

Q1

Interim Report 2021

Fabege

Summary, SEKm

	2021	2020	2020
	Jan-Mar	Jan-Mar	Jan-Dec
Rental income	707	711	2,806
Net operating income	506	520	2,112
Profit from property management	346	369	1,474
Profit before tax	1,094	1,979	4,007
Profit after tax	863	1,574	3,167
Net lettings	36	15	-45
Surplus ratio,%	72	73	75
Loan-to-value ratio, properties, %	35	32	35
EPRA NRV, SEK per share	158	152	155

Jan - Mar 2021¹

- Rental income amounted to SEK 707m (711). In an identical property portfolio, income decreased by approximately 1 per cent (+6). The decrease compared to the previous year was mainly due to properties being transferred to projects and to pandemic-related provisions.
- Net operating income amounted to SEK 506m (520). In an identical property portfolio, net operating income decreased by approximately 4 per cent (+9).

¹ The comparison figures for income and expense items relate to values for the January–March 2020 period and for balance sheet items on 31 December 2020.

² For key performance indicator definitions, see page 23.

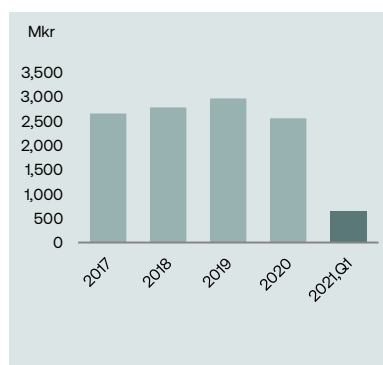
- The surplus ratio was 72 per cent (73).
- Profit from property management totalled SEK 346m (369).
- Realised and unrealised changes in value amounted to SEK 514m (1,854) in properties and SEK 234m (–243) in fixed-income derivatives.
- Profit before tax for the period amounted to SEK 1,094m (1,979).
- Profit after tax for the period was SEK 863m (1,574), corresponding to earnings per share of SEK 2.64 (4.78).

- Net lettings in the fourth quarter totalled SEK 36m (15).
- Rent levels in renegotiated leases increased by an average of 12 per cent (19).
- The equity/assets ratio was 51 per cent (52) and the loan-to-value ratio was 35 per cent (35).

Message from the CEO

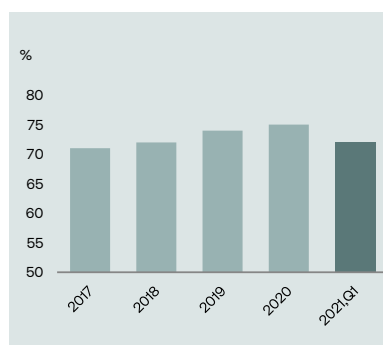


INVESTMENT VOLUME



Target: SEK 2,500m per year over a business cycle

SURPLUS RATIO



Target: 75%



Despite a continued high spread of infection and continuing restrictions, the beginning of the year has been better than feared and many companies are reporting a good start to 2021. Of course there are sectors, such as hotels, restaurants and the experience industry that have faced an extremely difficult time. The start of the vaccine roll out and continued powerful stimulus measures have created the potential for a rapid recovery once the pandemic releases its grip on the global economy.

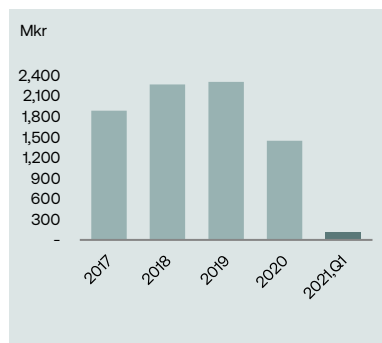
We are starting to see light at the end of the tunnel. Meanwhile, the extreme support policies will leave high public debt burdens in their wake and many question marks regarding inflation and interest rates. Rising long-term interest rates, particularly in the US, and sluggish vaccine deliveries were also a cause for concern during the quarter. The best assessment in this turbulent and slightly unreal situation is that in 2021 we will see a continued recovery of the global economy and stable inflation.

In connection with the pandemic, we have recognised SEK 5m in provisions and rebates. This together with properties being vacated for projects, was the main reason that rental income in an identical portfolio decreased by 1 per cent. The relatively cold and snowy winter has reduced net operating income and the surplus ratio was 72 per cent.

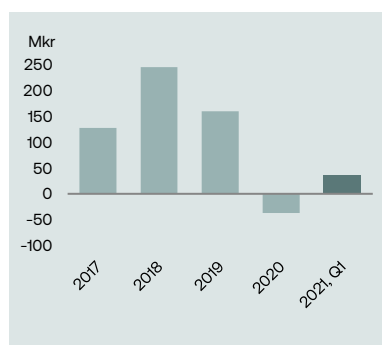
The letting market was relatively cautious early in the year, but became increasingly active during the quarter, primarily in line with the start of the vaccination programme. The number of viewings for potential tenants increased significantly during March. In January, we completed a major letting to Convendum on Kungsgatan in central Stockholm, which contributed to positive net lettings of SEK 37m during the quarter. Meanwhile, at the end of March, we saw that some companies with which renegotiations have been initiated are opting to terminate leases for further negotiation. The renegotiations completed during the quarter resulted in an increase in rents of 12 per cent. The completed new lettings have been at rent levels that are well in line with what we saw before the pandemic. Our vacancy rate in the investment property portfolio increased during 2020. We have strengthened our lettings team and a high level of activity is currently focused on reducing the vacancy rate. Meanwhile, the work with larger lettings is still taking longer than we have been used to for many years. However, most of the initiated discussions are continuing in a positive spirit.

The transaction market has continued to be strong in early 2021. However, there have been relatively few transactions for offices in our areas, but those completed are at very good levels.

VALUE CHANGE PROJECT



NET LETTINGS



Target: SEK 80m per year

During the year, we signed two land allocation agreements with Solna Municipality and Huddinge Municipality, respectively. Both agreements strengthen and complement our, pre-existing, large and attractive development rights portfolio in the Stockholm area, totalling more than 1 million square metres, of which almost half relate to housing development rights. Construction is currently underway of almost 500 apartments in the joint venture companies we are running in Solna. During the quarter, we established a new position with responsibility for the strategy for our housing development rights in order to also optimise our value creation from these rights. It is important for us at Fabège that with our focus on urban development in Stockholm and on offices in particular, to have knowledge of and work with the opportunities we are creating in housing, nursing and healthcare, education etc.

One of the most common questions during the past year is naturally how the offices of the future will be designed. The driving forces that we have as a basis for working with our customers are:

- The continued digital transformation
- The importance of values, wellbeing and sustainability
- Need for flexibility, simplicity and services
- Accessibility

All of this and much more must exist in order to create the offices and meeting places of the future that meet new behaviours and needs. Our belief that we will see more remote working, less business travel and more digital meetings has grown

stronger and is not unique. We have to continually develop in order to meet our customers' needs. Meanwhile, we must, with humility, safeguard the strengths of our business model and our values that extend far beyond the pandemic. How we deliver; business-oriented, with agility and close to customers is just as important as what we deliver. Dialogue and collaboration with our customers is more important than ever. All to create the offices that help to develop companies, in order to build culture and togetherness and to have efficient and inspiring work and meeting areas.

We work according to a long-term, target-based and integrated approach in order to create more sustainable properties and cities. We are continually raising the bar for what we can and must do. Now our overriding long-term goal is to have zero net emissions from our property management operations by 2030 and to halve our carbon footprint in our project development work. It is also important that we as a major property owner contribute to creating greater security and wellbeing in our main areas through various initiatives. Among other ways, this occurs by trying to contribute to improved education, leisure activities and job opportunities.

Fabège has a strong balance sheet, a stable customer base, a good property portfolio in great locations and many development opportunities. During the quarter, we also utilised this strength to repurchase almost 3 million shares. All with the ambition of creating additional shareholder value.

Stefan Dahlbo, CEO

LAND ALLOCATIONS

During the first quarter, Fabège and Huddinge Municipality signed an agreement on land allocations in the Flemingsbergsdalen area. The area covers around 220,000 sqm, of which 190,000 sqm is for commercial premises and 30,000 sqm for housing.



Early illustration

Impact of Covid-19 on Fabege

COVID-19 MEASURES

- Regular discussion in Fabege's crisis management group and Executive Management Team.
- Regular briefings for all staff.
- Support for employees to help them work from home.
- Dialogue and measures for customers with liquidity problems.
- Agreements on monthly payments, and postponements and possible discounts.

CONTRIBUTING TO SOCIETY

- Around 5,300 lunches were donated to Stadsmissionen in Stockholm during the period January to April.

SUPPORT FOR TENANTS

- The government has proposed a new rent support package for the first half of 2021, with a similar arrangement as previous year in which landlords are reimbursed 50 per cent of the rebate that is granted.
- However, the first step is for tenants who are in need of support to apply for the reorientation support (omställningsstöd), which covers fixed costs, and thus rental costs.

PROPERTY MANAGEMENT AND RENTAL INCOME

The majority of Fabege's customers are large, stable companies. Some customers, mainly in the service sector, have asked for postponements and discounts due to the pandemic. All such assessments are made on an individual basis with a focus on transition to monthly payments and postponements with repayment. Discounts and provisions related to the pandemic during the first quarter of the year amounted to SEK 5 million, which has reduced the rental income for the period. We estimate that some of our customers will still need support in the second quarter of 2021.

Rental discussions are taking longer and we have noticed that a few clients have requested less floorspace during renegotiations. Net lettings have not met our expectations but we are confident that we will not see structural vacancies in our modern properties in attractive locations. Rental levels in the Stockholm market are stable.

