

Message from the CEO

2025 was a year of increased activity

It was not as positive as we thought at the beginning of the year, but results at the end of the year does not lie and optimism is good also into 2026. Stockholm's business sector has started an upturn. Liquidity in the financing market is good, the capital markets are starting to glow again and the pipelines for upcoming IPOs are reported to be good. Various government measures to strengthen purchasing power are generating growth in the consumer sector, which in turn will result in fewer unemployed people and the upturn will be further strengthened. Swedish business with strong industrial roots will benefit further from this in the future.

Into 2026, we also see some major property transactions that have been announced. The largest in warehouses and logistics, but also central office property in Stockholm has been traded far above implicit pricing. We are therefore very pleased to have our weight of investments in the Stockholm region, with

approximately 40 per cent of the values in the inner city.

For us, the increased activity and government measures mean increased purchasing power, a growing pipeline of potential tenants, demand for more housing, more projects, and a focus on attractive workplaces. Where we previously heard many discussions about the uncertainty surrounding what the workplace of the future should be, it feels like that ball is being laid more dead. If you are concerned with building a corporate culture, taking care of talents, developing the company and giving your employees inspiration for self-development and social belonging, then the office and meeting place are one of the most important pieces in that equation. This also places demands on us as a landlord regarding what we offer. More than a desk with a screen is required. Access to training and other services that make everyday life easier are required. A vibrant environment around the workplace



"If you are concerned with building a corporate culture, taking care of talents, developing the company, the office is one of the most important pieces in that equation and it places demands on us as a landlord."

Message from the CEO cont.

is required, with, for example, housing and restaurants. Infrastructure adapted to today's safety requirements for both the company and the employees. Premises are required where leadership can be developed and further communicated. Effective premises, adapted to different working methods, quiet rooms and work zones. It should be stylish and inviting, while at the same time being good at reusing material. That is the attractive meeting place we must deliver.

This is where we at Fabege are strong. We do not just develop properties – we develop meeting places, including street life, housing and access to services. We listen to our customers, find solutions and see the big picture. We understand that a solution must be balanced for both parties.

Since I took over as CEO, I have been asked several times how I see Fabege as a new employee from the outside – and what has surprised me the most since I started? The answer is that very little has surprised me. My thoughts of Fabege were that we are a leading property company at the forefront of security and sustainability, strong in customer relations and project development. That image has rather been strengthened. Our employees have a strong commitment. They are passionate about our customers, properties and locations. In a company like ours, this is also felt by our customers.

I hear about this in conversations with our tenants almost every day. We could perhaps do better to share this feedback. In Arenastaden, for example, 100 percent of our customers state that they recommend other companies to move there. This gives us a good basis for achieving some of our ambitions:

reducing vacancy, getting some of our projects into production and creating long-term value for our shareholders, with new and old customers as partners on the journey.

2025 – in brief

For Fabege, 2025 was a year in which we took important steps forward. After a period of negative net lease, the trend turned, and the year ended with positive net rental of SEK 36 million. It is a step in the right direction – but our ambitions are higher going forward. At the top of our agenda is reducing vacancies and strengthening cash flow. This priority runs like a red thread throughout our entire organization. During the year, we completed several major projects and signed a couple of important agreements for future tenants to move into our portfolio. In Arenastaden, we leased out approximately 3,200 square meters to Atea in Ackordet 1 in Haga Norra. The project has been completed and the property was transferred to the management portfolio during Q4. In Flemingsberg, Alfa Laval moved in with approximately 700 employees in their new office and innovation center. It is impressive to see their business immediately take advantage of their new premises and continue their development of new products and collaborations. This makes all of us at Fabege proud. In Solna Strand, Saab took over the entire Nöten 4 property on a long-term triple net agreement that runs until 2045. These are all examples of agreements that clearly demonstrate our ability to deliver good projects and customers to our submarkets with different special requirements.

Financially, the year developed well with increased rental income and a strong property

management result. We also have a strong balance sheet and a loan-to-value ratio that gives us room for manoeuvre. 2025 was also an active year for us in the financing market. We are grateful for the trust our investors have shown in us.

Fabege's share retained Nasdaq's green classification for the third year in a row – a testament to our strong sustainability work. In GRESB's international sustainability assessment, we received the highest rating – five stars – with top results in both property management and project development, and we were ranked as one of the best listed real estate companies in Europe. We also have among the industry's lowest energy consumption per square meter, 65 kWh/sqm, which contributes to both lower costs and a higher profit margin. Part of this is of course due to very favourable weather conditions, but also to the fact that our technical managers do a good job in daily operations by tuning in and adjusting the amount of air and heat for our customers. Hands-on management helps create value.

Strength in the whole

Development of projects has been and is one of Fabege's key strengths. During the year, we took important steps in Arenastaden by starting the development of some of our most centrally located properties, Kairo and Farao. The projects being created on these properties are approximately 80,000 sqm of workplaces and around 700 homes. When the new metro opens in 2028/2029, the area's position as one of Greater Stockholm's most attractive locations will be further strengthened.

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During the year, Birger Bostad continued the development in Haga Norra. Over 500 homes have been completed and sold or rented out. A further 500 homes are either in production or in planning. Sales accelerated throughout the year, and Haga Norra is becoming a small community in Arenastaden. Here we have offices, homes, small restaurants, fitness facilities and conference facilities. Interest from grocery stores and demand for both senior housing and preschool are putting the pieces of the puzzle together. Haga Norra will be a small showcase as an attractive meeting place. What was particularly pleasing for Birger Bostad in 2025 was that both co-operative-, owner-occupied- and rental apartments were well received by the market. The mix also means the market for potential buyers of apartments is getting bigger, which in turn creates a broader income base and a more robust business for us.

We also received approval for the development of Sveaplan in the inner city, which enables approximately 8,000 sqm of activities and workplaces. At the same time, the devel-

opment of Wenner-Gren Center continues, where technical upgrades and investments in the external facade and roofing, as well as service and content, strengthen the property's long-term attractiveness. The area around Sveaplan will be an important submarket for us going forward, with approximately 55,000 sqm of GLA. This gives us opportunities to broaden the level of service across all our properties where they are located close to each other. In other words, it will be an important project for us.

As you all understand, projects are never just about buildings. Projects are also about life in and between buildings and creating attractive workplaces adapted to the wishes of customers. When offices, homes, restaurants, services and facilities interact, living areas and buildings are created. It is both sustainable and more economical.

2025 already feels like something old and far behind. We at Fabege are looking ahead. I am happy to work in a country where politicians facilitate business, growth and innovation. The future is created where the conditions are present. In a world characterized by new technology on the rise, strengthening of industry internally in Europe and each individual country, increased investments in defence equipment and technology, Sweden with its historical industrial expertise feels like it will become one of the absolute winners. It is now up to all of us who work in this environment to seize the opportunities. We look forward to it!

Bent Oustad, CEO Fabege

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