. The change in value was primarily due to the downward adjustment of yield requirements.
- > At the end of the period, the portfolio value amounted to SEK 185,034 million (164,819).
- > The value change in financial instruments amounted to SEK 901 million (266), which was due to the increase in long-term market interest rates.
- > Profit after tax amounted to SEK 3,895 million (2,313).

Rental revenue

+5%

Operating surplus

+5%

Value change
in properties

+1.6%

Occupancy rate

91.8%

Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	April 2021–March 2022	Jan-Dec 2021
Rental revenue	1,902	1,818	7,509	7,425
Operating surplus	1,400	1,333	5,600	5,533
Profit before value changes and tax	1,084	1,011	4,463	4,391
Change in value of investment properties	2,922	1,638	16,540	15,255
Profit after tax	3,895	2,313	17,941	16,359
Cash flow from operating activities	804	612	4,139	3,947
Market value of properties	185,034	164,819	185,034	181,575
Occupancy rate, %	91.8	91.5	91.8	91.4
Surplus ratio, %	74	73	75	75
Interest coverage ratio, multiple	5.5	4.7	5.4	5.2
Loan-to-value (LTV) ratio, %	38	42	38	39
Closing EPRA NRV, SEK m	113,580	96,096	113,580	110,515
Closing EPRA NTA, SEK m	104,864	88,995	104,864	102,179
Closing EPRA NDV, SEK m	88,267	70,461	88,267	83,118
Environmental certification of investment portfolio, share of total area, %	92	90	92	92
Environmental certification, of investment portfolio, share of market value, %	94	92	94	94
Energy intensity on closing date, kWh/sq. m., rolling 12 months	81	84	81	83

A strong start to the year

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Few of us will soon forget the dates of 9 and 24 February 2022. On 9 February, pandemic restrictions were finally lifted – a welcome development. On 24 February, Russia invaded Ukraine.

On a personal level, no one is unaffected by the war. The images and reports we are seeing in the media are horrible and while the long-term consequences of the war remain to be seen, the security situation in Europe and in Sweden changed overnight.

This uncertain situation has yet to have any direct impact on the lettings market, but it was clear from our city locations and operations that Sweden had opened up. The upward trend we noted at the end of 2021 continued and demand for offices and high-quality premises in the best locations remains strong.

High demand in Stockholm city

We have a strong focus on lettings and reported a new lettings volume of SEK 260 million for the first quarter. This was due to a number of major lettings in central Stockholm. Malmö also contributed positively with several major lettings in terms of offices as well as retail. It's particularly exciting that IKEA has chosen to establish its first city store in the Triangeln shopping centre.

The foundation for our operations is long-term, active management of our properties, which are now valued at a total of SEK 185 billion. Our focus is on continuously increasing earnings by developing the property portfolio and ensuring that we meet our existing customers' changing needs. Right now, activity is higher than usual and dialogues with customers are about creating flexibility, in terms of the size and location of the

premises as well as how the workplace can be designed. We have several examples of customers who are choosing to grow in our property portfolio and during the quarter we signed an agreement with ARC, which is leasing all of our Grev Tureplan project development in Stockholm City. They are leasing 5,000 square metres at Klara Zenit, which is expected to be finished in the first quarter of 2024. This type of transaction demonstrates the size and strength of our offering.

Projects in final stages

Several of our projects are nearing completion and this quarter we welcomed tenants like Cowi to Platinan at Lilla Bommen in Gothenburg. During the next few months, tenants will move into the building and breath life into the area. In time for summer, for example, Scandic will open the new hotel Scandic Göteborg Central and Poppels will open a new city brewery.

Sustainability is a guiding star in everything we do, not least in our projects, and we always aim for the highest level of environmental certification, LEED Platinum. We have high ambitions, so it is exciting when our projects receive recognition. For example, during the quarter, Nya Kronan in Sundbyberg was named Building of the Year for 2022.

Environmental certification leads to advantageous terms in financing, benefiting our lettings operations. In addition to Vasakronan's location and our strong tenant portfolio, our high share of environmentally certified properties is something that Moody's highlighted in their analysis when they confirmed our high credit rating, A3 with a stable outlook, in early April.

A great deal of interest remains in Vasakronan's bonds and commercial paper and 82% of our borrowings are from the



“Demand for high-quality premises in the best locations remains strong.”

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capital market. During the quarter, we for the first time issued a green bond denominated in Swiss francs. Our strong rating and broad investor base means that over the long term we have several alternatives when it comes to funding. This is extra important in uncertain times, such as those noted at the beginning of the war. The market has since stabilised but the cost for new borrowing has, naturally, gone up. However, a large share of loans tied to longer tenors and a wide range of funding sources means that we are confident about the future.

Higher inflation and price trend

Inflation figures continue to rise and we are seeing price increases for things like energy and materials. At the same time, our leases are connected to the consumer price index and are therefore positively impacted. It is too early to say exactly how increased inflation will affect our operations. However, it is clear that continuing to work with energy efficiency and own production of electricity is profitable, and that our structured work in this area is an advantage. We are monitoring developments in material prices and it is currently difficult to make project cost forecasts in early stages. In terms of ongoing projects, most of the materials have already been procured and therefore represent only a limited risk. However, the incentive to continue working with circular processes has become even greater, for Vasakronan and for the industry.



ARC leases 6,500 square metres in the Grev Tureplan project development, which is consequently fully let.

Last, though far from least, I would like to take the opportunity to brag a bit about how Vasakronan was named one of the best employers in this year's round of Brilliant Awards. The distinction is based on 290,000 employee surveys and awarded to organisations with employees who exhibit the most commitment. Vasakronan reached a creditable second place in service organisations. This not only makes me incredibly proud.

It also gives me a strong confidence in our continued ability to deliver on our assignment. Vasakronan remains stable.

Stockholm 27 April 2022

Johanna Skogestig,
Chief Executive Officer

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A strong start to the year

During the first three months of the year, new lettings corresponding to 44,000 square metres (18,000) and an annual rent of SEK 260 million (78) were signed. Vasakronan signed a ten-year lease with the consultants ARC for 6,500 square metres at the Sperlingens Backe 47 project development at Grev Tureplan in central Stockholm. With this, ARC will be leasing the entire office portion of the property. Right now Sperlingens Backe 47 is undergoing a comprehensive upgrade and is expected to be ready for occupancy in spring 2024. At Svea Artilleri in Stockholm, Fortifikationsverket (the Swedish Fortifications Agency) signed a six-year lease for 6,200 square metres. Occupancy took place in April 2022 shortly after Post- och Telestyrelsen (the Swedish Post and Telecom Authority) vacated the premises.

Of the quarter's new lettings, 6,800 square metres and an annual rent of SEK 40 million pertained to lettings in store premises. The fitness chain SATS signed a lease for 1,200 square metres at the Triangeln property in Malmö. This is also where IKEA signed a lease for 800 square metres for a new concept that will focus on smaller home furnishing items. These lettings mean that the retail space in Triangeln is nearly fully let.

Notice to vacate was received during the quarter corresponding to annual rent of SEK 135 million (232), whereby net lettings amounted to a SEK 125 million (negative: 154). Of notices to vacate, SEK 92 million pertained to tenants who are moving within the property portfolio.

Renegotiations were also completed in the quarter corresponding to 71,000 square metres (97,000) and an annual rent of SEK 285 million (344). The result of renegotiation for the quarter amounted to 7.0% (16). The result of renegotiations for the quarter for office leases amounted to an increase of 8.0% (19.5) and for retail the

result was up 0.5% (down: 3.3). At the Lyckan property in Stockholm, Teracom has extended its lease of 8,000 square metres for seven years and, at Norrtullspalatset, Scandic Hotels has signed a six-year extension of its lease for nearly 4,000 square metres.