FINANCING

Access to finance is good both in the capital market and via banks. Refinancing of bank debt is going according to plan and we have been active in both the commercial paper and bond markets during the first quarter. Fabege has good financial preparedness. Unutilised credit facilities amounted on 31 March 2021 to SEK 3.9bn.

Fabège is a strong brand, both with the banks and on the capital market, and our strategy of allocating financing across several different sources, spreading refinancing over time and relying exclusively on green financing is a strength.

PROJECTS

All our projects are proceeding according to schedule. Property values

PROPERTY VALUATION

The property portfolio is valued on the basis of a well-established process. After having a large proportion of properties independently valued several times in 2020, we have now returned to normal procedures, where around 25-30% of the portfolio is independently valued each quarter. We do not see any noticeable effects on property values as a result of the pandemic.

EMPLOYEES

All employees continue to work from home to the greatest extent possible. Technical operations have been divided into teams working in shifts, with the aim being to reduce the risk of spreading infection. Meetings and collaboration are largely taking place digitally and we are providing various forms of support to make it easier for employees to work from home. We conduct regular temperature measurements among employees. The latest information shows that our employees are healthy, and that working from home works well, but that we miss meeting each other in the office.

FABEGE IS STABLE

As for so many other companies, the coronavirus pandemic is having a negative impact on the business, albeit to a limited extent for Fabège. Our stable financial position provides reassurance and a firm foundation.

- We have a strong balance sheet with a high equity ratio
- We have a stable customer base
- We have good access to financing through capital markets and banks
- We have dedicated employees who make a difference
- We have a modern and attractive property portfolio in prime locations

Earnings Jan-Mar 2021

Profit after tax for the period was SEK 863m (1,574), corresponding to earnings per share of SEK 2.64 (4.78). Profit before tax for the period amounted to SEK 1,094m (1,979). Slightly lower earnings from property management and lower changes in value meant that profit before tax declined in comparison with the same period in the previous year.

FIRST QUARTER IN BRIEF

- Continued uncertainty regarding future trends in the rental market.
- The effect of Covid-19 is mainly that the renegotiation and contract-signing processes are taking longer.
- New lettings totalled SEK 101m (65)
- Net lettings totalled SEK 36m (15).
- Rental income fell to SEK 707m (711).
- The surplus ratio was 72 per cent (73).
- Profit from property management totalled SEK 346m (369).
- The property portfolio showed unrealised value growth of SEK 514m (1,829), of which projects accounted for SEK 112m (142).
- Unrealised changes in value in the derivatives portfolio totalled SEK 234m (-243).
- After-tax profit for the quarter amounted to SEK 863m (1,574).

OPERATIONAL TARGETS

- Investment volume of approximately SEK 2,500m per year.
- Net lettings at least SEK 80m per year.
- Surplus ratio 75 per cent.

REVENUES AND EARNINGS

Rental income totalled SEK 707m (711) and net operating income amounted to SEK 506m (520). In an identical portfolio, rental income decreased by approximately -1 per cent (6), mainly due to Glädjen 12 being vacant for project development and a provision of SEK 5 million for bad debts related to the pandemic. The increase in property costs mainly related to winter costs such as heating and snow removal. Net operating income in an identical portfolio decreased by approximately 4 per cent (+9). The surplus ratio was 72 per cent (73). The increase in central administration was attributable to one-off costs for Fabege's new head office.

Net interest items amounted to SEK -118m (111). The increase was mainly due to a higher volume of loans. Ground rent amounted to SEK -9m (-6). The share in profit of associated companies was SEK -1m (-11) and related to the period's capital contribution to Arenabolaget.

Unrealised changes in the value of properties amounted to SEK 514m (1,829). The unrealised change in the value of the investment portfolio of SEK 402m (1,687) was mainly due to improved cash flows and lower yield requirements. The average yield requirement declined by 0.02 percentage points to 3.86 per cent (3.88).

The project portfolio contributed to an unrealised change in value of SEK 112m (141), primarily due to development gains in the major project properties.

Unrealised changes in value in the derivatives portfolio totalled SEK 234m (-243).

SEGMENT REPORTING

The Property Management segment generated net operating income of SEK 496m (518), representing a surplus ratio of 75 per cent (75). The occupancy rate was 92 per cent (94). Profit from property management totalled SEK 357m (384).

Unrealised changes in the value of properties amounted to SEK 402m (1,687). The Property Development segment generated net operating income of SEK 9m (2), giving a surplus ratio of 20 per cent (12). Profit from property management totalled SEK -12m (-15). Unrealised changes in the value of properties amounted to SEK 112m (142).

Earnings from transactions totalled SEK 0m (25).

TAX

The tax expense for the period amounted to SEK -231m (-405). Tax was calculated at a rate of 20.6 per cent on taxable earnings. The interest deduction limitations are not expected to have a material effect on taxes paid in the current year.

FINANCIAL POSITION AND NET ASSET VALUE

Equity at the end of the period amounted to SEK 40,882m (41,542) and the equity ratio was 51 per cent (52). The dividend decided by the Annual General Meeting reduced the equity. Equity per share attributable to Parent Company shareholders totalled SEK 126 (126). EPRA NRV was SEK 158 per share (155).

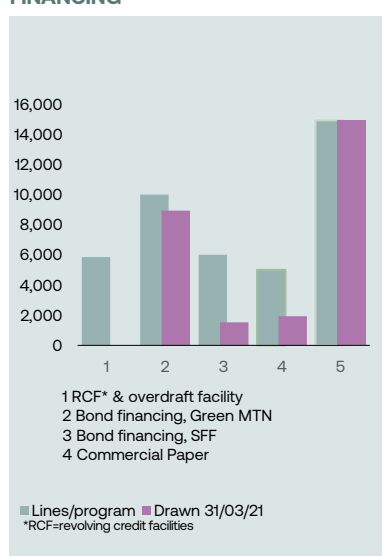
CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 335m (395). Changes in working capital had an impact on cash flow of SEK 91m (3). Investment activities had an impact on cash flow of SEK -452m (3,014), while cash flow from financing activities amounted to SEK 293m (-3,241). In investment activities, cash flow is driven by property transactions and projects. Overall, cash and cash equivalents increased by SEK 267m (171) during the period.

Financing

Fabege employs long-term credit facilities subject to fixed terms and conditions. The company's creditors mainly comprise the major Nordic banks and investors on the capital market.

BREAKDOWN OF SOURCES OF FINANCING



FINANCING

The company is striving to achieve a balance between different forms of financing on both the capital and banking markets, with long-term relationships with the major financiers having high priority.

Fabege has a firm belief in the ability of the financial market to contribute to a more sustainable society, and is keen to play an active part in its transition towards greater accountability. At the end of last year, the target of 100 per cent green financing was reached, and the opportunities to take the next step towards increasingly sustainable financing are being actively monitored.

Fabege's fixed-rate period at the end of the quarter was 3.9 years. The derivatives portfolio comprised interest rate swaps totalling SEK 17,150m with terms of maturity extending through 2030 and carrying fixed interest at annual rates of between -0.18 and 1.35 per cent before margins.

The capital markets continue to be affected by the current pandemic situation. With great hopes regarding upcoming vaccinations, the first quarter offered a number of opportunities for bond issues at attractive price levels in line with the pre-pandemic situation, and strong demand, especially for green bonds. This was confirmed in the case of Fabege by a successful issue of SEK 700m at the end of January and a further issue of SEK 500m in February. At the end of March, an outstanding bond maturing in early June was extended.

Net financial items included other financial expenses of SEK 9m, which mainly related to accrued opening charges for credit agreements and costs relating to bond and commercial paper programmes. During the period, interest totalling SEK 6m (6) relating to project properties was capitalised.

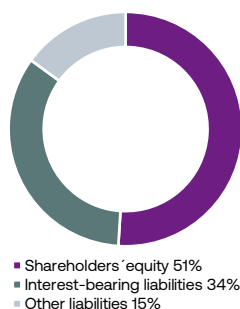
100%

Green financing
31 March 2021

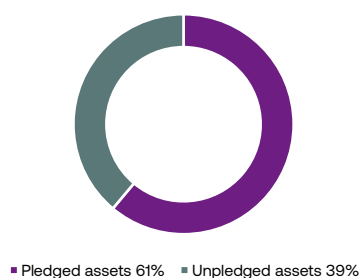
FINANCING, 31.03.2021

	2021-03-31	2020-12-31
Interest-bearing liabilities, SEKm	27,321	26,669
of which outstanding MTN, SEKm	8,943	7,950
of which outstanding SFF, SEKm	1,524	1,524
of which outstanding commercial paper, SEKm	1,925	2,025
Unutilized facilities, SEKm	3,935	3,867
Capital maturity, year	5.0	5.2
Fixed-rate period, year	3.9	4.1
Fixed-rate, share of the portfolio, %	73	74
Derivative market value, SEKm	-362	-597
Average interest, inclu. facilities, %	1.75	1.77
Average interest excl. facilities, %	1.66	1.67
Unsecured assets, %	38.9	36.5
Loan-to-value, %	35.0	34.8

SUPPLY OF CAPITAL



BREAKDOWN OF COLLATERAL



FINANCIAL TARGETS

Fabège's Board of Directors has adopted the following financial targets for the business.

- Loan-to-value ratio of max. 50 per cent.
- Interest coverage ratio of at least 2.2.
- Debt ratio of max. 13.0.
- Equity/assets ratio of min. 35 per cent.

