

Q2

2024

Summary, SEKm

	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun
Net sales	864	977	1,873	1,993
Gross profit	644	648	1,264	1,268
Profit/loss from property management	331	351	659	703
Profit/loss before tax	67	-1,246	-769	-3,222
Profit/loss after tax	17	-952	-682	-2,535
Net lettings	-38	34	-74	22
Surplus ratio, %	75	75	73	74
Loan-to-value ratio, %			43	40
EPRA NRV, SEK per share			146	161

Jan-Jun 2024¹

- Rental income increased to SEK 1,731m (1,685). In a like-for-like property portfolio, income rose by 8 per cent compared to the previous year (12).
- Revenue from residential development totalled SEK 142m (308).
- Net operating income increased to SEK 1,269m (1,241). In a like-for-like property portfolio, net operating income rose by 8 per cent (13).
- The surplus ratio was 73 per cent (74).

- Gross profit from residential development was SEK -5m (27).
- Net interest items amounted to SEK -486m (-460).
- Profit from property management amounted to SEK 659m (703).
- Realised and unrealised changes in the value of properties amounted to SEK -1,461m (-3,824) and for fixed-income derivatives SEK 29m (-100).
- Profit/loss before tax for the period totalled SEK -769m (-3,222).
- Earnings after tax for the period amounted to SEK -682m (-2,535), corresponding to earnings per share of SEK -2.17 (-8.06).

- Net lettings totalled SEK -74m (22).
- Leases totalling SEK 58m (73) were renegotiated, with an average change in rental value of -2.3 per cent (1.5). Leases worth SEK 145m (241) were also extended on unchanged terms.
- The equity/assets ratio was 46 per cent (47).
- The loan-to-value ratio stood at 43 per cent (42).

¹The comparison figures for income and expense items relate to values for the Jan-Jun 2023 period and for balance sheet items on 31 December 2023.

Message from the CEO

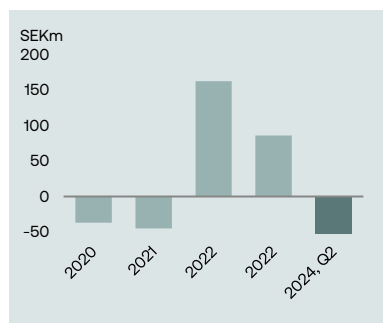


Rental income continued to increase in the second quarter and totalled SEK 864m (855), despite the divestments made in 2023. In a comparable portfolio, rental income rose by 8 per cent (12). The Stockholm market generally continues to show stable rent levels; we are seeing slightly better activity levels in the rental market but there are still long lead times to completion.

OPERATIONAL TARGETS

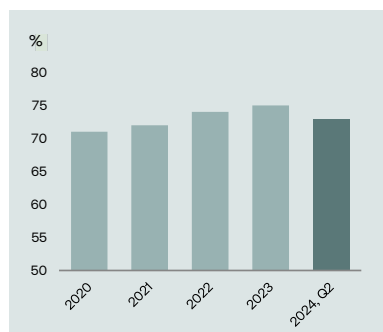
- Net lettings of at least SEK 80m per year.
- Surplus ratio of 75 per cent.
- Investment volume of approximately SEK 2,500m per year.

NET LETTINGS



Target: SEK 80m per year

SURPLUS RATIO



Target: 75%

Net operating income increased but was offset by somewhat higher interest costs. Profit from property management was down slightly, mainly due to the negative performance of associated companies. Overall, a stable result in a still turbulent environment.

I normally sleep well, but I've said in recent years that what can make me sleep less well is geopolitical developments. Unfortunately, recent developments do not make me feel any calmer. There are elections in a lot of countries, not least in many of the largest economies. The outcomes of these and future developments in the countries are uncertain. In particular, the risk of protectionism has increased, with potentially far-reaching impacts on our economy and our businesses. Hopefully, the concerns are unfounded, but the level of uncertainty is high. Dealing with recessions, interest rate fluctuations and price changes is an integral part of our reality. In recent years, the fluctuations have been significant. Dealing with geopolitical events and risks is a different matter altogether and creates even more uncertainty, which is never good for development.

On the positive side of the scales, inflation in Sweden has continued to move towards the Riksbank's target and a first interest rate cut since 2016 was announced on 8 May. The key policy rate was lowered by 0.25 percentage points, to 3.75 per cent. Since then, the ECB also cut its interest rate in June. In June, the Riksbank stated that, if inflation continues to fall, the policy rate could be cut two or three more times in the second half of the year. The ECB and the US Federal Reserve are expected to cut their interest rates in the autumn.

On the negative side of the scales, GDP in Sweden has stagnated since 2022 and the economy is in a recession. This, together with all the turbulence in the world, creates uncertainty for companies in Sweden with regard to planning and investing for the future. This is also reflected in lengthy decision-making processes relating to their offices. The volatility of the Swedish krona further accentuates this.

We chose to have an independent valuation of a large part (53 per cent) of our portfolio carried out in the second quarter as well. The average yield requirement increased by 0.02 percentage points to 4.54 per cent and impairment of property values amounted to SEK 80m. There were several deals both in the CBD and in areas further out with yield requirements that confirmed our valuations. Several smaller properties in the CBD were sold at levels below four per cent. Good properties quite simply find new owners at good levels.

The renegotiation with Telia is the main reason why net lettings in the quarter totalled SEK -38m. We expect that the settlement with Telia in the long run term will have a positive impact on both the net lettings and the property's profitability.

The negative net lettings in the first two quarters are disappointing. However, we continue to see good interest in premises in central locations with good transport links, while the pace is slower in areas that are less central. Most people agree that offices are needed, but there is now a greater focus on how to organise them. The trend of there being fewer square metres per employee continues. In particular, we are getting better at utilising space and making efficient use of the various workplaces that are available. The interest in related support services continues to grow, so we have taken further steps to be at the forefront regarding advising our current and potential tenants. This is all so that we can help create places for bringing people together, and encouraging dialogue, concentration and business transactions. We have a target of achieving positive annual net lettings of SEK 80m. After the start we have had this year, I'm not sure I really dare to

INVESTMENT VOLUME



Target: SEK 2.5bn per year over a business cycle

FINANCIAL TARGETS

Fabège's Board of Directors has adopted the following financial targets:

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

Outcome 30/06/2024

- Loan-to-value ratio of 43 per cent
- Interest coverage ratio of 2.4x
- Debt ratio of 13.9x
- Equity/assets ratio of 46 per cent

believe that this will happen in 2024, but it is likely that the year will end with an accumulated plus. We have several good discussions ongoing, but we unfortunately successfully concluded too few of them before the summer.

The big news in Flemingsberg was that we completed the project for the Royal Swedish Opera/Royal Dramatic Theatre, and they moved into their new premises. This is a milestone in the development of and realisation of the vision for Flemingsberg.

In mid-June, Taylor Swift had three concerts at what will be called Strawberry Arena from 12 July. Audience records were broken. The City of Stockholm presented a study showing positive effects of more than SEK 800m for the city and the business community. It attracted over 130,000 tourists, including 67,000 from abroad. Stockholm and Arenastaden really showed themselves from their best sides. I thought the whole weekend provided a lot of hope. Hope for what is possible and that it is possible to create belief in the future. Hope about the good in people. All the visitors were friendly, happy, positive and considerate. It felt like a good counterweight to a lot of other things we are seeing in the world at the moment.

In the area of sustainability, we have endorsed the roadmap for a fossil-free and climate-neutral construction industry. Fossil-free Sweden (Fossilfritt Sverige) is a government initiative that aims to bring together different industry sectors to speed up the climate transition. We have come a long way and now have 96 per cent lower CO2 emissions compared (scope 1 and 2) to 2002, but there is still a lot to do. The Reuse Park in Arenastaden is a new initiative that will become a central hub for trees, bushes and outdoor materials that are to be reused but are awaiting relocation.

We were active in the bond market during the quarter, and issued SEK 1.2bn with good conditions. The situation in the bond market has gradually improved and the conditions are now competitive against or better than bank financing. The fact that the capital market has come back so strongly is positive not only for us but for the whole industry. At the end of the quarter, we received Moody's confirmation of our unchanged investment grade rating Baa2, negative outlook.