At the end of the quarter, the occupancy rate was 91.8%, compared with 91.4% at the end of the year. Of total vacancies, 1.4 percentage points (1.8) pertained to ongoing projects and vacant development properties.

Continued good access to financing

Vasakronan is continuing to expand its investor base by borrowing in new currencies. There is a great deal of interest in the company's bonds and during the quarter, a green bond denominated in Swiss francs was issued for the first time. The bond has a maturity of 3 years and a total volume corresponding to SEK 198 million at the issue date. Our broad base of funding sources means reduced financing risk and lower interest expenses over time.

Moody's rating broadens financing options

After the end of the period, Moody's affirmed Vasakronan's rating of A3 with a stable outlook. The rating is a key prerequisite for reaching the financial objective of having as diversified a financing structure as possible, in terms of tenors and sources of funding. Moody's assessment of Vasakronan is based on its criteria for commercial property companies with the addition of one rating level due to its close links to state ownership. The rating is motivated by the strong ownership structure, the property portfolio's high quality and high percentage of environmentally certified properties as well as by the high proportion of public sector tenants.

Reduced use of new materials in ongoing projects

Vasakronan's goal is to reach climate neutrality across the entire

value chain by 2030. The largest challenges for reaching this goal are the emissions from our new construction and redevelopment projects. One way to quickly reduce our climate impact is to reduce the amount of new material used in projects. The drastically increased prices for materials in the past year, as well as longer delivery times entailed by the pandemic and the war in Ukraine, have made it clear that reduced material use and an increased share of reused material are necessities for profitability as well.

Since 2017, Vasakronan has required all new construction and redevelopment projects to report all of the material used. Additionally, the total amount of material is to decrease and the share of circular material is to increase. In the projects completed in 2021, the total share of circular material increased to 13% (8). For more information on Vasakronan's environmental work, please see page 133 in the 2021 Annual Report. Our TCFD climate report on page 136 of the 2021 Annual Report also includes a report with estimations of the financial impact of our climate-related risks and opportunities.

First quarter results

	Q1 2022	Q1 2021
Rental revenue, SEK m	1,902	1,818
Operating surplus, SEK m	1,400	1,333
Profit before value changes and tax, SEK m	1,084	1,011
Change in value of investment properties, SEK m	2,922	1,638
Change in value of investment properties, %	1.6	1.0
Change in value of financial instruments, SEK m	901	266
Profit after tax, SEK m	3,895	2,313
Cash flow from operating activities, SEK m	804	612

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GDP growth slowing but remains strong

After the dramatic GDP growth in 2021, it is now expected to slow in the first half of the year. The slowdown is primarily due to household consumption decreasing as purchasing power is undermined by rising prices for energy, among other things. At the same time, the war in Ukraine is contributing to bottlenecks in the global economy, which limits companies' ability to meet existing demand. Despite this, Swedish GDP growth is not significantly impacted by the situation in Ukraine, due in part to the expected increase in public consumption. The latest forecast from the National Institute of Economic Research (NIER) projects an increase of 3.3% in GDP in 2022, compared to 4.8% in 2021.

The labour market is continuing to perform well thanks to growth in the Swedish economy. The latest forecast from the NIER projects an increase of 2.4% in employment in 2022, compared with 1.1% in 2021, due to the increased demand for labour.

The economic recovery has also had a positive effect on office employment in the metropolitan regions. According to Statistics Sweden and Evidens, it rose 7.7% in 2021. Office employment is expected to continue to increase, though at a slower rate. The expected increase for 2022 is 1.8%.

Recovery in retail

It was a record year for slow-moving consumer goods in 2021. Physical retail recovered strongly as retail foot traffic returned when restrictions were lifted. According to the most recent HUI Research from March, the consumption of slow-moving consumer goods, including e-commerce, increased 9.6% in

2021. An increase of 3.5% is forecast for 2022, driven in large part by price increases as well as continued high demand.

Monetary policy entering a new phase

Increased inflation has lasted longer than initial estimates and has spread to several parts of the economy. The war in Ukraine is providing additional inflation pressure through increased prices for energy and commodities. Expectations for the central banks actions with respect to interest rates have therefore changed, which led to a significant increase in market interest rates during the quarter. It appears that the long period of extremely expansive monetary policy is now coming to an end. Central banks are rapidly phasing out stimuli through increased interest rates and reduced purchases of securities. Everything now suggests that the Riksbank has re-evaluated its interest rate path and will begin a cycle of increases during the year.

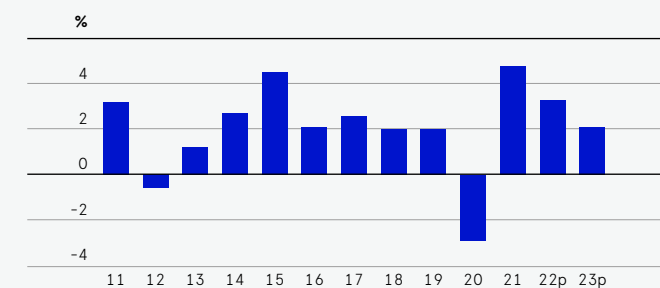
Credit margins remain high

An increase in credit margins was already noted in the later part of 2021. The war in Ukraine and the worsening macroeconomic situation means that the trend is continuing. In connection with the outbreak of the war, bond market activity was low due to increased uncertainty and outflows from fixed-income funds. Activity in the market has since gradually increased. Access both to bank and to capital market financing remains good for companies that, like Vasakronan, have high credit ratings.

Transaction volume remains high

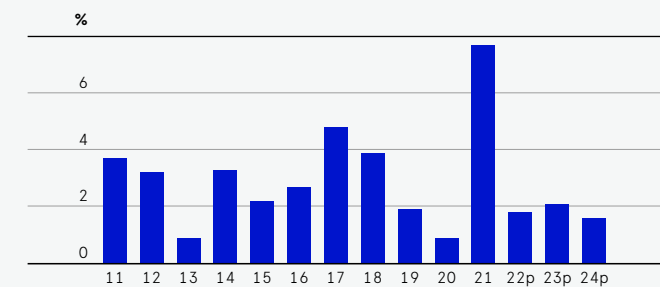
Despite the uncertain world condition and rising interest rates, the transaction market is strong and interest in properties

Strong recovery for growth



GDP growth in Sweden, annual change in %, fixed prices.
Source: National Institute of Economic Research.

Rising office employment



Office employment, annual change in %, change in metropolitan regions
Source: Statistics Sweden and Evidens.

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remains strong. According to data provided by Cushman & Wakefield, transactions were completed in the Swedish property market for SEK 55 billion (40). The transaction market was characterised by large packet transactions and the formation of joint ventures during the first quarter of 2022.

Residential and industrial properties were the largest segments in terms of transaction volume and 90% of the investors are Swedish. Some 30% of the transaction volume was attributable to turnover in Stockholm.

Positive lettings market

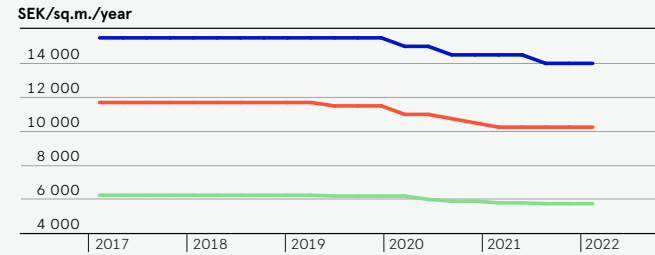
People are gradually beginning to return to their offices and there are more and more signs that the situation in the office rental market has eased to some extent. Companies have the confidence to look towards the future and to once again sign larger and longer leases. The lettings market has not yet seen any direct impact from the uncertain situation in Europe.