INTEREST RATE MATURITY STRUCTURE, 31.03.2021

	Amount SEKm	Average interest rate, %	Share, %
< 1 year	6,995	3.79	26
1-2 years	1,800	0.57	7
2-3 years	2,150	0.92	8
3-4 years	2,850	0.69	10
4-5 years	2,000	0.96	7
5-6 years	3,650	0.89	13
6-7 years	2,914	1.28	11
7-8 years	2,962	1.37	11
8-9 years	2,000	0.44	7
9-10 years	0	0.00	0
Total	27,321	1.66	100

LOAN MATURITY STRUCTURE, 31.03.2021

	Credit agreement SEKm	Drawn, SEKm
Commercial paper programme	5,000	1,925
< 1 year	965	805
1-2 years	11,897	8,997
2-3 years	5,200	2,400
3-4 years	1,950	1,950
4-5 years	2,405	2,405
5-10 years	4,056	4,056
10-15 years	3,529	3,529
15-20 years	1,253	1,253
Total	36,256	27,321

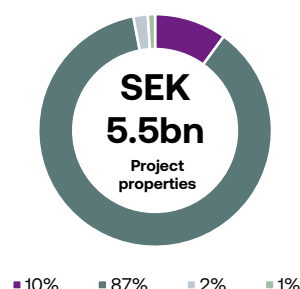
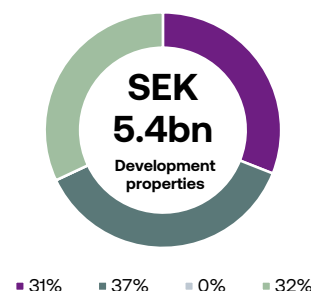
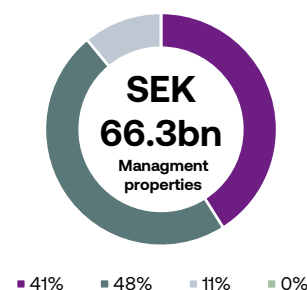
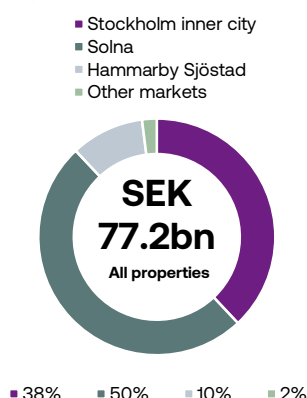
GREEN FINANCING, 31.03.2021

	Credit lines	Outstanding loans and bonds
Green MTN-bonds, SEKm	8,943	8,943
Green bonds vis SFF, SEKm	1,524	1,524
Green commercial paper, SEKm	5,000	1,925
Green loans, other, SEKm	20,789	14,929
Total green financing, SEKm	36,256	27,321
Share of green financing, %	100	100
Total green facilities, SEKm	58,085	
of which free green facilities, SEKm	21,146	

Operations Jan–Mar 2021

The projects progressed according to plan. Acquisitions and investments amounted to SEK 652m. Net lettings totalled SEK 36m. The volume of renegotiations remained low but these contributed positively to the rental value of renegotiated contracts by 12 per cent.

BREAKDOWN OF MARKET VALUE 31.03.2020



PROPERTY PORTFOLIO AND PROPERTY MANAGEMENT

Fabège's property management and urban and property development activities are concentrated on a few selected submarkets in and around Stockholm: Stockholm inner city, Solna, Hammarby Sjöstad and Flemingsberg. As of 31 March 2021, Fabège owned 89 properties with a total rental value of SEK 3.3bn, lettable floor space of 1.2m sqm and a book value of SEK 77.2bn, of which development and project properties accounted for SEK 10.9bn. The economic occupancy rate for the entire portfolio, including project properties, was 91 per cent (94). The occupancy rate for the investment portfolio was 92 per cent (94).

During the period, 34 (37) new leases were signed with a total rental value of SEK 101m (65), and 98 per cent of the space pertained to green leases. Lease terminations amounted to SEK -65m (-50). Net lettings totalled SEK 36m (15). Leases totalling SEK 46m (50) were renegotiated, with an average rise in rental value of 12 per cent (11). However, the volume of renegotiations was still low, due to several negotiations being postponed because of the pandemic. The retention rate during the period was 71 per cent (73).

CHANGES IN THE PROPERTY PORTFOLIO

During the first quarter, Sadelplatsen 1 was divested. Four properties relating to housing development rights in Haga Norra were sold to the joint venture company that Fabège owns together with Brabo, which is developing tenant-owned apartments on the properties. Fabège also entered into two land allocation agreements, with the City of Solna and Huddinge Municipality. In connection with this, an additional purchase price of SEK 270 million was paid for previously acquired properties in Flemingsberg.

CHANGES IN THE VALUE OF PROPERTIES

The property portfolio is valued using a well-established process. The entire property portfolio is independently valued at least once a year. Approximately 30 per cent of the portfolio was independently valued in

the first quarter, while the remaining properties were internally valued based on the most recent independent valuations. The total market value at the end of the period was SEK 77.2bn (76.6). Unrealised changes in value totalled SEK 514m (1,829). The average yield requirement declined by 0.02 per cent to 3.86 per cent (3.88) during the period. The change in the value of the investment property portfolio amounted to SEK 402m (1,687). The project portfolio contributed to an unrealised change in value of SEK 112m (142). The change in value of the project portfolio was mainly due to development gains in major project properties.

PROJECTS AND INVESTMENTS

The purpose of Fabège's project investments in the investment property portfolio is to reduce vacancy rates and increase rents in the property portfolio, thereby improving cash flows and value. During the period, investments in existing properties and projects totalled SEK 382m (457), of which investments in projects and development properties accounted for SEK 276m (344).

The capital invested in the investment property portfolio, which amounted to SEK 106m (113) and encompassed, for example, energy investments and tenant customisations, also contributed to the total growth in value.

COMPLETED PROJECTS

During the first quarter, construction of Bilja's new premises at the property Hagalund 2:11, Solna, was completed and the tenant moved in.

MAJOR ONGOING PROJECTS

The project to construct a hotel, long-stay accommodation and offices at the Nationalarenan 3 property in Arenastaden has also been completed, with Choice taking up occupancy in April. The total investment is SEK 772m.

The Pool project is progressing according to plan. The basic structure is complete and work on the facade and waterproofing is underway. The acquisition of the

**CHANGES IN PROPERTY VALUES,
JAN-MAR 2021**

Changes in property value	2021
Opening fair value 2021-01-01	76,648
Property acquisitions ¹	270
Investments in new builds, extensions and conversions	382
Changes in value	514
Sales and disposals ¹	-604
Closing fair value 31/03/21	77,210

¹Refers to additional purchase price Flemingsberg.

**TOTAL INVESTMENTS,
JAN-MAR 2021**

Total investments	
Investments in project- & development properties	276
Investments in management properties	106
Total investments	382

**AVERAGE YIELD REQUIREMENT,
31.03.2021**

Area	Average yield, %
Stockholm city	3.58
Solna	3.99
Hammarby Sjöstad	4.22
Other	5.15
Average yield	3.86

**SALES OF PROPERTIES,
JAN-MAR 2021**

Property name	Area	Category	Lettable area, sqm
Quarter 1			
Sadelplatsen 1	Frösunda	Kontor	6,368
Total			6,368

development right was implemented as planned in September 2020. The property includes approx. 29,000 sqm of lettable office space, and will be constructed in a 3D reallocation above the swimming pool being built by Solna Municipality. The investment is estimated at SEK 1,103m. The occupancy rate is 79 per cent, which is the rental to TietoEvy.

The renovation of Stigbygeln 2, Arenastaden is in the final stages and will house, for example, Fabege's new head office. The investment is estimated at SEK 195m. The first tenants have moved in and the project will be completed in the second quarter. The occupancy rate is 83 per cent.

Redevelopment work at Glädjen 2, Stadshagen, is ongoing, following the premises being vacated by former tenant LRF. The investment is estimated at SEK 177m. The occupancy rate is 12 per cent, as Electrolux have signed a lease.

The project regarding the development of part of Bocken 39, Kungsgatan, for Convendum has started, with the design and demolition work. The investment is expected to amount to SEK 194m and the premises will be completed in time for Convendum to occupy them in July 2022.

Another project will start in 2021, with design and procurement. This is for part of Regulatör 2, Flemingsberg, where Fabege will build premises for the Royal Swedish Opera and the Royal Dramatic Theatre.

HOUSING DEVELOPMENT IN JOINT VENTURES

Faberge and Svenska Hyreshus AB are leading a housing development project in Kista via co-owned Selfoss Invest AB. The total investment amounts to SEK 570m, excluding purchase of the land. The project comprises 276 apartments. All 69 apartments in stage 1 have been sold and were taken over on 1 April. Phase 2 was completed in the autumn and 60 of the 77 apartments have been sold. Phase 3, comprising 130 apartments, was divested in the first quarter of 2021 to Patrizia, for use as rented accommodation.

The housing project being conducted in cooperation with Brabo in Haga Norra is proceeding according to plan. The project includes 418 apartments that are being produced in a 3D reallocation above the facility that Faberge has built for Bilila. The reallocation process was completed during the first quarter and Faberge sold the four properties covered by it to the joint venture company. The estimated investment totals approximately SEK 1.1bn. The basic structure is complete and work on the completion of the frame, installations and furnishings is ongoing. In the first tranche of sales, which involves 153 apartments, leases have been signed on 150 apartments via non-binding booking agreements. The sale of the second tranche of 115 apartments is expected to start in May. The project is financed by owner loans and external construction loans.

The development of the property Lagern 3, Råsunda into tenant-owned apartments is proceeding according to plan, with the first occupancy scheduled for November 2021. The project is being managed together with the TB Group in a 50/50 per cent joint venture company. The investment is estimated to be SEK 288m, excluding purchase of the land. 111 (83 per cent) of the project's 134 apartments have been sold via binding preliminary contracts.

The current joint venture projects will be recognised in accordance with the equity method. Income recognition will not take place until completion of the projects.