Our average interest rate has increased slightly, to 3.17 per cent. The fact that the increase has not been greater is mainly due to the long-term interest rate hedges, which have been in place for several years, and our active work with the derivatives portfolio. The falling margins are now also having a positive impact.

Although unemployment has continued to rise slightly, the outlook for households appears to

have brightened and housing market activity has started to pick up. Falling interest rates are obviously positive for the market. Residential construction has fallen dramatically since its peak in 2022 and is unlikely to recover to those levels for many years. The sharp rise in construction costs and higher interest rates are driving this downturn, but weak demographic developments are also having an impact. In our ongoing project with 288 apartments in Haga Norra, we will begin sales in early autumn. The interest we are already seeing strengthens our belief that this will be a good project. It quite simply offers good housing in a good location.

The fact that much of the property and financial market has a focus on quality benefits Fabège. In the rental market, the focus is on flexible premises in central locations with good transport links. In the transaction market, we are mainly seeing completed deals for properties in good and sought-after locations, and in the financing market margins have come down for companies with well-managed operations and stable finances.

For 2024, our main objectives are to:

- Increase the occupancy rate in management property portfolio. The goal in the long term is for the occupancy rate to reach 95 percent
- Ensure cost control
- Enable future projects
- Refinance our bond maturities and secure access to capital
- Remain at the forefront in terms of sustainability
- Contribute to the creation of a sense of safety and well-being in the places in which we have operations

In addition, we are continuing with our internal work, with a focus on the day-to-day management of our properties, the "daily grind", and with always keeping the customer in focus. There are certainly short-term challenges, but we must have the ability to look further ahead as well. We must have the courage to take decisions that build the future. If that courage had not existed almost 20 years ago, Arenastaden would not exist today and Taylor Swift would not have been able to have an audience of over 60,000 in Solna three evenings in a row.

In our work, we look at the whole person, the whole company and whole place. We do that all the time, every day of the year. Have a great summer!

Stefan Dahlbo, CEO

Earnings Jan–June 2024¹

Earnings after tax for the period amounted to SEK –682m (–2,535), corresponding to earnings per share of SEK –2.17 (–8.06). Profit before tax for the period amounted to SEK –769m (–3,222). Net operating income increased somewhat but was offset by higher interest costs. Lower negative changes in the value of the property portfolio and derivatives portfolio meant that pre-tax earnings increased compared with the same period in the previous year.

SECOND QUARTER 2024 IN BRIEF

- New lettings totalled SEK 31m (88).
- Net lettings amounted to SEK –38m (34).
- Rental income totalled SEK 864m (855).
- The surplus ratio was 75 per cent (75).
- Revenue from residential development amounted to SEK 0m (122) and gross earnings totalled SEK –6m (6).
- Net interest items amounted to SEK –245m (–239).
- Profit from property management amounted to SEK 331m (351).
- Unrealised changes in the value of the property portfolio amounted to SEK –80m (–1,715).
- Unrealised changes in value in the derivatives portfolio totalled SEK –184m (117).
- Profit after tax amounted to SEK 17m (–952).

RENTAL INCOME AND NET OPERATING INCOME

Rental income increased to SEK 1,731m (1,685) and net operating income amounted to SEK 1,269m (1,241). On a like-for-like basis, income rose by approximately 8 per cent (12). The increase in income was mainly due to the increase in the index that took effect at the beginning of the year and a positive net inflow from relocations. Income included non-recurring items of SEK 12m. The increase in property expenses was mainly attributable to higher heating and administration costs. Net operating income on a like-for-like basis rose by approximately 8 per cent (13). The surplus ratio was 73 per cent (74).

PROFIT FROM RESIDENTIAL DEVELOPMENT

Revenue from residential development totalled SEK 142m (308). Residential development costs amounted to SEK –147m (–281), of which administrative costs were SEK –13m (–14). Gross earnings therefore totalled SEK –5m (27). Income is recognised in connection with phased occupancy or upon completion. During the period, one project was completed and finalised.

CENTRAL ADMINISTRATION

Central administration costs amounted to SEK –60m (–55).

NET FINANCIAL ITEMS

Net interest items amounted to SEK –486m (–460). The average interest rate at 30 June 2024 was 3.17 per cent (3.13 at the start of the year). Ground rent amounted to SEK –21m (–23).

SHARE IN PROFIT/LOSS OF ASSOCIATED COMPANIES

The share in the profit/loss of associated companies totalled SEK –38m (–27), of which SEK –49m related to contributions to

Arenabolaget, SEK 9m related to results from the JV project in Haga Norra and SEK 1m related to Urban Services.

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. Due to the market situation, a larger proportion has been independently valued each quarter for the last two years. Approximately 50 per cent of the portfolio was valued independently in the second quarter of 2024, while the remaining properties were valued internally based on the most recent independent valuations. The total market value at the end of the period was SEK 77.6bn (78.1). Unrealised changes in value totalled SEK –1,461m (–3,824). The average yield requirement increased by a further 0.03 percentage points in the second quarter and by a total of 0.11 percentage points since the start of the year to 4.54 per cent (4.43). Realised value changes of SEK 4m related to additional results from the transaction with Nrep 2023.

TAX

The tax expense for the period amounted to SEK 87m (687) and related to deferred tax. 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 over the next few years.

SEGMENT REPORTING

The Property Management segment generated net operating income of SEK 1,218m (1,185), representing a surplus ratio of 76 per cent (76). The occupancy rate was 90 per cent (91). Profit from property management amounted to SEK 714m (697). Unrealised changes in the value of

¹The comparison figures for income and expense items relate to values for the Jan–Jun 2023 period and for balance sheet items 31 December 2023.

CHANGES IN PROPERTY VALUES, JAN–JUN 2024

Changes in property values, SEKm

Opening fair value, 01/01/2023	78,093
Property acquisitions	0
Sales, disposals and other	0
Investments in new builds, extensions and cor	1,299
Unrealised changes in value	-1,461
Reclassifikations	-347
Closing fair value, 30/06/2024	77,584

AVERAGE YIELD REQUIREMENT, 30/06/2024

Area	Average yield requirement
Stockholm city	4.11%
Solna	4.73%
Hammarby Sjöstad	4.77%
Flemingsberg	5.39%
Other markets	5.41%
Average yield	4.54%

properties amounted to SEK –1,124m (–2,789).

The Property Development segment generated net operating income of SEK 65m (59), resulting in a surplus ratio of 52 per cent (54). Profit from property management amounted to SEK 14m (12). Unrealised changes in the value of properties amounted to SEK –400m (–370).

In the Projects segment, unrealised changes in value of SEK 78m (–645) were recognised. Project gains were offset to some extent by impairment due to increased yield requirements when assessing the final value of the project properties. The Residential segment generated gross earnings of SEK –2m (27). Profit from property management amounted to SEK –6m (21). Unrealised changes in value totalled SEK –15m (–20). Further information about the breakdown by segment is provided in the segment report on page 11.

GOODWILL

Recognised goodwill of SEK 205m is entirely attributable to the acquisition of Birger

BOSTAD AB.DEVELOPMENT PROPERTIES

The carrying amount refers to ongoing projects managed by the company itself and development properties for future construction within Birger Bostad. During the second quarter, part of Kvinten 1,

Haga Norra, where the project to build a new residential area is currently ongoing, was acquired internally. The value at the end of the quarter totalled SEK 795m (519), SEK 494m (201) of which relates to ongoing construction and SEK 301m (318) to development properties for future development.

FINANCIAL POSITION AND NET ASSET VALUE

Equity at the end of the period amounted to SEK 37,996m (39,244) and the equity/assets ratio was 46 per cent (47). Equity per share attributable to Parent Company shareholders totalled SEK 121 (125). EPRA NRV amounted to SEK 146 per share (150).

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 660m (705). Changes in working capital had an impact on cash flow of SEK 179m (324). Investing activities had an impact on cash flow of SEK –1,317m (–1,041), while financing activities had an impact on cash flow of SEK 403m (1). In investing activities, cash flow is driven by property transactions and projects. Cash and cash equivalents declined by a total of SEK –75m (–11) during the period.

RESIDENTIAL DEVELOPMENT IN HAGA NORRA

In an internal transaction, Fabege's wholly owned subsidiary Birger Bostad acquired part of the Kvinten 1 property for the development of the next residential area in Haga Norra.