Office rents have remained stable in all of Stockholm’s sub-markets and in Uppsala compared with the end of the year, whereas they have risen slightly in Gothenburg and Malmö. Demand is very good for modern office premises in central locations in all of Vasakronan’s areas.

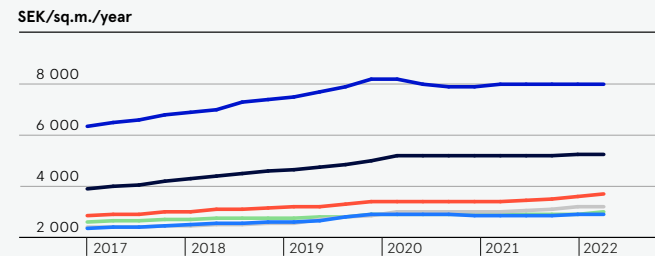
During the pandemic, the lettings market was more cautious and it took longer to finalise transactions. This led to a slight increase in vacancies, primarily in Stockholm’s CBD and Central Stockholm. During the quarter, vacancies in these markets fell somewhat.

Yield requirements for offices continued to fall in Central Stockholm and Uppsala during the quarter, resulting in rising

Stagnating market rents, retail



Cautious market rents, offices

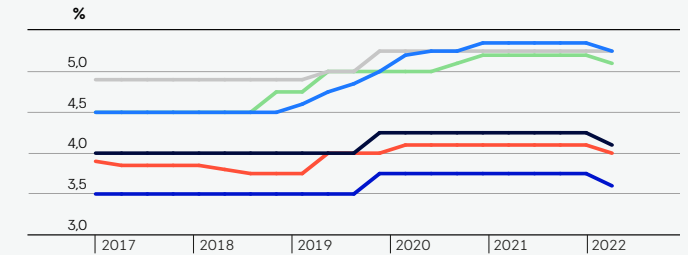


— Stockholm’s CBD — Central Stockholm (excl. CBD) — Stockholm Suburbs
Source: Cushman & Wakefield.

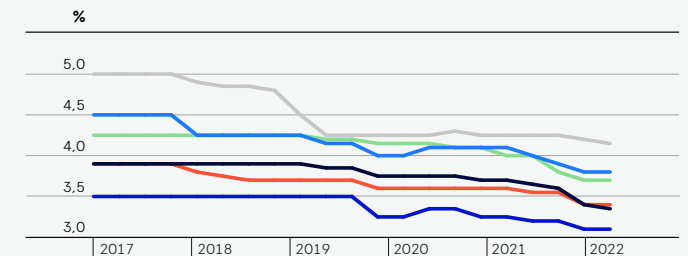
property values. Yield requirements in all of Vasakronan’s sub-markets were at historically low levels.

In retail, market rents and vacancy rates have remained stable since the beginning of the year. For some time, the lettings market for stores has been under pressure from growing e-commerce. The situation is beginning to improve, with increased demand for attractive and efficient store premises in the best locations.

Lower yield requirement, retail



Continued low yield requirement, offices



— Central Uppsala — Gothenburg’s CBD — Malmö’s CBD

Yield requirements for retail properties in all of Vasakronan’s sub-markets have decreased somewhat since the beginning of the year, except in Uppsala.

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Amounts in SEK million	Jan–Mar 2022	Jan–Mar 2021	April 2021– March 2022	Jan–Dec 2021
Rental revenue	1,902	1,818	7,509	7,425
Operating expenses	-218	-208	-769	-760
Repairs and maintenance	-29	-26	-104	-100
Property administration	-87	-87	-364	-364
Property tax	-168	-164	-672	-668
Total property expenses	-502	-485	-1,909	-1,892
Operating surplus	1,400	1,333	5,600	5,533
Central administration	-28	-33	-120	-124
Result from participations in associates and joint ventures	-5	21	167	193
Financial income	1	1	4	4
Financial expenses	-244	-271	-1,028	-1,055
Interest expense lease liability; ground rents and land leases	-40	-40	-160	-160
Profit before value changes and tax	1,084	1,011	4,463	4,391
Change in value of investment properties	2,922	1,638	16,540	15,255
Depreciation of right-of-use assets	-2	-2	-8	-7
Change in value of financial instruments	901	266	1,573	938
Impairment of goodwill	-	-	-5	-5
Profit before tax	4,905	2,913	22,563	20,572
Current tax	-90	-96	-217	-223
Deferred tax	-920	-504	-4,405	-3,990
Profit for the period	3,895	2,313	17,941	16,359
Of which, attributable to non-controlling interests	-1	-2	-5	-6
Of which, attributable to the Parent Company shareholders	3,896	2,315	17,946	16,365

Amounts in SEK million	Jan–Mar 2022	Jan–Mar 2021	April 2021– March 2022	Jan–Dec 2021
Other comprehensive income¹⁾				
<i>Items that may not be reclassified²⁾</i>				
Pensions, revaluation	-	-	73	73
Restriction for surplus in pension plan with asset cap	-	-	-2	-2
Income tax on pensions	-	-	-15	-15
Other comprehensive income for the period, net of tax	-	-	56	56
Total comprehensive income for the period¹⁾	3,896	2,315	18,002	16,421
Key metrics				
Surplus ratio, %	74	73	75	75
Interest coverage ratio, multiple	5.5	4.7	5.4	5.2

1) Other comprehensive income is attributable in its entirety to the Parent Company's shareholders.

2) Items that will not be reclassified to profit or loss.

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Rental revenue

Rental revenue for the quarter increased 5% (3) to SEK 1,902 million (1,818). For comparable property holdings, the increase in rental revenue was 3% (0). The increase was primarily due to the positive effect from new lettings and contract renewals as well as from the indexation for the quarter. Increased lettings in project developments that went into operation in the last twelve months had a positive effect on total rental revenue of more than SEK 179 million (168).

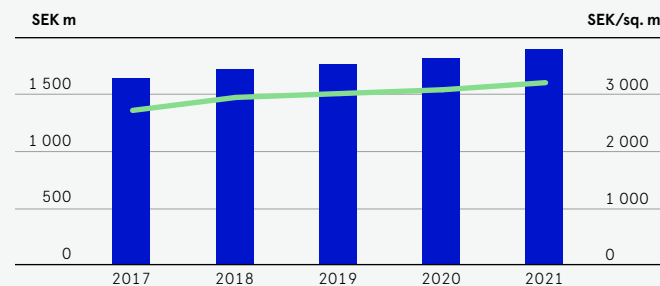
New lettings corresponding to 44,000 square metres (18,000) and annual rent of SEK 260 million (78) were contracted, of which 36% (37) impact on revenue in 2022. Of the new lettings for the period, SEK 106 million (14) pertained to project developments.

Notices to vacate were received during the period corresponding to annual rent of SEK 135 million (232) and net lettings amounted to SEK 125 million (negative: 154).

Lettings corresponding to 71,000 square metres (97,000) and an annual rent of SEK 285 million (344) were renegotiated during the period. These resulted in an increase on the previous rent payable of 7% (16). The result of renegotiations for the quarter for office leases amounted to 8% (19.5) and for retail the result was up 0.5% (down: 0.4). Of all the contracts up for renegotiation over the last twelve months with add-ons for moving within the property portfolio, nearly 75% (74) of the tenants decided to remain a tenant of Vasakronan.