ONGOING PROJECTS > SEK 50M

Property listing	Property type	Area	Completed	Lettable area, sqm	Occupancy rate, area, % ¹	Rental value ²	Booked value, SEKm	Estimated investment, SEKm	of which, worked up, SEKm
Stigbygeln 2	Offices	Solna	Q2-2021	8,400	83%	30	593	195	150
Nationalarenan 3	Hotel	Arenastaden	Q2-2021	19,100	100%	55	961	772	720
Poolen 1	Offices	Arenastaden	Q1-2022	29,000	100%	96	850	1,103	381
Glädjen 12	Kontor	Stadshagen	Q4-2022	11,000	12%	44	537	177	17
Bocken 39 (part of)	Kontor	Norrmalm	Q3-2022	7,600	100%	66	1,343	194	6
Total				75,100	85%	291	4,284	2,441	1,274
Other land and project properties							2,597		
Other development properties							5,385		
Total projects, land and development properties							12,266		

¹ Operational occupancy rate 31 Mar 2021.² Rental value including additions. The annual rent for the largest projects in progress could increase to SEK 291m (fully let) from SEK 4m in annualised current rent as of 31 Mar 2021.

DEVELOPMENT RIGHTS

Commercial, sqm		Residential, sqm	
Inner city	32,500	Inner city	1,100
Solna	344,900	Solna	269,200
Hammarby Sjöstad	58,700	Hammarby Sjöstad	-
Flemingsberg	331,000	Flemingsberg	237,000
Others	80,500	Others	-
Total	847,600	Total	507,300
Legal binding, %	15	Legal binding, %	18
Booked value, SEK/sqm	5,400	Booked value, SEK/sqm	7,080

Areas and carrying amount relate to additional development rights area. Development will in some cases require demolition of existing areas, which will impact the project calculation. The volumes are not maximised. Ongoing planning work aims to increase the volume of future development rights. All agreed land allocations have been included.

PROPERTY PORTFOLIO

Property holdings	No. of properties	Lettable area, '000 sqm	Market value SEKm	Rental value ²	Financial occupancy rate %
Investment properties ¹	60	1,030	66,288	3,077	92
Development properties ¹	13	168	5,384	159	72
Land and Project properties ¹	16	23	5,538	32	66
Total	89	1,221	77,210	3,268	91
Of which, Inner city	27	325	29,174	1,218	87
Of which, Solna	46	691	38,577	1,607	94
Of which, Hammarby Sjöstad	11	137	7,627	380	89
	4	68	1,802	63	90
Of which, Other	1	0	30	0	0
Total	89	1,221	77,210	3,268	91

¹ See definitions.² In the rental value, time limited deductions of about SEK 101m (in rolling annual rental value at 31 Mars 2021) have not been deducted.SUMMARY OF SEGMENT REPORTING¹

	2021 Jan-Mar	2021 Jan-Mar	2021 Jan-Mar	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Mar	2020 Jan-Mar	2020 Jan-Mar
SEKm	Förvaltning	Developme	Transaction	Total	Management	Developme	Transaction	Total
Rental income	661	46		707	694	17		711
Property expenses	-164	-37		-201	-176	-15		-191
Net operating income	497	9	0	506	518	2	0	520
Surplus ratio, %	75%	20%		72%	75%	12%		73%
Central administration	-27	-5		-32	-20	-3		-23
Net interest expense	-101	-17		-118	-97	-14		-111
Ground rents	-10	1		-9	-6	0		-6
Share in profits of associated companies	-1	0		-1	-11	0		-11
Profit from property management activities	358	-12	0	346	384	-15	0	369
Realised changes in value of properties	0	0		0	0	0	25	25
Unrealised changes in value of properties	402	112		514	1,687	142	0	1,829
Profit/loss before tax per segment	760	100	0	860	2,071	127	25	2,223
Changes in value, fixed income derivatives and equities				234				-244
Profit before tax				1,094				1,979
Properties, market value	66,288	10,922		77,210	64,682	8,314		72,996
Occupancy rate, %	92%	71%		91%	94%	92%		94%

¹ Explanation of classifications and also the reclassifications during the period between the Property Management and Property Development segments are stated in the note on Segment Reporting on page 18.

Fabege's sustainability work

Our ambition does not stop at developing sustainable city districts, properties and premises. We aim to contribute to a sustainable Stockholm. Our sustainability strategy is an integral part of our business concept, business model and corporate culture.

Goals 2030

- Climate neutral management
- Halving the climate impact of project development

29
kWh/sqm
Average energy use Q1

SUSTAINABLE URBAN DEVELOPMENT

Work is underway, with the help of Citylab, to ensure a sustainable Arenastaden, in partnership with the City of Solna and Sweden Green Building Council. Citylab is Sweden's first certification system for sustainable urban development, and it includes an evaluation element that answers the question: How sustainable has it been made?

ENVIRONMENTAL CERTIFICATION OF PROPERTIES

Fabege's objective is for the company's entire property portfolio to be certified to BREEAM-SE/BREEAM In-Use standard. Fabege's new builds are certified in accordance with BREEAM-SE, and our aim is to achieve the level of 'Excellent'. Of Fabege's 89 properties, 59 were certified at the end of the period. Overall, this represents 83 per cent (81) of the combined floorspace of Fabege's existing portfolio. The properties that have not yet begun certification relate to land and development property for future project development.

In 2021, work will continue on upgrading several certifications in the existing portfolio and during the period one additional property will be upgraded to the Very Good level.

FABEGE'S ENERGY EFFICIENCY TARGETS

Fabege's new energy efficiency targets are divided into phases. Already in 2019, we surpassed the Swedish Energy Agreement's target of 50 per cent more efficient energy use in 2030 compared to 2005. In 2020, Fabege's average energy use was 74 kWh/sqm (cumulative 12-month result). 2020 was an unusual year, with a mild winter and low energy consumption due to the fact that many offices were not used because tenants decided to let their employees work from home. The target for 2023, of average energy consumption of 77 kWh/sqm, remains the same. The portfolio is divided into two parts: newer properties that have received planning permission

since 2012 and have a target of 50 kWh/sqm, and older properties that have a target of 85 kWh/sqm. In the first quarter, the average energy consumption was 29 kWh/sqm, which due to the more normal winter is slightly higher than the same period last year.

REDUCED CLIMATE FOOTPRINT IN PROJECTS

In 2020, we began retroactively calculating our climate impact from Scope 3 emissions during the base year of 2019, which is a major challenge. We have also set up the ambitious target of cutting our climate footprint within Scope 3 in half by 2030. Achieving this target will require us to use innovative approaches in our project development, involving reuse, choice of materials, new technology and imposing stringent requirements during procurement processes. Work has begun on the design of the so-called Park House in Solna Business Park, which is a pilot project that aims to halve the climate impact during construction.

CLIMATE NEUTRAL MANAGEMENT BY 2030

Fabege has a long-term, target-based and integrated approach towards creating more sustainable properties. Our overriding long-term goal is to have zero net emissions from property management by 2030. By this we mean that we will have control over all the emissions associated with our operations, and that we will minimise emissions to the greatest possible extent using the tools available. We will compensate for emissions over which we have no control via carbon offsetting, for example investments in carbon sinks such as forests, or wind and solar parks.

Fabege has been connected to the Science Based Targets initiative since 2019, and has thus taken an initial step in reorganising the business to help achieve the 1.5-degree target

100%

Environmentally certified
-investment properties

GLOBAL LEDARE ENLIGHT GRESB

In the sustainability survey for 2020 conducted by GRESB, Fabege achieved 93 points, which means that we are ranked as a global leader in the Office sector in the category listed real estate companies.



GREEN FABEGE ACCORDING TO CICERO

In the autumn of 2020, CICERO Shades of Green carried out an assessment of Fabege. The results revealed that 95 per cent of Fabege's revenue and investments for 2020 were classified as green. Furthermore, Fabege received CICERO's highest rating, 'Excellent', in an assessment of the company's sustainability governance.

SUMMARY OF CERTIFIED PROPERTIES

System			Target
BREEAM-In-Use	45	654,298	64
BREEAM-SE	9	250,699	24
BREEAM Bespoke	1	7,460	1
Green building	1	6,164	1
Miljöbyggnad	3	109,432	11
Total certified properties	59	1,028,053	100

SUSTAINABILITY PERFORMANCE MEASURES

	2010, Q1	2020	2019	Target
Energy performance, kWh/sqm Atemp	29	74	81	average max. 77 kWh/sqm Atemp
Proportion of renewable energy, %	96	96	91	100
Environmental certification, number of properties	59	59	56	
Environmental certification, of total area, %	83	82	83	100
Green lease, share of total office space	98	96	94	100
Green lease, share of newly signed area, %	78	73	75	100
Green financing, %	100	100	84	100
Satisfied employees, confidence rating, %	79	79	74	2021 minst 85%
GRESB, points	93	93	94	>90

GREEN FINANCING

Our green framework allows us to issue green bonds and green commercial paper and to link other loans to the framework. Green financing offers Fabege better conditions both with banks and on the capital market, and access to more financing alternatives. The green framework has increased the proportion of green financing sources. All Fabege's creditors can now offer green financing, and the aim of 100 per cent green financing was achieved just before year-end.

- Find out more about Fabege's green financing at www.fabege.com/greenfinancing, where investor reports are also available.

Report; more information is available at www.fabege.com/sustainability.

SOCIAL SUSTAINABILITY INITIATIVES

Fabège collaborates with municipalities, authorities, other property owners and associations to create safe and attractive areas. The focus is on education, spare time, health and work.