The project comprises 288 homes, made up of 190 tenant-owned apartments, 50 owner-occupied apartments and 78 rental apartments. NCC has been appointed as the contractor. It will become a continuous neighbourhood with a shared communal outdoor area and garage.

The project will reuse bricks and use climate-enhanced concrete. The apartments will be Nordic Eco-labelled.

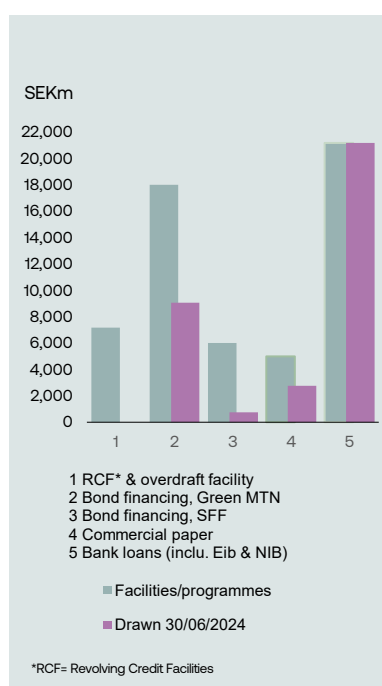
Apartment sales will start during the third quarter, with moving in expected to take place from the second half of 2025.



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. The capital market continued to improve in the first half of 2024 in terms of both availability and conditions.

BREAKDOWN OF SOURCES OF FINANCING



FINANCING

Fabege strives to achieve a balance between different forms of financing on both the capital and banking markets, with long-term relationships with major financial backers having high priority. Fabege's bank facilities are complemented by an MTN programme of SEK 18bn, a commercial paper programme of SEK 5bn and the possibility of borrowing a maximum of SEK 6bn via SFF's secured MTN programme.

The Riksbank cut its key interest rate at the beginning of May, resulting in lower short-term interest rates. Long-term interest rates have been a little more volatile, but are roughly at the same level as at the start of the year. The favourable capital market developments in the first quarter of the year continued in the second quarter, resulting in lower credit margins. Fabege took advantage of the market situation and issued bonds in the second quarter totalling SEK 2.2bn, of which SEK 1.2bn became available as liquid assets after the end of the quarter, with the main purpose being amortisation of bank financing.

Interest-bearing liabilities increased slightly during the period, while interest costs remained relatively stable. At the end of the quarter, the total loan volume amounted to SEK 33.7bn, of which SEK 12.5bn was via the capital market and SEK 21.2bn was via the banking market.

Overall, financing via the banking market increased by almost SEK 0.2bn, and via the capital market it increased by just over SEK 0.5bn. Committed lines of credit and undrawn credit facilities, including the backup facility for the commercial paper programme, amounted to SEK 7.2bn at the end of the quarter, an increase of SEK 1.2bn relating to not yet paid bond proceeds.

At 30 June 2024, the fixed-term maturity was 3.8 years and the fixed-rate period was 1.8 years. Including the estimated maturity of the callable swaps in the derivatives portfolio, the adjusted maturity is 2.6 years. The derivatives portfolio consisted of traditional interest rate swaps totalling SEK 16.1bn and callable swaps totalling SEK 7.0bn. The traditional swaps mature in 2032 and carry fixed annual interest of between -0.15 and 1.30 per cent.

Net financial items included other financial expenses of SEK 20m, 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 47m (22) relating to project properties was capitalised.

Fabege firmly believes in the ability of the financial market to contribute to a more sustainable society, and is keen to play an active role in its transition towards greater accountability. 99 per cent of the loan portfolio is classified as being green.

99%

Green financing
30 June 2024

Moody's Rating

Baa2

negative outlook

Confirmed in June 2024

FINANCING, 30/06/2024

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	2024-06-30	2023-12-31
Interest-bearing liabilities, SEKm	33,715	32,982
of which outstanding MTN, SEKm	9,050	9,570
of which outstanding SFF, SEKm	738	764
of which outstanding commercial paper, SEKm	2,750	1,655
Undrawn facilities, SEKm ¹	7,160	6,960
Fixed-term maturity, years	3.8	4.1
Fixed-rate period, years ²	1.8	2.1
Fixed-rate period, percentage of portfolio, %	55	60
Derivatives, market value, SEKm	715	686
Average interest expenses, incl. committed credit facilities, %	3.17	3.13
Average interest expenses, excl. committed credit facilities, %	3.08	3.04
Unpledged assets, %	38	41
Loan-to-value ratio, %	43	42

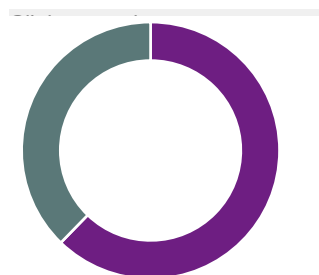
¹ Included credit facilities for commercial paper

² The fixed interest rate period adjusted by the estimated maturity of callable swaps amounted to 2.6 years

SUPPLY OF CAPITAL



- Equity, 51%
- Interest-bearing liabilities, 34%
- Other liabilities, 15%



- Pledged assets 62%
- Unpledged assets 38%

INTEREST MATURITY STRUCTURE, 30/06/2024

	Amount, SEKm	Average interest rate, %	Percentage, %
< 1 year	18,489	4.78	55
1-2 years	2,000	0.95	6
2-3 years	4,150	1.01	12
3-4 years	4,376	1.41	13
4-5 years	1,700	0.95	5
5-6 years	1,200	0.20	4
6-7 years	400	0.60	1
7-8 years	900	0.72	3
8-9 years	500	0.81	1
9-10 years	0	0.00	0
11 years	0	0.00	0
Total	33,715	3.08	100

* The average interest rate for the period <1 year includes the margin for the variable portion of the debt portfolio. This also includes the variable portion of the interest rate swaps, which, however, do not include any credit margin as they are traded without a margin.

LOAN MATURITY STRUCTURE, 30/06/2024

	Credit agreements, SEKm	Drawn, SEKm
Commercial paper programme	2,750	2,750
< 1 year	5,503	4,293
1-2 years	10,868	6,068
2-3 years	9,900	8,750
3-4 years	2,041	2,041
4-5 years	2,080	2,080
5-10 years	6,546	6,546
10-15 years	1,186	1,186
15-20 years	0	0
Total	40,875	33,715

GREEN FINANCING, 30/06/2024

	Credit facilities	Outstanding loans and bonds
Green MTN bonds, SEKm	9,050	9,050
Green bonds via SFF, SEKm	738	738
Green commercial paper, SEKm	2,750	2,750
Green loans, other, SEKm	27,922	20,762
Total green financing, SEKm	40,460	33,300
Green financing, %	99	99
Total green available borrowing facility, SEKm	46,188	
of which unrestricted green available borrowing facility, SEKm	15,205	

GREEN FINANCING

Fabege's green financing framework was updated in June 2022. The framework has been designed to give Fabege broad opportunities for green financing and is based on third party-certified properties and ambitious energy consumption targets. It is based on the green bond principles, adapted to the EU taxonomy and linked to Fabege's ambition to contribute to the goals of Agenda 2030. In addition to stringent energy efficiency requirements, this includes climate analyses that assess risks associated with climate change such as flooding, strong winds, intense heat and other extreme weather events. CICERO has issued a second opinion, with ratings of 'medium green' for the green terms and conditions, and 'excellent' for governance. Green financing offers Fabege better terms and access to more financing alternatives.

Find out more about Fabege's green financing at www.fabege.se/en/investors/financing/green-financing/, where you will also find the investor reports.

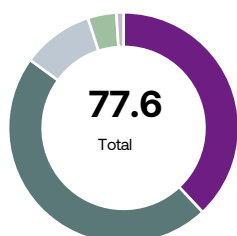
Operations

Jan-Jun 2024¹

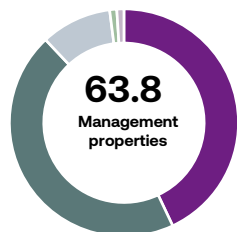
The Stockholm market generally continues to show stable rent levels, although we are seeing slightly lower activity levels in the rental market and continuing long lead times to completion. Net leasing amounted to SEK -74m (22), while the occupancy rate decreased to 90 per cent (91). Projects proceeded according to plan.