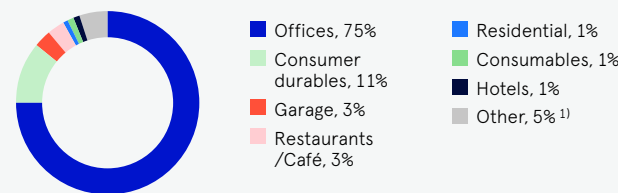
Contracted rent at the end of the year amounted to SEK 7,924 million (7,520) and the average remaining maturity was 3.7 years

Rising rental revenue



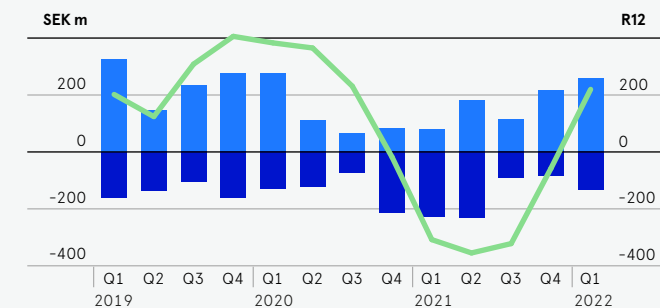
January–March.
■ Rental revenue SEK m — Rental revenue SEK/sq. m.

Predominantly office tenants



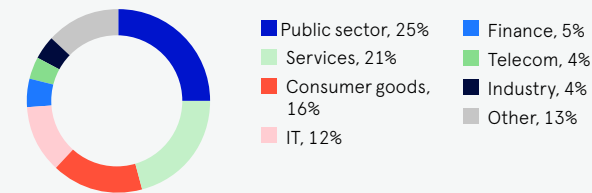
Breakdown by sector, share of contracted rent
1) Other encompasses sectors including health and social care, sports and recreation facilities, and warehouses.

Net lettings



■ New lettings, SEK m ■ Moves, SEK m
— Net lettings, SEK m, rolling 12 month

Public sector comprises largest share of tenants



Breakdown by sector, share of contracted rent

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Comments on the consolidated income statement (Cont.)

(3.9). The closing occupancy rate was 91.8%, compared with 91.4% at the end of 2021 and 91.5% at the end of the year-earlier period. Of total vacancies, 1.4 percentage points (1.8) were attributable to ongoing projects and development properties.

Property expenses

Property expenses amounted to SEK 502 million (485) for the period. In comparable property holdings, the increase in property expenses was 3% (1). The increase was mainly due to higher electricity costs and higher property tax compared with the corresponding period last year.

Operating surplus

Operating surplus for the period increased 5% (4) to SEK 1,400 million (1,333). For comparable property holdings, the increase in operating surplus was 3% (0). The surplus ratio was 74% (73).

The rolling 12-month yield amounted to 3.4% (3.3) for the total property portfolio and 3.6% (3.6) for investment properties.

Administration

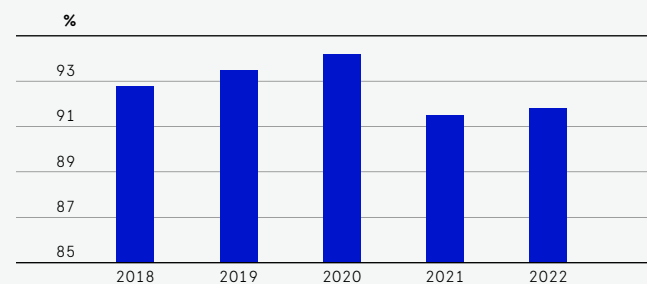
Property administration costs for the quarter remained unchanged compared with year-earlier quarter, amounting to SEK 87 million. Central administration costs decreased to SEK 28 million (33), due in part to reduced costs for consultants.

Widely distributed over many tenants

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

Largest tenants, share of contracted rent.

Lower occupancy rate



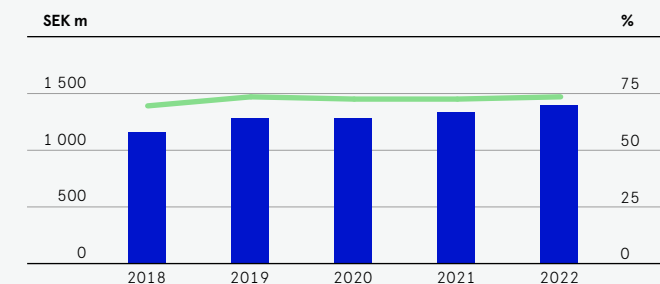
On 31 March.

Even distribution of rents to maturity

	No. of contracts	Annual rent, SEK m	% of total
2022	819	872	11
2023	1,032	1,256	16
2024	729	1,233	16
≥2025	1,438	4,222	53
Total	4,018	7,582	96
Residential	1,169	105	1
Garage	-	236	3
Total	5,172	7,924	100

Maturity structure for contracted rent.

Improved operating surplus



On 31 March.

■ Operating surplus, SEK m — Surplus ratio, %

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Net financial items

Net financial items for the period improved to an expense of SEK 243 million (expense: 270), primarily due to lower average interest during the quarter. The average interest rate for loans and derivatives amounted to 1.3% (1.5) at the end of the period.

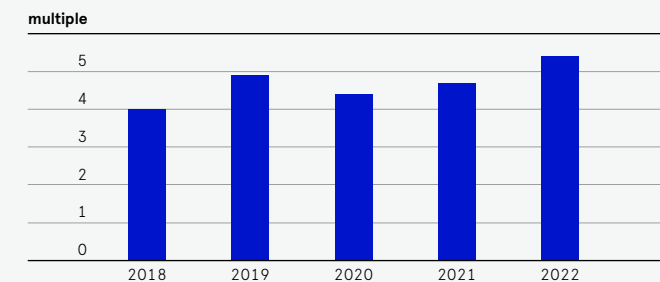
The LTM interest coverage ratio amounted to a multiple of 5.4 (4.5). The policy for the interest coverage ratio does not permit it falling below a multiple of 2.0 over a rolling 12-month period.

Profit before value changes and tax

Profit before value changes and tax increased to SEK 1,084 million (1,011). The change was due to higher a higher operating surplus and improved net interest.

Financial risks

	Financial policy in brief	Outcome, 31 Mar 2022
Financing risk		
Loan-to-maturity, excluding unutilised credit commitments	min. 2 years	5.0 years
Loan-to-maturity	–	5.6 years
Loans maturing, 12 months	max. 40%	18%
Credit commitments and cash/loans maturing 12 months	min. 100%	172%
Interest-rate risk		
Interest coverage ratio	min. 2.0x (LTM)	5.4x
Fixed-interest period	min. 2 years	4.5 years
Fixed-interest maturity within 12 months	max. 55%	43%
Credit risk		
Counterpart's rating	min. A-, or BBB+ with CSAs	met
Currency risk		
Currency exposure	No exposure	met

High interest coverage ratio

On 31 March, rolling 12-month period.

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Change in value of investment properties

At 31 March 2022, the entire property portfolio had been valued internally. Altogether, the change in the property value amounted to SEK 2,922 million (1,638), which corresponded to a 1.6% (1.0) increase in value for the period. Changes in value for the investment portfolio amounted to an increase of SEK 2,403 million (1,295), corresponding to an increase of 1.5% (decrease: 0.9), and for project developments and development properties to an increase of SEK 534 million (368), corresponding to an increase of 2.3% (1.5).

The percentage increase in value was greatest for office properties in Stockholm's CBD and Central Stockholm. The value increase in the project portfolio was due to reduced completion risk and improved occupancy rates.

The positive value growth was primarily attributable to the downward adjustment of yield requirements. The average yield requirement used for valuation of the property portfolio was 3.82%, compared with 3.87% for corresponding properties at the end of 2021.

Change in value of financial instruments

The value change in derivatives increased to SEK 901 million (266) which was mainly due to the increase in long-term market interest rates during the period.