Examples of measures:

- TalangAkademin in Huddinge
- Support for the City Mission
- Street Gallery
- Support for local sports associations
- Pep Parks
- Safety-creating activities in our areas

ABOUT THE SUSTAINABILITY REPORT

This is a quarterly follow-up of Fabege's work with sustainability issues. The starting point is Fabege's annual Sustainability Report. The quarterly report has not been prepared in accordance with the GRI guidelines and therefore does not address certain issues.

An overall picture of the sustainability work is published once a year in the Sustainability



Other financial information

SENSITIVITY ANALYSIS – PROPERTY VALUES

Change in value, %	tax profit, SEKm	Equity/as-sets ratio, %	Loan-to-value ratio, %
+1	607	51.0%	35.2%
0	0	50.7%	35.4%
-1	-607	50.4%	25.5%

Earnings and key performance indicators are affected by realised and unrealised changes in the value of properties. The table shows the effect of a 1 percentage point change in value after deferred tax deduction.

SENSITIVITY ANALYSIS – CASH FLOW AND EARNINGS

	Change in effect, SEKm
Rental income, total	1% 28.3
Rent level, commercial income	1% 27.2
Financial occupancy rate	1 percentage point 32.8
Property expenses	1% 7.0
Interest expense, rolling 12 months ¹	+/-1 percentage point 33 / 8
Interest expenses, longer term perspective	1 percentage point 273.2

The sensitivity analysis shows the effects on the Group's cash flow and Profit on an annualised basis after taking into account the full effect of Each parameter.

RENTAL INCOME – GROWTH OVER NEXT FOUR QUARTERS



The graph above shows the development of contracted rental income, including occupancies and vacations that are known about and renegotiations, but excluding letting targets. The graph therefore does not constitute a forecast, but rather aims to demonstrate the rental trend in the existing contract portfolio on the balance sheet date.

HUMAN RESOURCES

At the end of the period, 191 people (191) were employed by the Group.

PARENT COMPANY

Sales during the period amounted to SEK 74m (97) and earnings before appropriations and tax amounted to SEK 130m (328). Net investments in property, equipment and shares totalled SEK 2m (0).

LEASE MATURITY STRUCTURE

Maturity, year	No. of leases	Annual value, SEKm	Share, %
2021	387	377	13%
2022	423	709	24%
2023	244	367	12%
2024	165	207	7%
2025	79	271	9%
2026+	112	908	31%
Commercial	1,410	2,839	95%
Residential	118	11	0%
Garage and parking	679	124	4%
Total	2,207	2,975	100%

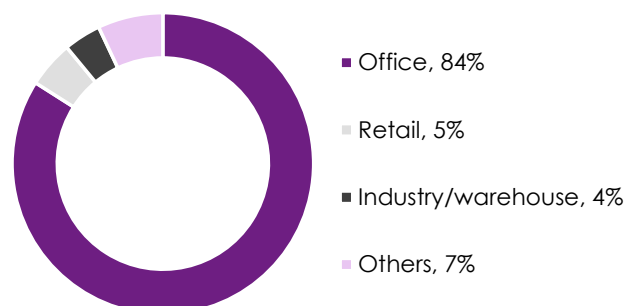
¹ Of which just over SEK 223m has already been renegotiated for 2020.

BIGGEST CUSTOMERS

	Share ¹ , %	Valid to year
SEB Banken	7%	2037
The Swedish Tax Agency	5%	2022
Telia Company AB	5%	2031
ICA Fastigheter Sverige AB	4%	2030
Swedbank	2%	2029
Carnegie Investment Bank AB	2%	2022
The Swedish Migration Agency	2%	2028
Bilia	2%	2041
The Swedish Agency for Education	1%	2024
Telenor AB	1%	2028
Total	30%	

¹Share of contracted rent.

RENTAL VALUE PER CATEGORY



EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date.

OPPORTUNITIES AND RISKS

Risks and uncertainties relating to cash flow from operations relate primarily to changes in rents, vacancies and interest rates. The effect of the changes on consolidated profit, including a sensitivity analysis, and a more detailed description of risks and opportunities, are presented in the section on Risks and opportunities in the 2020 Annual Report (pages 48–57).

Properties are recognised at fair value and changes in value are recognised in profit or loss. Effects of changes in value on consolidated profit, the equity/assets ratio and the loan-to-value ratio are also presented in the section on Risks and opportunities and the sensitivity analysis in the 2020 Annual Report. Financial risk, defined as the risk of insufficient access to long-term funding through loans, and Fabege's management of this risk are also described in the Risks and opportunities section of the 2020 Annual Report (pages 48–57).

Faberge's aims for the capital structure are to have an equity/assets ratio of at least 35 per cent and an interest coverage ratio of at least 2.2. The target for the loan-to-value ratio is a maximum of 50 per cent. The debt ratio will amount to a maximum of 13.

Apart from the effects of Covid-19 that have been described on page 3, no material changes in the company's assessment of risks have been made since publication of the 2020 Annual Report.

SEASONAL VARIATIONS

Expenses for the running and maintenance of properties are subject to seasonal variations. For example, cold and snowy winters give rise to higher costs for heating and snow clearance, while hot summers result in higher cooling costs. Activity in the rental market is seasonal. Normally, more business transactions are completed in the second and fourth quarters, whereby net lettings in these quarters are often higher.

MARKET OUTLOOK

Many question marks remain and there is a great deal of uncertainty regarding what 2021 has in store. We don't know how quickly the vaccination programme will be rolled out, and what the pace of recovery will be like, or what the 'new normal' will be, post pandemic. The impact of the pandemic on Fabege is reported on page 3.

Faberge enjoys a strong financial position, which means we are able to cope well even in difficult times, and also exploit any opportunities that may arise. Several of our key performance indicators are stronger at the start of 2021 than they were in 2020. Our properties are modern and well-managed, and situated in attractive locations. We have stable customers. Faberge's employees are motivated and capable. We are well prepared to take on the challenges and opportunities open to us on the market over the coming year.

ACCOUNTING POLICIES

Faberge prepares its consolidated financial statements according to International Financial Reporting Standards (IFRS). This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

Disclosures in accordance with IAS 34 Interim Financial Reporting are submitted both in the notes and in other sections of the Interim Report.

The company has received government support in the form of the rent support package, which is recognised as a reduction in rental income. This is recognised in profit or loss in the same period as the decline in income for which the support is intended, to the extent it is deemed reasonably likely that the conditions have been satisfied and the support has been received/will be received. There are no contingent liabilities linked to the government support. The Group has not received any other forms of government support.

The Group applies the same accounting policies and valuation methods as in the latest annual report. Other new or revised IFRS standards or other IFRIC interpretations that came into effect after 1 January 2021 have not had any material impact on consolidated financial statements. The Parent Company prepares its financial statements according to RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act, and applies the same accounting policies and valuation methods as in the latest annual report.

Stockholm, 26 April 2021

Stefan Dahlbo
Chief Executive Officer

This Interim Report has not been reviewed by the company's auditors.

Share information

Fabege's shares are listed on NASDAQ Stockholm, in the Large Cap segment.

OWNERS

Fabege had a total of 44,698 known shareholders on 31 March 2021, including 59.2 per cent Swedish ownership. The 15 largest owners controlled 43.2 per cent of the total number of shares and votes.

DIVIDEND POLICY

Fabege aims to pay a dividend to its shareholders comprising the part of the company's profit that is not required for the consolidation or development of the business. Under current market conditions, this means that the dividend is expected to sustainably account for at least 50 per cent of profit from continuous property management and realised gains from the sale of properties after tax.

ACQUISITION AND TRANSFER OF TREASURY SHARES

The 2021 AGM passed a resolution mandating the Board, for a period extending up until the next AGM, to acquire and transfer shares in the company. Share buybacks are subject to a limit of 10 per cent of the total number of shares outstanding at any time. During the first quarter, 2,999,953 shares were repurchased. The company held 7,577,355 treasury shares on 31 March 2021. The repurchases were made at an average price of SEK 118.75 per share. The holding represents 2.3 per cent of the total number of registered shares.

LARGEST SHAREHOLDERS, 31.03.2021

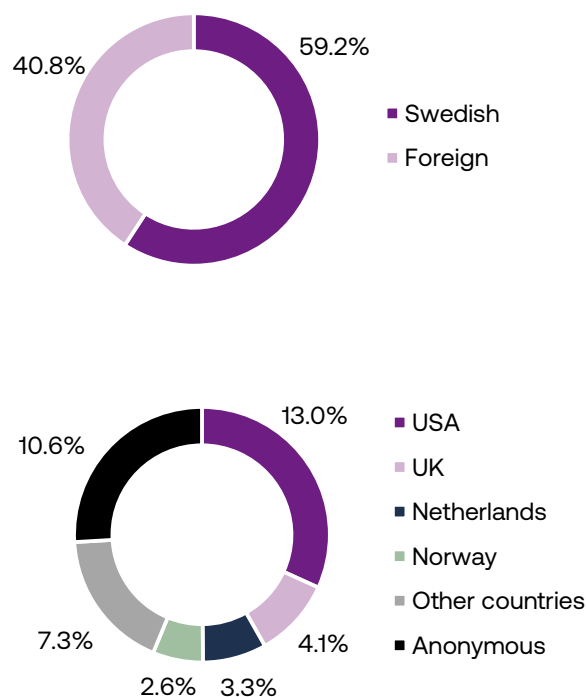
	Number of shares*	Proportion of equity, %	Proportion of votes, %
Erik Paulsson and company	50,858,718	15.7	15.7
BlackRock	15,745,399	4.9	4.9
Handelsbanken Funds	8,643,423	2.7	2.7
Vanguard	8,195,840	2.5	2.5
Mats Qviberg with family	7,106,054	2.2	2.2
Länsförsäkringar Funds	7,086,678	2.2	2.2
E.N.A City Aktiebolag	6,460,000	2.0	2.0
Norges Bank	5,848,899	1.8	1.8
Fourth AP-fund	5,584,743	1.7	1.7
Schroders	5,017,053	1.6	1.6
Third AP-fund	4,170,185	1.3	1.3
Folksam	4,024,117	1.2	1.2
AMF Insurance & Funds	3,934,063	1.2	1.2
AFA Insurance	3,613,148	1.1	1.1
BNP Paribas Asset Management	3,297,478	1.0	1.0
Total 15 largest shareholders	139,585,798	43.2	43.2
Total no. of shares outstanding	323,205,789	97.7	97.7
Treasury shares	7,577,355	2.3	2.3
Total no. of registered shares	330,783,144	100.0	100.0