BREAKDOWN OF MARKET VALUE,

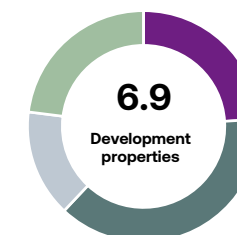
■ Inner city ■ Solna
■ Hammarby Sjöstad ■ Flemingsberg
■ Other markets



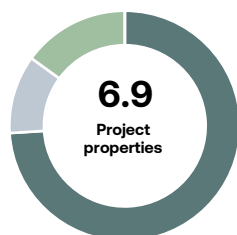
■ 38% ■ 47% ■ 10% ■ 4% ■ 1%



■ 43% ■ 45% ■ 10% ■ 1% ■ 1%



■ 24% ■ 38% ■ 15% ■ 23% ■ 0%



■ 0% ■ 74% ■ 11% ■ 15% ■ 0%

PROPERTY PORTFOLIO AND PROPERTY MANAGEMENT

Fabege's property management and urban and property development activities are concentrated on a few selected submarkets in and around Stockholm: Stockholm city centre, Solna, Hammarby Sjöstad and Flemingsberg. On 30 June 2024, Fabege owned 100 properties with a combined rental value of SEK 4.1bn, lettable floor space of 1.3m sqm and a carrying amount of SEK 77.6bn, of which development and project properties accounted for SEK 13.8bn.

OCCUPANCY RATE

The investment property portfolio's financial occupancy rate was 90 per cent (91) at the end of the period. The biggest vacancies relate mainly to three properties in Solna Business Park. The financial occupancy rate for development properties is not measured as most of these properties are vacant, or have been partially let on short-term leases pending demolition or redevelopment. These cover an area of 228,000 sqm, of which 141,000 sqm are being let for a current annual rent of SEK 258m. Significant ongoing projects make up a lettable area of approximately 134,000 sqm, with a rental value of SEK 366m.

The occupancy rate in the project portfolio amounted to 85 per cent (39).

NET LETTINGS

During the period, 60 (72) new leases were signed with a combined rental value of SEK 83m (136), with 94 per cent (96) of the space being connected to green leases. Lease terminations amounted to SEK -157m (-114). Net lettings amounted to SEK -74m (22). Leases totalling SEK 59m (73) were renegotiated, with an average decline in rental value of 2.3 per cent (1.5). Leases worth SEK 145m (241) were also extended on unchanged terms. The retention rate during the period was 58 per cent (76).

CHANGES IN THE PROPERTY PORTFOLIO

During the second quarter, part of the Kvinten 1 property, Haga Norra, was divested internally to Birger Bostad, which is managing a residential development project on the property. As a result of the transfer, the property changed character, from an investment property to a development property.

PROJECTS AND INVESTMENTS

The purpose of Fabege'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 values. Investments in existing properties and projects during the period totalled SEK 1,299m (1,402) for existing properties and projects, of which SEK 922m (884) related to investments in project and development properties. Capital invested in the investment property portfolio amounted to SEK 377m (518), a significant proportion of which related to tenant adaptations.

COMPLETED PROJECTS

During the second quarter, the project for the Royal Swedish Opera and Royal Dramatic Theatre at the Regulatörn 4 property in Flemingsberg was completed. The tenants took possession as planned on 1 June 2024.

MAJOR ONGOING PROJECTS

New construction of the office building at the Ackordet 1 property, Haga Norra, is proceeding with interior work on installations and tenant adaptations. The investment amounts to an estimated total of just over SEK 1.4bn. The occupancy rate is 66 per cent. The first tenant will move in during August. The remaining occupancies will begin in the autumn and in March. The property is being certified to BREEAM-SE standard, Outstanding.

The construction of the garage property in Haga Norra has had its final inspection and the garage will be opened up for parking for Bilja and others from August. The investment totals SEK 453m.

TOTAL INVESTMENTS,
JAN–JUN 2024

Total investments, SEKm	
Investments in investment properties	377
Investments in development properties	90
Investments in project properties	832
Total investments	1,299

PROPERTY ACQUISITIONS,
JAN–JUN 2024

Property	Area	Category	Lettable area, sqm
Q1			
No acquisitions			
Q2			
No acquisitions			
Total			

PROPERTY SALES,
JAN–JUN 2024

Property	Area	Category	Lettable area, sqm
Q1			
No sales			
Q2			
No sales			
Total			

In Flemingsberg, the project at Separatörn 1 relating to the construction of offices and laboratories for Alfa Laval is continuing. The project encompasses a lettable area of roughly 23,400 sqm excluding parking, of which Alfa Laval is leasing approximately 91 per cent. Work is currently being carried out on the interior, including installations and tenant adaptations. The investment is estimated at SEK 1,060m, excluding land acquisition. The property is being certified to BREEAM-SE standard, Excellent. Alfa Laval will take up occupancy on 30 April 2025.

The redevelopment of part of Regulatörn 3 in Flemingsberg is ongoing. The investment is estimated at SEK 193m. The occupancy rate is 83 per cent.

Redevelopment of Nöten 4, Solna Strand, is underway with basic building investments and customisations for Saab, which has signed a lease for the entire property. The estimated investment amounts to almost SEK 1.2bn including the customisations for Saab. The property has been certified to BREEAM In-Use standard, Outstanding.

The conversion and extension of the Påsen 1 property in Hammarby Sjöstad is proceeding with interior works and tenant adaptations. The total estimated investment is SEK 486m including investments for tenant adaptations. The occupancy rate is 47 per cent. The property is being certified to BREEAM Bespoke standard, Excellent.

BIRGER BOSTAD

Birger Bostad's project portfolio comprises 19 projects, of which 6

(including 5 phases in Haga Norra) are currently in ongoing production. The estimated investment volume in ongoing projects amounts to approximately SEK 1.1bn, including land acquisition, of which SEK 0.1bn relates to an apartment block project in Upplands Väsby and just over SEK 1bn relates to the development of the residential neighbourhood in Haga Norra. The project in Upplands Väsby has been completed, occupied and will be recognised in financial statements in the third quarter. The project in Haga Norra comprises a total of 288 apartments, including 78 rental apartments with possible occupancy starting in the second half of 2025. The design has been completed, the frame is being erected step by step and the first stairwell will get a sealed roof during the summer. During the second quarter, the property was reclassified from an investment property to a development property.

During the first quarter, one project in Staffanstorps was completed and finalised. There have been 7 homes sold since the start of the year, leaving 7 homes unsold in completed and ongoing projects, excluding Haga Norra. The sale of the apartments in Haga Norra will begin in the early autumn.

RESIDENTIAL DEVELOPMENT IN
JOINT VENTURES

The residential project in cooperation with Brabo in Haga Norra has now been completed. All 418 apartments have been sold and the last apartment will become occupied in July.

PROPERTY PORTFOLIO, 30/06/2024

Property holdings	No. of properties	Lettable area, '000 sqm	Market value SEKm	Rental value ²	Financial occupancy rate %
Management properties ¹	63	965	63,776	3,594	90
Development properties ¹	18	228	6,887	467	
Land and project properties ¹	19	64	6,921	38	
Total	100	1,245	77,584	4,099	
Of which, Inner city	26	312	28,947	1,592	91
Of which, Solna	51	687	36,631	1,846	91
Of which, Hammarby Sjöstad	10	139	7,937	483	87
Of which, Flemingsberg	9	80	3,095	110	-
Of which, Other	4	39	974	68	82
Total	100	1,258	77,584	4,099	90

¹See definitions. ²In the rental value, time limited deductions of about SEK 132m (in rolling annual rental value at 30 June 2024) have not been deducted.

ONGOING PROJECTS > SEK 50M, 30/06/2024

Property listing	Category	Area	Completed	Lettable area, sqm	Occupancy rate, % space ¹	Rental value ²	Book value, SEKm	Estimated investment, SEKm	of which spent, SEKm
Ackordet 1	Offices	Haga Norra	Q3-2024	27,000	66%	101	1,517	1,441	1,062
Påsen 1	Offices	Hammarby Sjöstad	Q1-2025	11,500	47%	41	741	486	352
Regulatorn 3 (part of)	Offices	Flemingsberg	Q1-2025	5,800	83%	10	679	193	153
Separatorn 1	Offices	Flemingsberg	Q2-2025	23,400	91%	59	811	1,060	831
Nöten 4 ³	Offices	Solna Strand	Q3-2025	66,000	100%	155	1,975	1,196	350
Total				133,700	85%	366	5,723	4,376	2,748
Other land and project properties							1,877		
Other development properties							6,208		
Total project, land and development properties							13,808		

¹ Operational occupancy rate at 30 June 2024.