Derivatives are used to adjust interest-rate risk in the loan portfolio and to hedge borrowings in foreign currencies. At the end of the period, the derivative portfolio amounted to SEK 76,725 million (75,474), of which SEK 50,080 million (49,580) comprised interest-rate swaps and SEK 26,645 million (25,894) cross-currency basis swaps.

Tax

The Group reported a total tax expense of SEK 1,010 million (600). Of the tax expense, SEK 90 million (96) was current tax expense and SEK 920 million (504) was deferred tax expense resulting from temporary differences primarily attributable to investment properties and financial instruments.

The effective tax rate for the period amounted to 20.6% (22.9).

At the end of the period, Vasakronan was not involved in any tax litigation.

Factors impacting value

	Value impact, %
Yield requirement	1.45
Market rents	0.00
Vacancies and other valuation parameters, e.g., changed cost and investment assumptions	0.17
Total	1.62

Change in value by region

	Change in value, %	Contribution to change in value, percentage points
Stockholm	1.91	1.30
Gothenburg	1.44	0.27
Uppsala	0.60	0.04
Malmö	0.26	0.02
Total		1.62

Change in value, by category

	Change in value, %	Contribution to change in value, percentage points
Investment properties	1.51	1.32
Project developments and development properties	2.33	0.29
Transactions	–	–
Total		1.62

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Amounts in SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets	2,016	2,044	2,044
Property, plant and equipment (PPE)			
Investment properties	185,034	164,819	181,575
Right-of-use assets, leaseholds and land leases	5,155	5,162	5,157
Equipment	103	61	102
	190,292	170,042	186,834
Financial assets			
Participations in associates and joint ventures	985	931	971
Receivables from joint ventures	20	–	20
Derivatives	3,054	961	1,062
Other non-current receivables	790	441	231
Total financial assets	4,849	2,333	2,284
Total non-current assets	197,157	174,419	191,162
Current assets			
Accounts receivable	48	129	45
Receivables from joint ventures	1	131	1
Current tax assets	48	–	79
Derivatives	97	9	78
Other current receivables, prepaid expenses and accrued income	1,430	2,241	1,308
Cash and cash equivalents	3,471	4,415	3,521
Total current assets	5,095	6,925	5,032
TOTAL ASSETS	202,252	181,344	196,194

Amounts in SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
EQUITY AND LIABILITIES			
Equity	89,172	73,186	85,290
Non-current liabilities			
Interest-bearing liabilities	60,112	58,109	59,342
Lease liability, leaseholds and land leases	5,156	5,163	5,158
Deferred tax liability	27,194	22,773	26,273
Derivatives	2,261	2,917	1,957
Other non-current liabilities	63	57	69
Provision for pensions	45	121	45
Total non-current liabilities	94,831	89,140	92,844
Current liabilities			
Interest-bearing liabilities	13,639	15,058	14,496
Accounts payable	23	100	57
Liabilities joint ventures	23	26	22
Current tax liabilities	–	35	–
Derivatives	7	98	38
Other current liabilities, accrued expenses and deferred income	4,557	3,701	3,447
Total current liabilities	18,249	19,018	18,060
TOTAL EQUITY AND LIABILITIES	202,252	181,344	196,194

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Intangible assets

Intangible assets primarily consist of goodwill. Goodwill has arisen from the recognition of deferred tax on property at the nominal tax rate on the date of the business combination, while the tax rate applied when calculating the purchase price for the acquisition was lower than the nominal rate. On 31 March 2022, goodwill was SEK 1,903 million, unchanged compared with year-end 2021.

The remaining portion of intangible assets comprised the value of the Vasakronan brand, which amounted to SEK 100 million (100). SEK 13 million (41) was also recognised as an intangible asset and pertained to investments in technical platforms in the subsidiary Idun. The change following the year end was due to the sale of the subsidiary Tmpl Work.

Investment properties

As of 31 March 2022, Vasakronan's entire property portfolio had been valued internally. The assessed market value of the property portfolio was SEK 185,034 million at year end, compared with SEK 181,575 million at the end of 2021. The change in value during the period amounted to an increase of SEK 2,922 million (1,638), corresponding to an increase in value of 1.6% (1.0). A change in the yield requirement of +/- 0.25 percentage points would have an impact of negative SEK 6.1 billion/positive SEK 9.4 billion on the value of the current property portfolio.

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 external valuation. A more comprehensive description of Vasakronan's property valuation methodology is available on pages 109–110 of Vasakronan's 2021 Annual Report.

Change in property values

SEK m	2022	2021
Opening value, 1 January	181,575	162,420
Investments	536	945
Acquisitions	-	181
Sales	-	-364
Change in value	2,922	1,638
Closing value, 31 March	185,034	164,819

Net investments for the period amounted to SEK 536 million (762) and pertained in full to investments in new construction and redevelopment projects.

Environmental certification

Vasakronan has set high goals for environmental certification of its property portfolio. Our ambition is for the share of properties certified in accordance with LEED Gold or higher to increase and to obtain environmental certification for the entire investment portfolio.

At the end of the period, some 94% (94) of our investment portfolio based on its market value was environmentally certified, of which 87 percentage points (82) were rated LEED Gold

or higher. Of the 94%, 19 percentage points (22) comprised properties that were undergoing re-certification, which has been delayed for reasons including the pandemic and difficulty in obtaining data.

Right-of-use assets, leaseholds and land leases

On 31 March 2022, right-of-use agreements totalled SEK 5,155 million, compared with SEK 5,157 million at the year end.

The right-of-use agreements primarily pertain to ground rent agreements but also to land leases. The company has a total of 13 ground rent agreements, of which 11 pertain to properties in Stockholm.

Ground rent agreements are treated as perpetual rental agreements that are given market valuations. The market values are calculated by discounting future fees using a discount rate corresponding to between 3.00 and 3.75%.

For land leases, present values are calculated over the term of the contract by discounting future land leases by the market interest rate with a corresponding tenor to the contract.

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Property projects

At the end of the period, the total investment volume of ongoing property projects amounted to SEK 10,228 million (10,134), of which SEK 8,245 million (7,932) had been capitalised. The occupancy rate for major projects was 89% at the end of the period compared with 83% at the end of last year. Contracts have been signed for ongoing projects totalling slightly more than SEK 500 million in annual rent. The total contracted annual rent for these projects when fully let amounts to SEK 720 million. Occupancy is ongoing or will start during the year for the majority of major projects.

Shares and participations in associates and joint ventures

The value of holdings in the form of shares and participations in joint ventures amounted to SEK 985 million (971) at the end of the year. The change following the year end was mainly due to the sale of the subsidiary Tmpl Work to the associate Hydda.

Deferred tax

On 31 March 2022, the deferred tax liability was SEK 27,194 million, compared with SEK 26,273 million at year-end 2021. The deferred tax liability pertained primarily to investment properties. The change in tax liabilities was due to the period's unrealised value increases in the investment properties.

Deferred tax is calculated using a nominal rate of 20.6% on differences between the carrying amount and tax base of assets and liabilities.

Large investments in property projects

City	Property	Total investment, SEK m	Capitalised, SEK m	Share capitalised, %	Area of premises, sq. m.	Start Occupancy	Occupancy rate, % ¹⁾	Estimated completion date	LEED environmental certification ³⁾
Gothenburg	Platinan	2,600	2,647	102%	53,700	Q4 2021	92	Apr 2022	Platinum
Stockholm	Sergelgatan	1,925	1,442	75%	15,500	N/A	N/A ²⁾	Mar 2023	Gold
Sundbyberg	Kronan 1	1,680	1,467	87%	44,400	Q4 2021	100	Nov 2021	Platinum
Stockholm	Nattugglan, block 2	800	695	87%	15,000	Q2 2022	96	Jun 2022	Platinum
Stockholm	Sperlingens Backe 47	610	60	10%	8,500	Q4 2023	91	Jan 2024	Platinum
Uppsala	Magasin X	530	523	99%	11,500	Q4 2021	92	Mar 2022	Platinum
Stockholm	Hötorgshus 2	460	266	58%	8,000	Q3 2022	0	Apr 2023	Gold
Stockholm	Sperlingens Backe 45	370	242	65%	3,900	N/A	47	Dec 2022	Gold
Gothenburg	Strömshuset	270	282	104%	10,450	N/A	96	Jan 2022	Platinum
Total major property projects		9,245	7,624	82			89		
Other projects		983	621						
Total		10,228	8,245						

1) Calculated based on area.