TURNOVER AND TRADING

	Fabege
Lowest price, SEK	114.75
Highest price, SEK	134.85
VWAP, SEK	122.04
Average daily turnover, SEK	101,968,673
Number of traded shares, no	51,801,980
Average number of transactions, no	2,523
Number of transactions, no	156,429
Average value per transaction, SEK	40,415
Daily turnover relative to market capitalization	0.25

OWNER DISTRIBUTION*, 31.03.2021

	Number of shares	Capital & votes, %
Foreign institutional owners	98,546,023	29.8
Swedish institutional owners	69,773,531	21.1
Other owners	72,978,883	22.1
Swedish private individuals	46,937,104	14.2
Anonymous ownership	34,970,248	10.6
Holding own shares	7,577,355	2.3
Total	330,783,144	100



* Source: Holdings by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

Financial data

Group

Condensed statement of comprehensive income

SEKm	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	Rolling 12 m Apr-Mar
Rental income ¹	707	711	2,806	2,802
Property expenses	-201	-191	-694	-704
Net operating income	506	520	2,112	2,098
Surplus ratio, %	72%	73%	75%	75%
Central administration	-32	-23	-93	-102
Net interest/expense	-118	-111	-462	-469
Ground rent	-9	-6	-30	-33
Share in profits of associated companies	-1	-11	-53	-43
Profit/loss from property management	346	369	1,474	1,451
Realised changes in value of properties	0	25	49	24
Unrealised changes in value of properties	514	1,829	2,715	1,400
Unrealised changes in value, fixed income derivatives	234	-243	-229	248
Changes in value of shares	0	-1	-2	-1
Profit/loss before tax	1,094	1,979	4,007	3,122
Current tax	0	25	24	-1
Deferred tax	-231	-430	-864	-665
Profit/loss for period/year	863	1,574	3,167	2,456
<i>Items that will not be restated in profit or loss</i>				
Revaluation of defined-benefit pensions	-	-	-1	-1
Comprehensive income for the period/year	863	1,574	3,166	2,455
Off which attributable to the minority	0	0	0	0
Total comprehensive income attributable to Parent Company shareholders	863	1,574	3,166	2,455
Earnings per share, SEK	2.64	4.78	9.65	21.70
No. of shares at period end, millions	323,206	328,283	328,283	330,783
Average no. of shares, thousands	327,110	329,533	329,211	330,783

¹ Additional payment, service and other income amounts to SEK 31m for the period January - March 2021.

² Earnings per share are the same before and after the dilution effect.

Group

Condensed statement of financial position

SEKm	2021 Mar 31	2020 Mar 31	2020 Dec 31
Assets			
Properties	77,210	72,996	76,648
Right of ground use	897	942	897
Other tangible fixed assets	14	6	15
Derivative instrument	60	31	20
Financial fixed assets	1,536	911	1,108
Current assets	528	479	350
Short-term investments	95	130	108
Cash and cash equivalents	287	195	20
Total assets	80,627	75,690	79,166
Equity and liabilities			
Shareholder's equity	40,882	41,343	41,542
Deferred tax	8,519	7,853	8,288
Other provisions	182	181	183
Interest-bearing liabilities ¹	27,321	23,472	26,669
Lease liability	897	942	897
Derivative instrument	422	641	617
Non-interest-bearing liabilities	2,404	1,258	970
Total equity and liabilities	80,627	75,690	79,166

¹ Of which short-term SEK 805m (2,925).

Group

Condensed statement of changes in equity

SEKm	Share capital	Other contributed capital	Retained earnings incl. Profit/loss for the period	Total equity attributable to Parent Company shareholders	Non-controlling interests	total shareholders' equity
Shareholders' equity, 1 January 2020, according to adopted Statement of financial position	5,097	3,017	31,880	39,993	74	40,068
Profit for the period			3,167	3,167	0	3,167
Other comprehensive income			-1	-1		-1
Total income and expenses for the period			3,166	3,166	0	3,166
TRANSACTIONS WITH SHAREHOLDERS						
			-541	-541		-541
Cash dividend			-1,050	-1,050		-1,050
			-26	-26	-74	-100
Total transactions with shareholders			-1,617	-1,617	-74	-1,691
Shareholders' equity, 31 December 2020, according to adopted Statement of financial position	5,097	3,017	33,428	41,542	0	41,542
Profit for the period			863	863	0	863
Other comprehensive income						
Total income and expenses for the period			863	863	0	863
TRANSACTIONS WITH SHAREHOLDERS						
			-359	-359		-359
Cash dividend			-1,164	-1,164		-1,164
Total transactions with shareholders			-1,523	-1,523	0	-1,523
Shareholders' equity, 31 Mars 2021	5,097	3,017	32,768	40,882	0	40,882

Group

Statement of cash flows

SEKm	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Operations			
Net operating income	506	520	2,112
Central administration	-32	-23	-93
Reversal of depreciation	1	0	4
Interest received	4	5	16
Interest paid	-144	-132	-550
Income tax paid	0	25	24
Cash flow before changes in working capital	335	395	1,513
Change in working capital			
Change in current receivables	-179	-164	-34
Change in current liabilities	270	167	-130
Total change in working capital	91	3	-164
Cash flow from operating activities	426	398	1,349
Investing activities			
Investments in new-builds, extensions and conversions	-376	-451	-1,826
Acquisition of properties	-270	0	-1,370
Divestment of properties	604	3,566	3,589
Other tangible fixed assets	-410	-101	-411
Cash flow from investing activities	-452	3,014	-18
Financing activities			
Dividend to shareholders	-	-	-1,050
Transfer of treasury shares	-359	-299	-541
Loans received	4,312	800	10,117
Amortization of debt	-3,660	-3,742	-9,861
Cash flow from investing activities	293	-3,241	-1,335
Cash flow for the period	267	171	-4
Cash and cash equivalents at beginning of period	20	24	24
Cash and cash equivalents at end of period	287	195	20

Group

Key performance indicators

Financial ¹	2021	2020	2020
	Jan-Mar	Jan-Mar	Jan-Dec
Return on equity, %	8.4	15.5	7.8
Interest coverage ratio, multiple	3.9	4.4	4.3
Equity	51	55	52
Loan-to-value ratio, properties, %	35	32	35
Debt ratio, multiple	13.7	11.4	13.2
Debt/equity ratio, multiple	0.7	0.6	0.6
Share related ¹			
Earnings per share, SEK ²	2.64	4.78	9.65
Equity per share, SEK	126	126	127
Cash flow from operating activities per share, SEK	1.30	1.21	4.11
Average no. of shares, thousands	323,206	329,533	328,317
No. of outstanding shares at end of period, thousands	327,110	328,283	326,206
Property-related			
No. of properties	89	86	94
Carrying amount, Properties, SEKm	77,210	72,996	76,648
Lettable area, sqm	1,221,000	1,189,000	1,245,000
Financial occupancy rate, %	91	94	91
Total return on properties, %	1.3	3.3	6.6
Surplus ratio, %	72	73	75

¹ Unless otherwise stated, the key figure is not defined under IFRS. Please see page 21 for definitions.

² Definitions according to IFRS.

EPRA key performance indicators

	2021	2020	2020
	Jan-Mar	Jan-Mar	Jan-Dec
EPRA Earnings (income from property mgmt after tax), SEKm	305	329	1,285
EPRA Earnings (EPS), SEK/share	0.93	1.00	3.92
EPRA NRV (long term net asset value), MSEK	50,927	49,806	50,427
EPRA NRV, SEK/share	158	152	155
EPRA NTA (long term net asset value), SEKm	48,512	47,865	48,217
EPRA NTA, SEK/share	150	146	148
EPRA NDV (net asset value), SEKm	42,046	41,343	41,542
EPRA NDV, SEK/share	130	126	127
EPRA Vacancy rate, %	9	6	9

Deferred tax

Deferred tax attributable to:	2021	2020	2020
	Mar 31	Mar 31	Dec 31
- tax loss carryforwards, SEKm	-600	-759	-693
- difference between book value and tax value in respect of properties, SEKm	9,200	8,677	9,166
- derivatives, SEKm	-77	-52	-128
- other, SEKm	-4	-13	-57
Net debt, deferred tax, SEKm	8,519	7,853	8,288

DERIVATIVES

Derivatives are measured at fair value in accordance with Level 2. The derivatives portfolio is measured at the present value of future cash flows. Changes in value are recognised in profit or loss. Changes in value are of an accounting nature and have no impact on cash flow. At the due date, the market value of derivative instruments is always zero. The valuation assumptions have not changed significantly compared to the last annual report.

CONTINGENT LIABILITIES

On the balance sheet date, contingent liabilities comprised guarantees and commitments in favour of associated companies of SEK 358m (531) and other 0 (0).

SEGMENT REPORTING – CLASSIFICATIONS AND RECLASSIFICATIONS DURING THE PERIOD

In the first quarter, the project at Hagalund 2:11 (the Bilia project) was completed and the property was reclassified from a project property to an investment property.