² Rental value including additions. The annual rent for the largest projects in progress could increase to SEK 366m (fully let) from SEK 8m in annualised current rent at 30 June 2024.

BIRGER BOSTAD CURRENT PROJECTS, 30/06/2024

Project	Area	GFA, sqm	RFA, sqm	No. of resi. properties	Selling grade, %	Completion	Book value, SEKm	Est. Investment, SEKm	Of which spent, SEKm
Haga Norra rentel		3,227	2,338	78	-	Q4-2025			
Haga Norra owner-occupied		3,124	2,246	50	0	Q4-2026			
Haga Norra tenant-owned		14,516	11,263	160	0	Q2-2025 - Q3-2026			
Total Haga Norra		20,867	15,847	288			401	854	191
Fyrklövern, tenant-owned		2,643	2,217	18	89	Q3-2024	93	105	86
Total		23,510	18,064	306	89		494	959	277

DEVELOPMENT RIGHTS, 30/06/2024

Commercial building rights				Residential building rights			
Area	Gross floor area, sqm	Legal approval, %	Book value, SEK/sqm	Area	Gross floor area, sqm	Legal binding, %	Book value, SEK/sqm
Inner city	32,400	13	8,300	Inner city	3,600	0	0
Solna	306,000	39	6,700	Solna	184,400	41	8,400
Hammarby Sjöstad	49,000	75	5,400	Hammarby Sjöstad	24,600	17	14,900
Flemingsberg	268,900	6	4,600	Flemingsberg	264,500	0	5,000
Birger Bostad	-	-	-	Birger Bostad	106,100	80	5,800
Other	20,000	100	1,500	Other	-	-	-
Total	676,300	29	5,700	Total	583,200	28	6,600

Areas and carrying amount relate to additional development rights space. Development will in some cases require the demolition of existing spaces, which will impact project calculations. The volumes are not maximised. The ongoing planning work aims to increase the volume of future development rights. All agreed land allocations have been included. The carrying amount also includes future, unpaid purchase prices for agreed land allocations.

SEGMENT REPORTING, 30/06/2024

	2024 Jan-Jun	2024 Jan-Jun	2024 Jan-Jun	2024 Jan-Jun	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Jun	2023 Jan-Jun	2023 Jan-Jun	2023 Jan-Jun
SEKm	Management	Development	Projects	Bostad	Total	Management	Development	Projects	Bostad	Total
Rental income	1,595	124	6	6	1,731	1,564	109	6	6	1,685
Contract sales, residential	-	-	-	142	142	-	-	-	308	308
Other income	-	-	-	-	-	-	-	-	-	-
Total net sales	1,595	124	6	148	1,873	1,564	109	6	314	1,993
Property expenses	-377	-59	-23	-3	-462	-379	-50	-14	-1	-444
Contract costs, residential development	-	-	-	-147	-147	-	-	-	-281	-281
Gross profit	1,218	65	-17	-2	1,264	1,185	59	-8	32	1,268
Of which net operating income property management	1,218	65	-17	3	1,269	1,185	59	-8	5	1,241
Sur plus ratio, property management	76%	52%	-283%	50%	73%	76%	54%	-133%	83%	74%
Of which gross profit residential development	-	-	-	-5	-5	-	-	-	27	27
Central administration	-48	-6	-6	-	-60	-46	-5	-4	-	-55
Net interest income/expense	-393	-44	-45	-4	-486	-383	-42	-24	-11	-460
Ground rent	-21	-	-	-	-21	-23	-	-	-	-23
Share in profits of associated companies	-38	-	-	-	-38	-36	-	9	-	-27
Profit from property management	718	15	-68	-6	659	697	12	-27	21	703
Realised changes in value properties	4	-	-	-	4	-	-	-	-	0
Unrealised changes in value properties	-1,124	-400	78	-15	-1,461	-2,789	-370	-645	-20	-3,824
Profit before tax per segment	-402	-385	10	-21	-798	-2,092	-358	-672	1	-3,121
Changes in value interest rate derivatives & shares					29					-101
Profit before tax					-769					-3,222
Market value properties	63,548	6,887	6,921	228	77,584	69,477	7,662	6,138	243	83,520
Development properties	-	-	-	795	795	-	-	-	716	716
Occupancy rate, %	90	-	-	-	-	91	-	-	-	-

In accordance with IFRS 8, segments are presented from the management's point of view, broken down by segment. Fabege's operations are classified as follows:

- Property Management – properties under ongoing, long-term management.
- Property Development – properties awaiting a redevelopment or extension that will have a significant impact on ongoing property management and net operating income.
- Projects – Land and development properties, and properties undergoing new construction/complete redevelopment.
- Residential – Birger Bostad carries out residential property development. It's business operations constitute a separate segment.

Rental income and property expenses, as well as realised and unrealised changes in the value of properties, are directly attributable to properties in the respective segments (direct income and expenses). If a property changes type during the year, the earnings attributable to that property are allocated to the respective segments based on the period of time for which the property belonged to each segment. Central administration costs and net financial items have been allocated to segments on a standardised basis according to each segment's share of the total property value (indirect income and expenses). Property assets are directly attributed to the respective segments and recognised on the balance sheet date. All revenue and expenses attributable to Birger Bostad's operations are recognised in the Residential segment.

During the second quarter, part of the Kvinten 1 property, Haga Norra, was divested internally to Birger Bostad, which is managing a residential development project on the property. As a result of the transfer, the property changed character, from an investment property to a development property. In the second quarter, the project for the Royal Swedish Opera and the Royal Dramatic Theatre on the Regulatorm 4 property was completed and the property was reclassified from a project property to an investment property. Furthermore, the property Stigbygeln 3 was reclassified from a development property to an investment property. No other reclassifications were made during the period.

Fabege's sustainability work

Our ambition is not limited to 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 for 2030

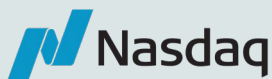
- Carbon neutral property management.
- Cutting the climate impact of project development per GFA by half

71 kWh/sqm

Average
energy use 2023

OMX SWEDEN SMALL CAP 30 ESG RESPONSIBLE INDEX

Fabege has been included in the new OMX Sweden Small Cap 30 ESG Responsible Index (OMXSS30ESGGI) on Nasdaq Stockholm, which highlights companies on the Swedish stock market that show leadership in environmental, social and governance (ESG) issues.



SCIENCE BASED TARGETS

Our ambitious climate target has been approved by SBTi since 2020.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Goals & strategy

URBAN DEVELOPMENT

Our approach is rooted in a holistic perspective that aims to strengthen our neighbourhoods as experience-based meeting places, where the primary focus is on comfort, convenience, health and safety. By influencing everything from energy systems to sustainable travel, we can also help reduce our carbon footprint.

Examples of areas of work:

- Work-life balance
- District identity and attractiveness
- Outdoor environments – meeting places, green spaces
- Multifunctionality
- Bridging physical and social barriers
- Adaptation to climate change
- Energy system solution
- Public transport, accessibility and navigability
- Security measures
- Participation and dialogue

REDUCED CARBON FOOTPRINT IN PROJECTS

The targets and roadmap that we have established in support of the Paris Agreement via the Science Based Targets initiative form the backbone of Fabege's work on climate issues. New construction and major refurbishments completed after 2030 will have a 50 per cent lower carbon footprint compared with Fabege's 2019 baseline. During the quarter, we worked in accordance with the first intermediate goal as part of our 2030 commitment:

- Planning permission before 2025, 20-per cent lower CO₂ footprint
- Circularity index 20% for major renovations

In May, we took another step in our efforts to promote circular material flows, resource efficiency and reduced climate emissions by opening Stockholm's first reuse park. The Reuse Park, located in Arenastaden, is a branch of our Reuse

Hub in Solna Business Park and complements it by acting as a storage area for recycled outdoor materials and plants, as opposed to the Reuse Hub's storage facility for indoor materials.