2) Part of the property and the occupancy rate is therefore not reported.

3) Forecast at completion.

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Financing

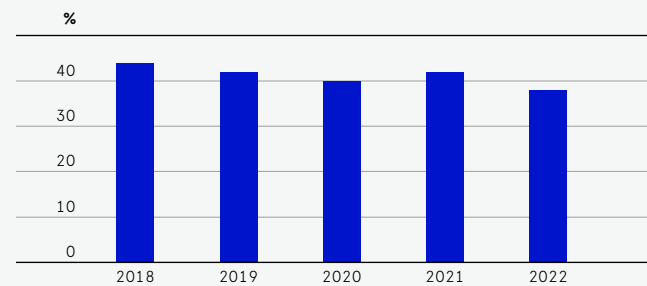
Vasakronan's main funding source is the capital markets through unsecured bonds. Vasakronan spreads maturities for borrowings and limits the size of individual loans for the purpose of reducing financing risk. After the end of the period, Moody's affirmed Vasakronan's strong rating of A3 with a stable outlook. The rating not only provides Vasakronan with access to longer tenors – it also makes financing accessible in the majority of markets. The rating confirms the high quality of the company's properties and its diversified tenant portfolio over many sectors that contains a high percentage of public sector tenants. Moody's also highlighted Vasakronan's high proportion of environmentally certified properties in its assessment of the company.

During the quarter, Vasakronan further broadened its investor base through the issue of its first green bond in the Swiss market. The green bond has a maturity of 3 years and a total volume of CHF 20 million, which corresponded to approximately SEK 198 million at the issue date. During the period, Vasakronan issued debt for a total of SEK 2.4 billion (5.5) in the bond market. Vasakronan has issued bonds denominated in eight currencies and 35% (35) of the total liability at the end of the period consisted of borrowing in currencies other than SEK. Borrowing in foreign currencies is hedged through cross-currency basis swaps, which eliminates all currency risk.

At the end of the period, interest-bearing liabilities net of cash and cash equivalents amounted to SEK 70,280 million, compared with SEK 70,317 million at year end. The average fixed-interest tenor fell to 4.5 years (4.6) and the average interest rate for loans and derivatives amounted to 1.3% at the end of the

period, unchanged compared with year-end 2021. During the period, no new secured bank loans were raised. Conversely, a number of loans have been repaid early, which means that secured bank loans outstanding decreased to SEK 7.9 billion (11) at year end. Accordingly, secured bank loans declined to 4% (6) of the Group's total assets.

To minimise financing risk and secure its access to capital, the company has a credit facility with the First, Second, Third and Fourth Swedish national pension funds that amounts to 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. Cash and cash equivalents of SEK 3,471 million (3,521), unutilised credit facilities with the owners and the unutilised credit facility of SEK 2 billion with the European Investment Bank (EIB) together corresponded to 172% (162) of loans maturing over the next 12 months. The average loan-to-maturity, including the above credit facilities, had increased to 5.6 years (5.5) at the end of the period.

Stable loan-to-value ratio

On 31 March.

Fixed-interest tenors and loan-to-maturity

Maturity date	Fixed-interest		Loan-to-maturity	
	SEK m	Share, %	SEK m	Share, %
0–1 year	31,834	43	13,639	18
1–2 years	94	0	11,442	16
2–3 years	2,795	4	8,411	11
3–4 years	2,397	3	7,548	10
4–5 years	2,502	3	7,923	11
5–6 years	5,700	8	3,005	4
6–7 years	7,900	11	3,457	5
7–8 years	4,600	6	1,743	2
8–9 years	4,050	6	4,174	6
9–10 years	6,200	8	2,177	3
10 years or more	5,679	8	10,232	14
Total	73,751	100	73,751	100

Breakdown of funding sources

SEK m	Carrying amount, SEK m	Share, %
Commercial paper	7,965	11
Bonds, SEK	26,470	36
Bonds, NOK	13,337	18
Bonds, Other currencies	12,790	17
NSV, EUR	518	1
Secured bank loans	7,866	11
NIB and EIB	4,805	7
Total	73,751	100

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Green financing

Vasakronan issued the world's first green corporate bond in 2013. The company is the Nordic region's largest issuer of green corporate bonds and all bonds issued during the period were green. At the end of the period, the volume of green bonds amounted to SEK 43,867 million (43,317).

In 2018, Vasakronan issued the world's first green commercial paper. At the end of the period, the volume outstanding of green commercial paper increased to SEK 4,990 million (4,280). The volume outstanding of green bank loans totalled SEK 6,565 million (6,700).

The percentage of green financing, consisting of green bonds, green commercial paper, green NSVs and green bank loans, increased during the period to 76% (74) 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 in the Impact Report – Green financing on pages 173–180 of Vasakronan's 2021 Annual Report.

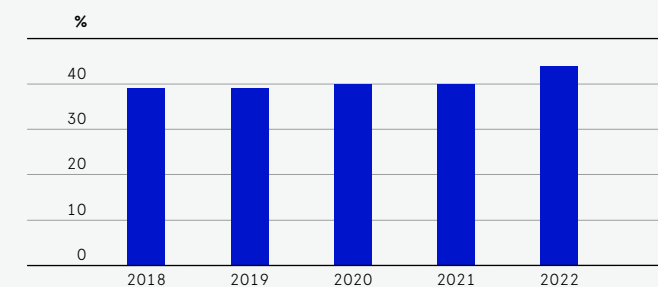
Equity

Equity increased to SEK 89,172 million at the end of the quarter, compared with SEK 85,290 million at the end of last year. Comprehensive income was SEK 3,895 million (2,313) for the quarter. The minority share of equity amounted to negative SEK 13 million, compared with SEK 6 million at year-end 2021. The change was due to the sale of the subsidiary Tmpl Work.

At year end, the equity/assets ratio was 44% and the loan-to-value ratio was 38%, compared with the respective figures of 43% and 39% at year-end 2021.

Green financing under the framework

	Amounts in SEK million
Green commercial paper	4,990
Green bonds, SEK	26,343
Green bonds, NOK	7,290
Green bonds, Other currencies	10,234
Green NSVs, EUR	514
Total volume of Green Finance Instruments	49,371
Total volume of Green Assets – Green Pool	53,126
Remaining approved borrowing capacity	3,755

Equity/assets ratio

On 31 March.