In accordance with IFRS 8, segments are presented from the point of view of management, divided into the following segments: Property Management, Property Development and Transactions. Rental income and property expenses, as well as realised and unrealised changes in the value of properties, are directly attributable to properties in each segment (direct income and expenses). In cases where a property changes character during the year, earnings attributable to the property are allocated to each segment based on the period of time that the property belonged to each segment. Central administration and items in net financial expense have been allocated to the segments in a standardised manner based on each segment's share of the total property value (indirect income and expenses). Property assets are directly attributed to each segment and recognised on the balance sheet date.

Reconciliation of key performance indicators

Details are provided below regarding reconciliation of the financial key performance indicators that Fabege continually monitors and for which established financial targets are in place. The following financial targets have been established by the Board of Directors:

	2021	2020	2020
	Mar 31	Mar 31	Dec 31
Equity/assets ratio			
Equity, SEKm	40,882	41,343	41,542
Total assets, SEKm	80,627	75,690	79,166
Equity/assets ratio	51%	55%	52%
Loan-to-value ratio, properties	2021	2020	2020
	Mar 31	Mar 31	Dec 31
Interest-bearing liabilities, SEKm	27,321	23,472	26,669
Booked value properties, SEKm	77,210	72,996	76,648
Loan-to-value ratio, properties	35%	32%	35%
Debt ratio	2021	2020	2020
	Mar 31	Mar 31	Dec 31
Operating surplus, SEKm	2,098	2,155	2,112
Central administration, SEKm	-102	-87	-93
Total, SEKm	1,996	2,068	2,019
Interest-bearing liabilities, SEKm	27,321	23,472	26,669
Debt ratio, multiple	13.7	11.4	13.2
Interest coverage ratio, multiple	2021	2020	2020
	Mar 31	Mar 31	Dec 31
Net operating income, SEKm	506	540	2,112
Ground rent	-9	-6	-30
Central administration, SEKm	-32	-23	-93
Total, SEKm	465	491	1,989
Net interest/expense, SEKm	-118	-111	-462
Interest coverage ratio, multiple	3.9	4.4	4.3
Return on equity	2021	2020	2020
	Jan-Mar	Jan-Mar	Jan-Dec
Profit for the period, SEKm	863	1,574	3,167
Average shareholders' equity, SEKm	41,212	40,706	40,805
Return on equity	8.4%	15.5%	7.8%
Total return on properties	2021	2020	2020
	Jan-Mar	Jan-Mar	Jan-Dec
Net operating income, SEKm	505	520	2,112
Unrealized and realized value changes properties, SEKm	514	1,869	2,764
Market value including capital investment during the period, SEKm	77,210	71,167	73,933
Total return on properties	1.3%	3.4%	6.6%
EPRA NRV, EPRA NTA & EPRA NDV	2021	2020	2020
	Jan-Mar	Jan-Mar	Jan-Dec
	NRV	NTA	NDV
Shareholders' equity, SEKm	40,882	40,882	40,882
Inclusion of decided not paid dividend, SEKm	1,164	1,164	1,164
Inclusion of fixed-income derivatives according to the balance sheet, SEKm	362	362	362
Inclusion of deferred tax according to the balance sheet, SEKm	8,519	8,519	8,519
Exclusion of actual deferred tax, SEKm	-	-2,415	-2,415
Exclusion of fixed-income derivatives according to the balance sheet, SEKm	-	-	-362
Inclusion of deferred tax according to the balance sheet after adjustment of actual deferred tax, SEKm	-	-	-6,104
NAV	50,927	48,512	42,046
Number of shares at period end	323.2	323.2	323.2
NAV per share, SEK	158	150	130
	2021	2020	2020
	Jan-Mar	Jan-Mar	Jan-Dec
EPRA EPS			
Profit from property management, SEKm	346	369	1,474
Tax-deductible depreciation, SEKm	-148	-142	-593
Sum, SEKm	198	227	881
Nominal tax (20,6%), SEKm	41	40	189
EPRA earnings in total, (Profit from property management minus nominal tax) SEKm	293	329	1,474
Number of shares, millions	327.1	330.5	328.3
EPRA EPS, SEK per share	0.93	1.00	3.92
	2021	2020	2020
	Jan-Mar	Jan-Mar	Jan-Dec
EPRA Vacancy rate			
ERV of vacant space, SEKm	298	202	289
Rental value, yearly, entire portfolio, SEKm	3,268	3,116	3,242
EPRA Vacancy rate, %	9%	6%	9%

Parent Company

Condensed income statement

SEKm	2021	2020	2020
	Jan-Mar	Jan-Mar	Jan-Dec
Income	74	97	320
Expenses	-174	-170	-351
Net financial items	-4	651	618
Share in profits of associated companies	0	-6	0
Changes in value, fixed-income derivatives	234	-243	-229
Changes in value, equities	0	-1	-2
Group Contribution	0	0	0
Profit before tax	130	328	356
Current tax	0	-	0
Deferred tax	-29	-80	48
Profit for the period	101	248	404

Parent Company

Condensed balance sheet

SEKm	2021	2020	2020
	Mar 31	Mar 31	Dec 31
Participation in Group companies	12,517	12,516	12,517
Other fixed assets	45,050	41,633	44,547
<i>of which, receivables from Group companies</i>	<i>44,771</i>	<i>41,463</i>	<i>44,188</i>
Current assets	64	607	108
Cash and cash equivalents	265	181	1
Total assets	57,896	54,937	57,083
Shareholders' equity	12,095	14,666	13,517
Provisions	70	71	70
Long-term liabilities	44,031	38,982	43,292
<i>of which, liabilities to Group companies</i>	<i>17,696</i>	<i>17,087</i>	<i>17,533</i>
Current liabilities	1,700	1,218	204
Total equity and liabilities	57,896	54,937	57,083

Quarterly overview

Condensed income statement

SEKm	2021		2020		2019			
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Rental income	707	703	696	696	711	724	683	731
Property expenses	-201	-175	-158	-170	-191	-184	-141	-177
Net operating income	506	528	538	526	520	539	542	554
Surplus ratio	72%	75%	77%	76%	73%	74%	79%	76%
Central administration	-32	-24	-21	-25	-23	-21	-21	-22
Net interest expense	-118	-116	-119	-116	-111	-115	-117	-125
Ground rents	-9	-8	-8	-8	-6	-7	-7	-7
Share in profits of associated companies	-1	-10	-14	-18	-11	-2	0	-25
Profit/loss from property management	346	370	-376	359	369	394	397	375
Realised changes in value of properties	0	24	0	0	25	0	0	0
Unrealised value of properties	514	799	391	-304	1,829	1,874	743	1,798
Unrealised changes in value, fixed-income derivatives	234	87	-24	-49	-243	483	-215	-265
Changes in value, equities	0	-1	0	0	-1	0	-4	1
Profit for the period/year	1,094	1,279	743	6	1,979	2,755	921	1,909
Current tax	0	-1	0	0	25	21	0	-3
Deferred tax	-231	-244	-169	-21	-430	-274	-207	-264
Comprehensive income for the period	863	1,034	574	-15	1,574	2,502	714	1,642

Condensed financial position

SEKm	2021		2020		2019			
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Assets								
Properties	77,210	76,648	75,399	73,565	72,996	74,250	71,591	71,821
Right of ground use	897	897	942	942	942	942	942	942
Other tangible fixed assets	14	15	15	15	6	6	6	6
Derivative instruments	60	20	11	19	31	58	-	-
Financial fixed assets	1,536	1,108	1,011	948	911	813	758	690
Current assets	528	350	396	457	479	342	559	652
Short-term investments	95	108	108	107	130	134	126	126
Cash and cash equivalents	287	20	727	282	195	24	16	15
Total assets	80,627	79,166	78,609	76,335	75,690	76,569	73,998	74,252
Equities and liabilities								
Shareholders' equity	40,882	41,542	40,844	40,278	41,343	40,068	37,582	36,868
Deferred tax	8,519	8,288	8,045	7,875	7,853	7,431	7,162	6,956
Other provisions	182	183	179	180	181	182	167	167
Interest-bearing liabilities	27,321	26,669	26,205	24,694	23,472	26,414	26,001	27,544
Leasing Debt	897	897	942	942	942	942	942	942
Derivative instruments	422	617	695	679	641	426	851	636
Non-interest bearing liabilities	2,404	970	1,699	1,687	1,258	1,106	1,293	1,139
Total equity and liabilities	80,627	79,166	78,609	76,335	75,690	76,569	73,998	74,252

Key performance indicators

	2021		2020		2019			
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Financial¹								
Return on equity, %	8.4	10	5.7	-0.1	15.5	25.8	7.7	18.0
Interest coverage ratio, multiple ²	3.9	4.3	4.3	4.3	4.4	4.4	4.4	4.2
Equity/assets ratio, %	51	52	52	53	55	52	51	50
Loan-to-value ratio, properties, %	35	35	35	34	32	36	36	38
Debt ratio, multiple	13.7	13.2	12.9	12.1	11.4	12.8	13.0	14.2
Debt/equity ratio, multiple	0.7	0.6	0.6	0.6	0.6	0.7	0.7	0.7
Share-related¹								
Earnings per share, SEK ²	2.64	7.65	1.75	-0.05	4.78	7.56	2.16	4.97
Total earnings per share, SEK	126	127	124	123	126	121	114	111
Cash flow from operating activities per share, SEK	1.30	0.61	1.40	0.89	1.21	1.34	0.56	1.40
No. of shares outstanding at the end of the period, thousands	323,206	326,206	328,206	328,283	328,283	330,783	330,783	330,783
Average no. of shares, thousands	327,110	328,317	329,211	329,533	329,533	330,783	330,783	330,783
Property-related								
Financial occupancy rate, %	91	91	91	92	94	94	94	94
Total return on properties, %	1.3	1.8	1.3	0.3	3.4	3.3	1.8	3.5
Surplus ratio, %	72	77	77	76	73	74	79	76

¹ Unless otherwise stated, the key figure is not defined under IFRS. Please see page for definitions.