Fabege has a long-term, target-based and integrated approach to creating more sustainable properties. Our ultimate long-term goal is for Fabege's property management to be carbon neutral, as measured in kg CO₂e/sqm, by 2030. By this we mean that we will have control over all the emissions associated with our operations, and 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 additive technology that reduces the amount of carbon dioxide in the atmosphere.

ENERGY EFFICIENCY TARGETS

Fabege's average energy consumption in 2023 totalled 71 kWh/sqm (specific energy). The target is average energy use of 70 kWh/sqm in 2024.

The cumulative energy consumption of the investment portfolio at the end of the second quarter increased by 1.3% compared to the same period in the previous year, mainly due to external factors such as significantly colder and warmer than normal months in the first half of 2024.

ENVIRONMENTAL CERTIFICATION OF PROPERTIES

All project properties and investment properties have been certified to BREEAM-SE/BREEAM In-Use since 2019. New construction is certified according to BREEAM-SE, ambition level Excellent, and the management of properties is certified according to BREEAM In-Use, ambition level Very Good. All residential new builds are certified according to the Nordic Ecolabel.

THE EU TAXONOMY

Fabège is subject to the EU's Non-Financial Reporting Directive. Reporting on the extent to which the Group's activities are covered by, and compliant with, the EU taxonomy can be found in Note 3 EU taxonomy, page 24.

The full tables in accordance with EU taxonomy objective 1, including DNSH criteria and minimum safeguards, are presented in the 2023 Annual Report.

KVARTERET POOLEN WON THE SOLNA URBAN ENVIRONMENT PRIZE 2024

The Solna Urban Environment Prize is presented annually by the municipal building committee for a building, facility or other project in Solna that has made a lasting improvement to the urban environment.

This year, our property Poolen 1, Arenastaden in Solna, a 3D building consisting of a ten-storey office block and a swimming pool, won. The building has a distinctive look with its rounded corners and brickwork, and the swimming pool is clearly highlighted in the streetscape using glass sections in the facade.

EXAMPLES OF SOCIAL SUSTAINABILITY INITIATIVES

- BID (business improvement district) started in Flemingsberg
- Lärhjälps homework club in Flemingsberg
- Active in Flemingsberg Science
- TalangAkademin in Huddinge
- Support for the Stockholm City Mission
- Street Gallery, Solna Business Park
- Support for local sports clubs
- Pep Parks in Solna
- Vinnova 'Social sustainability in the physical environment' project
- Nature and the environment guide, containing teaching materials for grades 4, 5 & 6

CERTIFIED PROPERTIES*

System	Quantity	Sqm, GLA	Percentage of certified area, %
BREEAM In-Use	47	713,491	66%
BREEAM-SE**	15	365,185	34%
Miljöbyggnad	1	5,593	1%
Total certified properties	63	1,084,269	100%

* The properties for which certification has not yet begun include land and development properties for future project development.

** BREEAM-SE now also includes the properties certified according to BREEAM Bespoke, as BREEAM Bespoke is a customised manual based on BREEAM-SE.

SUSTAINABILITY PERFORMANCE MEASURES

	2024, Q2	2023	2022	Target
Energy performance, kWh/sqm Atemp*	39.5	71	73	Max. 70 kWh/sqm*
Proportion of renewable energy, %	90	90	94	100
Environmental certification, number of properties**	63	63	63	-
Environmental certification, % of total area	82	82	84	100
Green leases, % of newly signed space	94	96	100	100
Green leases, % of total space	91	91	89	100
Green financing, %	99	99	100	100
Satisfied employees, confidence rating, %	n/a	88	87	2024 >88
GRESB, points	n/a	93	94	>91

*Atemp is the total internal area for each floor, loft and basement that is heated to more than 10°C. Areas occupied by internal walls, openings for stairs, shafts and the like are included. The area for garages, within the building, in a residential building or a commercial building other than a garage, is not included.

** The properties for which certification has not yet started include land and development properties for future project development.

During the quarter, work continued with making sustainable improvements, within the framework of the certifications, to the buildings themselves and with regard to the property management and operational activities, which resulted in us succeeding in raising the ratings of two properties in the management portfolio, which have now been recertified according to BREEAM In-Use.

SOCIAL SUSTAINABILITY INITIATIVES

Fabège collaborates with customers, municipalities, authorities, other property owners and associations to create safe and attractive areas. We are continuing to focus on social sustainability in urban planning and projects as we develop the physical environment in our city districts. Fabège's actions are centred on networks and dialogue, as well as education, leisure time, health and work.

ABOUT THE SUSTAINABILITY REPORT

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

CSRD/ESRS

We have started preparing for sustainability reporting under the new Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). During autumn 2023, a dual materiality analysis and a gap analysis were carried out as a basis for further work. In 2026, Fabège, which is already covered by the Non-Financial Reporting Directive, will report for the 2025 financial year.

An overall picture of the company's sustainability work is published once a year in the Sustainability Report; find out more at <https://www.fabège.se/en/sustainability>.

Other financial information

SENSITIVITY ANALYSIS – PROPERTY VALUES

Change in value, %	Impact on earnings after tax, SEKm	Equity/assets ratio, %	Loan-to-value ratio, %
+1	605	46.2%	43.2%
0	0	45.9%	43.5%
-1	-605	45.6%	43.7%

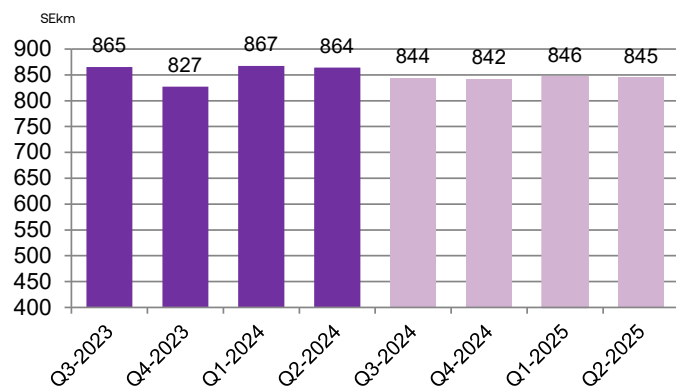
Earnings and key performance indicators are affected by realised and unrealised changes in the value of properties. The table shows the effect of a 1 percentage point change in value after the deduction of deferred tax.

SENSITIVITY ANALYSIS – CASH FLOW AND EARNINGS

	Change	Effect, SEKm
Rental income, total	1%	34.6
Rent level, commercial income	1%	33.4
Financial occupancy rate	1 percentage point	35.8
Property expenses	1%	-8.7
Interest expenses, LTM ¹	1 percentage point	145.0
Interest expenses, longer term perspec	1 percentage point	337.1

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

RENTAL INCOME – TREND FOR THE NEXT FOUR QUARTERS



The graph above shows the trend in contracted rental income, including announced occupancies and departures and renegotiations, but excluding letting targets. The decrease in Q4 2023 was due to sold, vacated properties. The graph is not a forecast, but instead aims to show the rental trend for the existing lease portfolio on the balance sheet date.

HUMAN RESOURCES

At the end of the period, 225 people (227) were employed by the Group.

PARENT COMPANY

Revenue during the period amounted to SEK 209m (229) and earnings before appropriations and tax totalled SEK 1,569m (445). Net financial items include dividends from subsidiaries of SEK 1,750m (750) Net investments in property, equipment and shares totalled SEK 1m (2).

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date.

LEASE MATURITY STRUCTURE

Maturity, year	No. of leases	Annual rent, SEKm	Percentage, %
2024 ¹	333	417	12%
2025 ¹	407	569	17%
2026	294	581	17%
2027	212	499	15%
2028	79	209	6%
2029+	113	923	28%
Commercial	1,438	3,197	95%
Housing leases	205	22	1%
Indoor and outdoor parking	644	135	4%
Total	2,287	3,354	100%

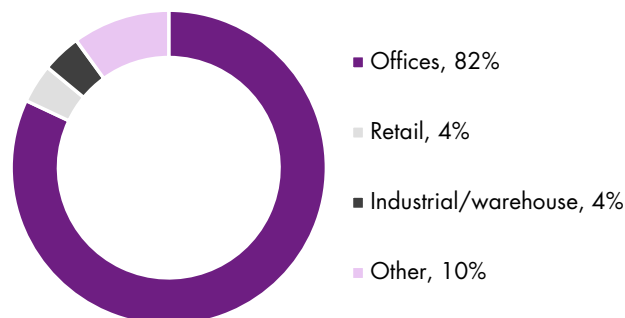
¹Of which just over SEK 416m has already been renegotiated.