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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 2021	4,000	4,227	62,636	70,863	6	70,869
Profit for the period	-	-	16,365	16,365	-6	16,359
Other comprehensive income	-	-	56	56	-	56
<i>Comprehensive income for the period</i>	-	-	<i>16,421</i>	<i>16,421</i>	-6	<i>16,415</i>
<i>Transactions with owners</i>						
Non-controlling interests	-	-	-	-	6	6
Dividend	-	-	-2,000	-2,000	-	-2,000
Equity, closing balance on 31 Dec 2021	4,000	4,227	77,057	85,284	6	85,290
Equity, opening balance on 1 Jan 2022	4,000	4,227	77,057	85,284	6	85,290
Profit for the period	-	-	3,896	3,896	-1	3,895
Other comprehensive income	-	-	-	-	-	-
<i>Comprehensive income for the period</i>	-	-	<i>3,896</i>	<i>3,896</i>	-1	<i>3,895</i>
<i>Transactions with owners</i>						
Non-controlling interests	-	-	-	-	-13	-13
Dividend	-	-	-	-	-	-
Equity, closing balance on 31 Mar 2022	4,000	4,227	80,953	89,180	-8	89,172

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Amounts in SEK million	Jan–Mar 2022	Jan–Mar 2021	April 2021– March 2022	Jan–Dec 2021
Operating activities				
Operating surplus	1,400	1,333	5,600	5,533
Central administration	-28	-33	-119	-124
Add back amortisation and depreciation	7	3	31	27
Adjustment for other non-cash items	6	1	0	-5
Cash flow from operating activities before interest and tax	1,385	1,304	5,512	5,431
Interest paid ¹⁾	-330	-376	-1,497	-1,543
Interest received	1	1	4	4
Taxes paid	-60	-131	-249	-320
Cash flow before changes in working capital	996	798	3,770	3,572
Increase (-)/decrease (+) in operating receivables	-304	-541	356	119
Increase (+)/decrease (-) in operating liabilities	112	355	13	256
Cash flow from operating activities	804	612	4,139	3,947
Investing activities				
Investments in existing properties	-536	-945	-3,728	-4,137
Property acquisitions	-	-181	-33	-214
Property divestments	-	364	85	449
Other PPE, net	-6	-17	-10	-78
Acquisition of intangible assets	-	-	-67	-10
Disposals of net assets in Group companies	18	-	18	-
Transactions with associates and joint ventures	-18	-	164	182
Other financial assets, net	-2	-	-52	-50
Cash flow from investing activities	-544	-779	-3,623	-3,858
Cash flow after investing activities	260	-167	516	89

Amounts in SEK million	Jan–Mar 2022	Jan–Mar 2021	April 2021– March 2022	Jan–Dec 2021
Financing activities				
Dividend	-	-	-2,000	-2,000
Raised debt: interest-bearing liabilities	9,241	12,621	31,042	34,422
Repayment of debt: interest-bearing liabilities	-10,159	-9,888	-31,561	-31,290
Change in collateral	611	-713	1,303	-21
Redemption of financial instruments	-3	-	-244	-241
Transactions with non-controlling interests	-	4	-	4
Cash flow from financing activities	-310	2,024	-1,460	874
Cash flow for the period	-50	1,857	-944	963
Opening balance, cash and cash equivalents	3,521	2,558	4,415	2,558
Cash flow for the period	-50	1,857	-944	963
Closing balance, cash and cash equivalents	3,471	4,415	3,471	3,521

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

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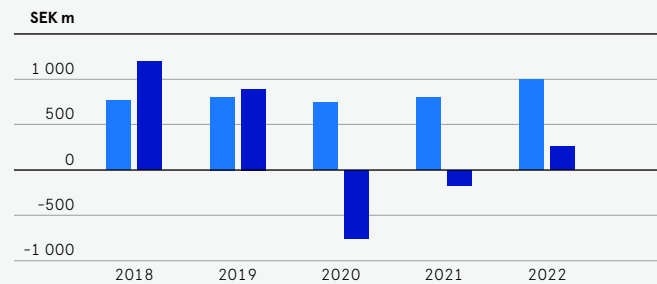
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Cash flow from operating activities before changes in working capital increased to SEK 996 million (798). The increase was mainly attributable to an increased operating surplus and lower taxes paid as well as to an improved net interest.

Cash flow from investing activities amounted to negative SEK 544 million (negative: 779), primarily attributable to a smaller project portfolio.

Net borrowing amounted to repayment of SEK 912 million (borrowing: 2,733). Altogether, cash and cash equivalents decreased SEK 50 million (1,857) and totalled SEK 3,471 million (4,415) at the end of the period.

Stable cash flow from operating activities



January–March.
■ Cash flow from operating activities before changes in working capital
■ Cash flow after investing activities

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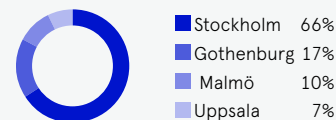
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Total Vasakronan

January–March	2022	2021
Market value of properties, SEK m	185,034	164,819
Rental revenue, SEK m	1,902	1,818
Operating surplus, SEK m	1,400	1,333
Surplus ratio, %	74	73
Occupancy rate, %	92	92
Number of properties	168	170
Area, thousand sq. m.	2,357	2,344
Environmental certification in the investment portfolio based on market value, %	94	92

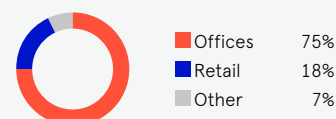
Contracted rent by geographic market

Pertains to share of contracted rent



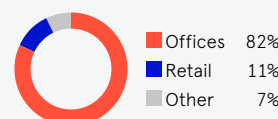
Contracted rent by property type

Pertains to share of contracted rent



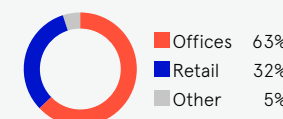
Stockholm

2022	2021
125,889	111,377
1,232	1,181
922	883
75	75
91	91
78	78
1,401	1,376
94	90



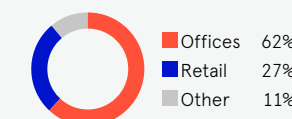
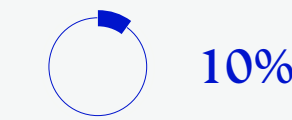
Gothenburg

2022	2021
33,956	29,995
337	314
251	231
74	74
94	93
34	34
393	403
96	96



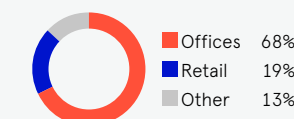
Malmö

2022	2021
13,769	13,070
185	176
125	115
68	65
93	89
31	33
299	311
100	100



Uppsala

2022	2021
11,419	10,377
148	147
102	104
69	71
94	96
25	25
264	254
83	82



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Income statement

Amounts in SEK million	Jan–Mar 2022	Jan–Mar 2021
Net sales	135	126
Operating expenses	-174	-165
EBIT	-39	-39
Financial items		
Result from participations in joint ventures	0	0
Net interest	-63	-98
Change in value of financial instruments	901	266
Profit before tax	799	129
Tax	-165	-27
Profit for the period	634	102

Statement of comprehensive income

Profit for the period recognised in profit or loss	634	102
Other comprehensive income	-	-
Total comprehensive income for the period	634	102

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 135 million (126), which primarily consists of the Parent Company's invoices to the subsidiaries for services rendered.

The value change in financial instruments was SEK 901 million (266) as a result of the increase in long-term market interest rates during the period. Profit/loss before tax thus amounted to SEK 799 million (129). Closing cash and cash equivalents amounted to SEK 3,460 million (4,400).

Balance sheet

Amounts in SEK million	31 Mar 2022	31 Mar 2021
ASSETS		
Non-current assets		
Equipment	65	23
Shares and participations in subsidiaries	37,829	37,636
Receivables from subsidiaries	38,972	39,472
Participations in joint ventures	1	0
Receivables from joint ventures	20	-
Deferred tax assets	-	313
Derivatives	3,054	961
Non-current receivables	783	435
Total non-current assets	80,723	78,840
Current assets		
Receivables from subsidiaries	9,314	7,269
Receivables from joint ventures	0	0
Derivatives	97	9
Current receivables	745	1,588
Cash and cash equivalents	3,460	4,400
Total current assets	13,616	13,266
TOTAL ASSETS	94,339	92,106
EQUITY AND LIABILITIES		
Equity	13,711	12,925
Untaxed reserves	922	686
Liabilities		
Interest-bearing liabilities	73,751	73,167
Derivatives	3,538	3,015
Deferred tax liability	61	-
Non-interest-bearing liabilities	356	648
Liabilities to subsidiaries	2,000	1,665
Total liabilities	79,706	78,495
TOTAL EQUITY AND LIABILITIES	94,339	92,106

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Personnel

The number of employees at the end of the period was 288, compared with 290 at the end of 2021.