² Definitionen according to IFRS.

This is Fabege

Fabège is one of Sweden's leading property companies, focusing mainly on letting and managing office premises as well as city district development. The company offers modern premises in prime locations in fast-growing submarkets in the Stockholm region: Stockholm inner city, Solna and Hammarby Sjöstad.

Fabège offers attractive and efficient premises, mainly offices but also retail and other premises. The concentration of properties to well-contained clusters leads to greater customer proximity and, coupled with Fabège's extensive local expertise, creates a solid foundation for efficient property management and high occupancy.

On 31 March 2021, Fabège owned 89 properties with a total market value of SEK 77.2bn. The rental value was SEK 3.3bn.

BUSINESS CONCEPT

Fabège works with sustainable city district development, with a primary focus on commercial properties within a limited number of submarkets in good locations in the Stockholm area.

Fabège aims to create value by managing, improving and actively adjusting its property portfolio through sales and acquisitions.

BUSINESS MODEL

Fabège conducts activities in three business areas: Property Management, Property Development and Transactions.

GROWTH STRATEGY

Fabège's strategy is to create value by managing and developing the property portfolio and through transactions, acquiring and divesting properties with the aim of increasing potential in the property portfolio. Fabège's properties are located in the most liquid market in Sweden. Attractive locations lead to a low vacancy rate in the investment property portfolio. Modern properties permit flexible solutions and attract customers. With its concentrated portfolio and high-profile local presence, investments aimed at enhancing the appeal of an area benefit many of Fabège's customers.

VALUE-DRIVING FACTORS

A number of external factors affect Fabège's operations and these, together with the transaction volume and the office market trend in Stockholm, represent the prerequisites for the company's success.

Stockholm is growing

Stockholm is one of the five metropolitan areas in Western Europe where the population is increasing at the fastest rate. Forecasts suggest that by the year 2030, Stockholm County will have half a million more inhabitants than it currently has. The most significant growth is among people in the active labour force, which is boosting demand for office premises.

Changing demand

New technology and new working methods are fuelling demand for flexible and space-efficient premises in prime locations. Excellent peripheral services and good

communication links in the form of public transport are in increasing demand, as are environmentally certified offices and green leases.

Economic trends

The property market is impacted by trends in both the Swedish and the global economy. Lower vacancy rates in central Stockholm and a stronger economic climate have historically meant rising rents for a number of years. The long-term effects of the pandemic are still uncertain.

Sustainable urban development

Sustainability issues are becoming increasingly important in terms of both individual properties and entire areas. Interest in environmental considerations involving choice of materials and energy-saving measures is on the rise. Demand is increasing for premises in areas with a favourable mix of offices, retail, service and residential units, as well as excellent transport links and interest in the environment.

PROPERTY MANAGEMENT

The essence of Fabège's operations is finding the right premises for a customer's specific requirements and ensuring that the customer is content. This is accomplished through long-term work and based on close dialogue with the customer, thus building mutual trust and loyalty.

PROPERTY DEVELOPMENT

High-quality property development is the second key cornerstone of our business. Fabège has long-standing expertise in pursuing extensive property development projects, with the aim of attracting long-term tenants to properties that have not yet been fully developed and can be redesigned based on the customer's specific requirements.

TRANSACTIONS

Property transactions are an integral part of Fabège's business model and make a significant contribution to the company's earnings. The company continuously analyses its property portfolio to take advantage of opportunities to generate capital growth through acquisitions and divestments.



Definitions

The company presents certain financial performance measures in the Interim Report that are not defined according to IFRS. The company considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment and benchmarking of the company's presentation. Since not all companies calculate financial performance measures in the same way, these are not always comparable to measures used by other companies. These financial performance measures should not therefore be regarded as substitutes for measures defined according to IFRS. The following key performance indicators are not defined according to IFRS, unless otherwise stated.

ACTUAL DEFERRED TAX

Estimated actual deferred tax has been calculated at approximately 4 per cent based on a discount rate of 3 per cent. Furthermore, it has been assumed that loss carryforwards are realised over four years with a nominal tax rate of 21.4 per cent, which gives a net present value for deferred tax assets of 19.7 per cent. The calculation is also based on the property portfolio being realised over 50 years, with 10 per cent being sold directly with a nominal tax rate of 20.6 per cent and the remaining 90 per cent being sold indirectly via companies with a nominal tax rate amounting to 6 per cent, which gives a net present value for deferred tax liabilities of 4 per cent.

DEBT/EQUITY RATIO

Interest-bearing liabilities divided by shareholders' equity.

DEBT RATIO

Interest-bearing liabilities divided by rolling twelve-month net operating income less central administration.

DEVELOPMENT PROPERTIES*

Properties in which a conversion or extension is in progress or planned that has a significant impact on the property's net operating income. Net operating income is affected either directly by the project or by limitations on lettings prior to impending improvement work.

CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

Cash flow from operating activities (after changes in working capital) divided by the average number of shares outstanding.

EARNINGS PER SHARE

Parent Company shareholders' share of earnings after tax for the period, divided by average number of shares outstanding during the period. Definition according to IFRS.

EPRA EPS

Profit from property management less tax at a nominal rate attributable to profit from property management, divided by average number of shares. Taxable profit from property management is defined as profit

from property management less such amounts as tax-deductible depreciation and remodelling.

EPRA – NET DISPOSAL VALUE NDV

Shareholders' equity according to balance sheet.

EPRA NTA – NET TANGIBLE ASSETS

Shareholders' equity according to balance sheet following the reversal of fixed-income derivatives and deferred tax according to the balance sheet. Adjusted for actual deferred tax instead of nominal deferred tax.

EPRA NRV – NET REINVESTMENT VALUE

Shareholders' equity according to balance sheet following the reversal of fixed-income derivatives and deferred tax according to the balance sheet.

EPRA VACANCY RATE

Estimated market rent for vacant rents divided by the annual rental value for the entire property portfolio.

EQUITY/ASSETS RATIO

Shareholders' equity including non-controlling interest divided by total assets.

EQUITY PER SHARE

Parent Company shareholders' share of equity according to the balance sheet, divided by the number of shares outstanding at the end of the period.

FINANCIAL OCCUPANCY RATE*

Lease value divided by rental value at the end of the period.

INTEREST COVERAGE RATIO

Net operating income including ground rent less central administration in relation to net interest items (interest expenses less interest income).

INVESTMENT PROPERTIES*

Properties that are being actively managed on an ongoing basis.

LAND AND PROJECT PROPERTIES*

Land and development properties and properties in which a new

construction/complete redevelopment is in progress.

LEASE VALUE*

Stated as an annual value. Index-adjusted basic rent under the rental agreement plus rent supplements.

LOAN-TO-VALUE RATIO, PROPERTIES

Interest-bearing liabilities divided by the carrying amount of the properties at the end of the period.

NET LETTINGS*

New lettings during the period less terminations to vacate.

RETENTION RATE*

Proportion of leases that are extended in relation to the proportion of cancellable leases.

RETURN ON EQUITY

Profit for the period/year divided by average shareholders' equity including non-controlling interest. In interim reports, the return is converted into its annualised value without taking account of seasonal variations.

RETURN ON INVESTED CAPITAL IN PROJECT PORTFOLIO*

Change in value of project and development properties, divided by invested capital (excluding initial value) in project and development properties during the period.

RETURN, SHARE

Dividend for the year divided by the share price at year-end.

SURPLUS RATIO*

Net operating income divided by rental income.

TOTAL RETURN ON PROPERTIES

Net operating income for the period plus unrealised and realised changes in the value of properties, divided by market value at start of period plus investments for the period.

*This key performance indicator is operational and is not regarded as an alternative performance measure according to ESMA's guidelines.

CALENDAR

Interim Report Jan–June 2021
Interim Report Jan–Sep 2021
Year-end report 2021

9 July 2021, 7.30 am CET
20 October 2021, 7.30 am CET
7 February 2022, 12.00 noon CET

PRESS RELEASES DURING THE FIRST QUARTER 2021

12.01.2021 Nominating Committee's proposal concerning Board of Directors and Chair of Faberge AB (publ)
14.01.2021 Green Faberge pursuant to CICERO
15.01.2021 Convendum signs agreement with Faberge for its own building at Stureplan
26.01.2021 Klaus Hansen Vikström leaves his consulting role at Faberge
27.01.2021 Nationalarenan 3 – Scandinavia's first 'Plushus' hotel
04.02.2021 Year-end report 2020
05.02.2021 Faberge launches share buyback
15.02.2021 Faberge appoints Fred Grönwall as its new Head of Technical Operations
23.02.2021 Notice of Annual General Meeting of Faberge AB (publ)
01.03.2021 Faberge publishes its Annual Report and Sustainability Report for 2020
10.03.2021 Monika Mundt-Petersen to develop strategy for Faberge's large housing development rights
12.03.2021 Faberge signs land allocation agreement in Flemingsberg
18.03.2021 Parkhuset – the innovation project with only half the climate impact
19.03.2021 Faberge acquires land for further long-term urban development in Solna
24.03.2021 Faberge appoints Johan Zachrisson as its new Business Development Manager and member of the Executive Management Team
25.03.2021 Resolutions made by Faberge's Annual General Meeting on 25 March 2021
31.03.2021 Faberge and SHH divest rental apartments in Kista



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There will also be an online video presentation on the Group's website, in which Stefan Dahlbo and Åsa Bergström present the report on 26 April 2021.

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