LARGEST CUSTOMERS

	Share, %	Year of expiry
Skandinaviska Enskilda Banken AB	6.7%	Q4-2037
Ica Fastigheter AB	3.9%	Q2-2030
Convendum Stockholm City AB	3.7%	Q2-2034
Telia Sverige AB	3.6%	Q4-2031
Tietoevry AB	2.1%	Q1-2029
Carnegie Investment Bank AB	1.7%	Q3-2027
Bilia AB	1.6%	Q1-2041
Svea Bank AB	1.5%	Q4-2029
Statens Skolverk	1.3%	Q3-2030
Telenor Sverige AB	1.3%	Q3-2028
Total	27%	

¹Percentage of contracted rent.

RENTAL VALUE PER CATEGORY



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 2023 Annual Report (pages 50–60).

Properties are recognised at fair value and changes in value are recognised in profit or loss. The 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 2023 Annual Report. Financial risk, defined as the risk of insufficient access to long-term funding via loans, and Fabege's management of this risk, are also described in the Risks and opportunities section of the 2023 Annual Report (pages 50–60).

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 2.2x. The target for the loan-to-value ratio is a maximum of 50 per cent. The long-term debt ratio will amount to a maximum of 13x.

No material changes in the company's assessment of risks have arisen, aside from the above, since the publication of the 2023 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, which means that net lettings in these quarters are often higher.

MARKET OUTLOOK

We note that activity on the rental market in Stockholm has been more cautious, but with continued stable rent levels. Lettings continue to be agreed at good levels, but the index-linked increases from the start of the year are expected to limit the potential in future renegotiations.

Access to capital market financing has improved, with significantly lower margins. Market interest rates have peaked and are expected to fall during the rest of 2024. Roughly 60 per cent of Fabege's loan portfolio is at fixed rates, which will mitigate the effect of higher market rates for the next few years. Rising interest rates have impacted yield requirements in property valuations. Yield requirements, which had been increasing since the second half of 2022, have stabilised. Completed transactions in Fabege's submarkets confirm that the decline in values has levelled out and that long-term investors are willing to pay well for quality in Stockholm.

Faberge enjoys a consistently strong financial position. We have created new investment opportunities in our areas via the acquisitions completed in recent years. With the acquisition of Birger Bostad in the autumn of 2021, we took a step towards more comprehensive urban development that extends to residential units as well. Faberge's hallmark is stability – we have a portfolio of modern properties in attractive locations, stable customers and committed employees. We are well-placed to take on the challenges and opportunities open to us on the market over the coming year.

ACCOUNTING POLICIES

Faberge prepares its consolidated accounts in accordance with IFRS Accounting Standards. 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 34.16A Interim Financial Reporting are submitted both in the notes and in other sections of the Interim Report.

The Group has applied the same accounting policies and valuation methods as in the most recent annual report.

New or revised IFRS standards or other IFRIC interpretations that came into effect after 1 January 2024 have not had any material impact on the consolidated financial statements. The Parent Company prepares its financial statements in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act, and has applied the same accounting policies and valuation methods as in the last annual report.

Stockholm, 5 July 2024

Stefan Dahlbo

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

SIGNING OF THE REPORT

The Board of Directors and Chief Executive Officer hereby certify that this half-year report provides a true and fair overview of the development of the Parent Company and Group's operations, position and earnings and describes significant risks and uncertainties faced by the company and Group companies.

Stockholm, 5 July 2024

Jan Litborn
Chairman of the Board

Märtha Josefsson
Board Member

Anette Asklin
Board Member

Bent Oustad
Board Member

Sofia Watt
Board Member

Mattias Johansson
Board Member

Lennart Mauritzson
Board Member

Share information

Fabege's shares are listed on NASDAQ Stockholm, where they are included in the Large Cap segment with the ticker FABG.

SHAREHOLDERS*

Fabege had a total of 43,824 known shareholders at 31 May 2024, including 59.1 per cent Swedish ownership. The 12 largest shareholders control 51 per cent of the capital and 54 per cent of the votes.

DIVIDEND 2023

The Annual General Meeting decided on a dividend of SEK 1.80 per share to be paid quarterly at SEK 0.45 per share.

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 amount to, on an enduring basis, at least 50 per cent of the profit from ongoing property management and the gains realised on the sale of properties after tax.

ACQUISITION AND TRANSFER OF TREASURY SHARES*

The 2024 AGM passed a resolution authorising the Board, for the period 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. The company held 16,206,048 treasury shares on 30 June 2024. Repurchases have been made at an average price of SEK 120.23 per share. The holding represents 4.9 per cent of the total number of registered shares. There were no repurchases during the period.

GREEN EQUITY DESIGNATION

Fabege shares are green according to the Nasdaq Green Equity Designation. The criteria are that at least 50 per cent of turnover and 50 per cent of investments must be considered to be green, and less than 5 per cent of turnover linked to fossil fuels.



LARGEST SHAREHOLDERS, 31/05/2024*

	Number of shares*	Proportion of capital, %	Proportion of votes, %
Backhill AB	52,108,718	15.75	16.56
Geveran Trading Co	38,202,835	11.55	12.14
Vanguard	10,741,212	3.25	3.41
BlackRock	10,411,691	3.15	3.31
Nordea Funds	10,190,563	3.08	3.24
Länsförsäkringar Funds	10,030,107	3.03	3.19
E.N.A City Aktiebolag	7,150,000	2.16	2.27
Folksam	7,067,983	2.14	2.25
Third Swedish National Pension Fund	7,000,429	2.12	2.23
Norges Bank	6,283,523	1.90	2.00
APG Asset Management	4,977,702	1.50	1.58
AFA Insurance	4,462,453	1.35	1.42
Total 12 largest shareholders	168,627,216	50.98	53.60
Total no. of shares outstanding	314,577,096	95.10	100
Treasury shares	16,206,048	4.90	-
Total no. of registered shares	330,783,144	100	100

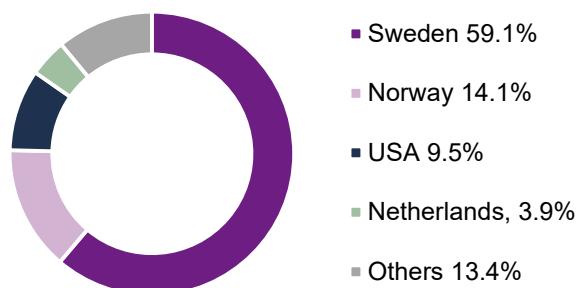
TURNOVER & TRADING, JAN-MAY 2024*

Highest price, SEK	108.6
Lowest price, SEK	80.0
VWAP, SEK	91.7
Average daily turnover, SEK	64,955,053
Number of traded shares	74,397,092
Average number of transactions	1,588
Number of transactions	166,781
Average value per transaction, SEK	40,894
Daily turnover relative to market capitalisation, %	0.21

SHARE DISTRIBUTION*

	2024-05-31	2023-05-31
Number of owners	43,824	44,821
Number of foreign owners	37.5	40.9
Fund ownership, %	33.3	27.7
Transparency ownership, %	15.9	15.9

COUNTRY DISTRIBUTION, 31/05/2024*



*Source: Holdings by Modular Finance AB. Data compiled and processed from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen). Data for 30/06/2024 was not available at the time of publication of the report.