Risks and uncertainties

The Board of Directors and the CEO 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. Vasakronan's risks are described in the 2021 Annual Report on pages 62–68.

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 that provide the basis for the valuation of the investment properties. Refer to page 110 of Vasakronan's 2021 Annual Report for the sensitivity analysis.

Related-party transactions

Information pertaining to Vasakronan's related-party transactions is provided in Note 7.4 on page 120 of Vasakronan's 2021 Annual Report.

At the end of the period, the Third Swedish National Pension Fund held bonds issued by Vasakronan to a total value of SEK 625 million, compared with SEK 715 million at year-end 2021.

Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Comparative figures in parentheses pertain to the corresponding amounts for the same period last year. 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 2021 Annual Report, pages 99–122.

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, NSVs, 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 the 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 100 of Vasakronan's 2021 Annual Report.

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 23. Page 24 also includes a breakdown of specific performance measures where this is required.

Significant events after the end of the period

No significant events have taken place after the end of the period.

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:
Christer Nerlich, *Chief Financial Officer*
Telephone: +46 (0)8 566 205 40, E-mail: christer.nerlich@vasakronan.se

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	Jan–Mar 2022	Jan–Mar 2021	April 2021– March 2022	Jan–Dec 2021
Property-related information				
Closing occupancy rate, %	91.8	91.5	91.8	91.4
Surplus ratio, %	74	73	75	75
Investments in existing projects, SEK m	536	945	3,728	4,137
Property acquisitions, SEK m	–	181	33	214
Property divestments, SEK m	–	-364	-83	-447
Net investments, SEK m	536	762	3,678	3,904
Closing market value of property, SEK m	185,034	164,819	185,034	181,575
Closing area, thousand sq. m.	2,357	2,344	2,357	2,348
Closing number of properties	168	170	168	168
Environmental certification of investment portfolio, share of total area, %	92	90	92	92
Environmental certification, of investment portfolio, share of market value, %	94	92	94	94
Energy intensity on closing date, kWh/sq. m., rolling 12 months	81	84	81	83

	Jan–Mar 2022	Jan–Mar 2021	April 2021– March 2022	Jan–Dec 2021
Financial metrics				
EBITDA margin, %	70	69	73	73
Interest coverage ratio, multiple	5.5	4.7	5.4	5.2
Closing equity/assets ratio, %	44	40	44	43
Closing loan-to-value ratio, %	38	42	38	39
Fixed-interest tenor ¹⁾ , year	4.5	5.5	4.5	4.6
Loan-to-maturity ¹⁾ , years	5.6	5.6	5.6	5.5
Closing EPRA NRV ¹⁾ , SEK m	113,580	96,096	113,580	110,515
Closing EPRA NTA ¹⁾ , SEK m	104,864	88,995	104,864	102,179
Closing EPRA NDV ¹⁾ , SEK m	88,267	70,461	88,267	83,118
Closing average interest rate, %	1.3	1.5	1.3	1.3
Closing net interest-bearing liabilities, SEK m	70,280	68,752	70,280	70,317
Cash flow before changes in working capital, SEK m	996	798	3,770	3,572
Net interest-bearing liabilities/EBITDA ²⁾			12.8	13.0
Other				
Closing number of employees	288	299	288	290

1) Last day in the period.

2) Only reported for rolling 12-month periods and full years.

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	Jan–Mar 2022	Jan–Mar 2021	April 2021– March 2022	Jan–Dec 2021
1. EPRA NRV, SEK m				
Equity	89,172	73,186	89,172	85,290
Add back goodwill attributable to deferred tax	-1,903	-1,908	-1,903	-1,903
Add back derivatives	-883	2,045	-883	855
Add back recognised deferred tax	27,194	22,773	27,194	26,273
	113,580	96,096	113,580	110,515
2. EPRA NTA, SEK m				
Equity	89,172	73,186	89,172	85,290
Add back goodwill attributable to deferred tax	-1,903	-1,908	-1,903	-1,903
Add back other intangible assets	-113	-136	-113	-141
Add back derivatives	-883	2,045	-883	855
Add back recognised deferred tax	27,194	22,773	27,194	26,273
Deferred tax at fair value ¹⁾	-8,603	-6,965	-8,603	-8,195
	104,864	88,995	104,864	102,179
3. EPRA NDV, SEK m				
Equity	89,172	73,186	89,172	85,290
Add back goodwill attributable to deferred tax	-1,903	-1,908	-1,903	-1,903
Assessed fair value of interest-bearing liabilities	998	-817	998	269
	88,267	70,461	88,267	83,118
4. EBITDA, SEK m				
Operating surplus	1,400	1,333	5,600	5,533
Central administration	-28	-33	-120	-124
Cash flow from dividends from joint ventures	-	-	183	183
Ground rents and land leases	-42	-42	-168	-167
	1,330	1,258	5,495	5,425

	Jan–Mar 2022	Jan–Mar 2021	April 2021– March 2022	Jan–Dec 2021
5. EBITDA margin, %				
Rental revenue	1,902	1,818	7,509	7,425
EBITDA	1,330	1,258	5,496	5,425
	70	69	73	73
6. Interest coverage ratio, multiple				
EBITDA	1,330	1,258	5,496	5,425
Net financial items	-243	-270	-1,024	-1,051
	5.5	4.7	5.4	5.2
7. Net interest-bearing liabilities, SEK m				
Non-current interest-bearing liabilities	60,112	58,109	60,112	59,342
Current interest-bearing liabilities	13,639	15,058	13,639	14,496
Cash and cash equivalents	-3,471	-4,415	-3,471	-3,521
	70,280	68,752	70,280	70,317
8. Loan-to-value ratio, %				
Net interest-bearing liabilities	70,280	68,752	70,280	70,317
Fair value of investment properties	185,034	164,819	185,034	181,575
	38	42	38	39

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

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Area, sq. m.

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

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 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 by property type

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.

Contracted rent, SEK m

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

EBITDA margin, %

Rental revenue in relation to EBITDA. 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.

Energy intensity 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.

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, refer to the calculation on page 24.

EPRA NRV (Net Reinstatement Value), SEK m

Recognised equity, adding back goodwill, derivatives and deferred tax. The metric shows the company's EPRA NAV, refer to the calculation on page 24.

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. Refer to the calculation on page 24.

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.

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-maturity, years

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

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

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

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 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 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.

Net operating income, SEK m

Rental revenue less operating expenses, repairs and maintenance, property administration, property tax, and ground rents and land leases. Intended as an indication of the current earnings in property management activities, excluding effects from IFRS 16. Internal control metric.

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 divestments, SEK m

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

Rental value, SEK m

Contracted rent plus the assessed market rent for vacant premises.

Surplus ratio, %

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

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Mid-year report Jan–Jun 2022	8 July 2022
Interim report Jan–Sep 2022	28 October 2022
Year-end report 2022	3 February 2023
Annual Report 2022	March 2023

ANNUAL GENERAL MEETING

Annual General Meeting	27 April 2022
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Vasakronan in brief

Vasakronan is Sweden's leading property company. The property portfolio comprises 168 properties with a total area of about 2.3 million square metres and a market value of SEK 185 billion. The properties 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