Financial data

Group

Condensed statement of comprehensive income

SEKm	2024 Apr-Jun	2023 Apr-Jun	2024 jan-jun	2023 Jan-Jun	2023 Jan-Dec	Rolling 12 m jul-jun
Rental income ¹	864	855	1,731	1,685	3,366	3,412
Sales residential projects	-	122	142	308	553	387
Other income ²	-	-	-	-	11	11
Net Sales	864	977	1,873	1,993	3,930	3,810
Property expenses	-214	-213	-462	-444	-853	-871
Residential projects expenses	-6	-116	-147	-281	-549	-415
Gross profit	644	648	1,264	1,268	2,528	2,524
<i>of wich gross profit property managment</i>	650	642	1,269	1,241	2,524	2,552
<i>Surplus ratio, %</i>	75%	75%	73%	74%	75%	75%
<i>of wich gross profit property projects</i>	-6	6	-5	27	4	-28
Central administration	-31	-29	-60	-55	-97	-102
Net interest expense	-245	-239	-486	-460	-962	-988
Ground rent	-10	-12	-21	-23	-45	-43
Share in profit of associated companies	-27	-17	-38	-27	34	23
Profit/loss from property management	331	351	659	703	1,458	1,414
Realised changes in value of properties	0	0	4	0	0	4
Unrealised changes in value of properties	-80	-1,715	-1,461	-3,824	-7,831	-5,467
Unrealised changes in value, fixed-income derivatives	-184	117	29	-100	-1,003	-874
Changes in value of shares	-	1	0	-1	-4	-4
Profit/loss before tax	67	-1,246	-769	-3,222	-7,380	-4,927
Current tax	-	0	-	-	-1	-1
Deferred tax	-50	294	87	687	1,863	1,263
Profit/loss for period/year	17	-952	-682	-2,535	-5,518	-3,665
<i>Items that will not be restated in profit or loss</i>						
Revaluation of defined-benefit pensions	-	-	-	0	3	3
Comprehensive income for the period/year	17	-952	-682	-2,535	-5,515	-3,662
Of which attributable to non-controlling interests	-	-	-	-	-	-
Total comprehensive income attributable to Parent Company shareholders	17	-952	-682	-2,535	-5,515	-3,662
Earnings per share, SEK	-0:05	-3:03	-2:17	-8:06	-17:54	-11:64
No. of shares outstanding at period end, thousands	314,577	314,577	314,577	314,577	314,577	314,577
Average no. of shares, thousands	314,577	314,577	314,577	314,577	314,577	314,577

¹ On-charging, service and other income amounts to SEK 59m (58) for the period Jan-Jun 2024.

² Refers to electricity support

³ Earnings per share are the same before and after dilution.

Condensed statement of financial position

SEKm	2024 Jun 30	2023 Jun 30	2023 31 Dec
Assets			
Goodwill	205	205	205
Properties	77,584	83,520	78,093
Right-of-use asset	949	1,243	949
Other property, plant and equipment	31	25	30
Derivatives	881	1,589	925
Non-current financial assets	1,356	514	1,319
Development properties	795	716	519
Current assets	857	1,122	997
Short-term investments	98	96	98
Cash and cash equivalents	10	76	85
Total assets	82,766	89,106	83,220
Equity and liabilities			
Shareholders' equity	37,996	42,224	39,244
Deferred tax	8,218	9,508	8,305
Other provisions	153	156	158
Interest-bearing liabilities ¹	33,715	33,846	32,982
Lease liability	949	1,243	949
Derivatives	166	0	240
Non-interest-bearing liabilities	1,569	2,129	1,342
Total equity and liabilities	82,766	89,106	83,220

¹Of which current, SEK 4,293m (7,169).

Group

Condensed statement of changes in equity

SEKm	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Shareholders' equity at beginning of period	39,244	45,514	45,514
Shareholders' equity,			
Opening amount	39,244	45,514	45,514
Share buybacks			
Approved but unpaid dividend	-425	-566	-189
Cash dividend	-141	-189	-566
Profit/loss for the period	-682	-2,535	-5,518
Other comprehensive income			3
Total Shareholders' equity at end of period¹	37,996	42,224	39,244

¹ There is no non-controlling interests

Statement of cash flows

SEKm	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Operations			
Net operating income	1,264	1,268	2,528
Central administration	-60	-55	-97
Reversal of depreciation and impairment	5	4	-
Other non-cash items	4	-	11
Interest received	10	12	24
Interest paid ¹	-563	-524	-1,150
Income tax paid	0	0	0
Cash flow before changes in working capital	660	705	1,316
Change in working capital			
Change in development properties	72	177	373
Change in current receivables	140	-84	44
Change in current liabilities	-33	231	-163
Total change in working capital	179	324	254
Cash flow from operating activities	839	1,029	1,570
Investing activities			
Business acquisition, net cash outflow	-	-	-
Investments in new-builds, extensions and conversions	-1,251	-1,361	-2,978
Acquisition of properties	-	-78	-78
Divestment of properties	-	484	2,977
Other non-current financial assets	-66	-86	-253
Cash flow from investing activities	-1,317	-1,041	-332
Financing activities			
Dividend to shareholders	-330	-503	-881
Treasury share buybacks	-	-	-
Borrowings	11,967	10,807	22,275
Repayment of debt	-11,234	-10,303	-22,634
Cash flow from financing activities	403	1	-1,240
Cash flow for the period	-75	-11	-2
Cash and cash equivalents at beginning of period	85	87	87
Cash and cash equivalents at end of period	10	76	85

¹Of which other financial costs , SEK -20m (39).

Group

Key performance indicators

Financial ¹	2024	2023	2023
	Jan-Jun	Jan-Jun	Jan-Dec
Return on equity, %	-3.5	-11.6	-13.0
Interest coverage ratio, multiple	2.4	2.6	2.5
Equity/assets ratio, %	46	47	47
Loan-to-value ratio, properties, %	43	40	42
Debt ratio, multiple	13.9	14.6	13.5
Debt/equity ratio, multiple	0.9	0.8	0.8
Share-based¹			
Earnings per share, SEK ²	-2:17	-8:06	-17:54
Equity per share, SEK	121	134	125
Cash flow from operating activities per share, SEK	2:67	3:27	4:99
Average no. of shares, thousands	314,577	314,577	314,577
No. of shares outstanding at end of period, thousands	314,577	314,577	314,577
Property-related			
No. of properties	100	102	100
Carrying amount, properties, SEKm	77,584	83,520	78,093
Lettable area, sqm	1,245,000	1,298,000	1,246,000
Development properties, SEKm	795	716	519
Financial occupancy rate, %	90	91	91
Total return on properties, %	-0.2	-3.0	-6.2
Surplus ratio, %	73	74	75

¹Unless otherwise stated, the key performance indicator is not defined under IFRS. See definitions.

²Definition according to IFRS.

EPRA key performance indicators

	2024	2023	2023
	Jan-Jun	Jan-Jun	Jan-Dec
EPRA Earnings (income from property mgmt after tax), SEKm	659	637	1,314
EPRA Earnings (EPS), SEK/share	1:91	2:03	4:18
EPRA NRV (long-term net asset value), SEKm	45,924	50,709	47,052
EPRA NRV, SEK/share	146	161	150
EPRA NTA (net asset value), SEKm	42,922	47,325	44,177
EPRA NTA, SEK/share	136	150	140
EPRA NDV (net asset value), SEKm	38,216	42,585	39,228
EPRA NDV, SEK/share	121	135	125
EPRA Vacancy rate, %	10	9	9
EPRA Rental growth identical portfolio	8	12	11

Deferred tax

Deferred tax attributable to:	2024	2023	2023
	Jun 30	Jun 30	31 Dec
- tax loss carryforwards, SEKm	-202	-399	-410
- difference between carrying amount and tax value of properties, SEKm	8,295	9,600	8,596
- derivatives, SEKm	147	327	141
- other, SEKm	-22	-20	-22
Net debt, deferred tax, SEKm	8,218	9,508	8,305

Quarterly Group overview

Condensed income statement

	2024			2023			2022	
SEKm	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Rental income	864	867	827	854	855	829	781	771
Sales property projects	0	141	67	177	122	187	163	104
Other income	-	-	-	11	-	-	-	-
Net sales	864	1,008	894	1,042	977	1,016	944	875
Property expenses	-214	-248	-203	-206	-213	-231	-207	-186
Costs property projects	-6	-140	-86	-182	-116	-165	-252	-98
Gross profit	644	620	605	654	648	620	485	591
<i>of which gross profit property management</i>	650	619	624	659	642	598	574	585
Surplus ratio	75%	71%	76%	76%	75%	72%	74%	76%
<i>of which gross profit property projects</i>	-6	1	-19	-5	6	22	-89	6
Central administration	-31	-29	-16	-26	-29	-26	-25	-22
Net interest expense	-245	-240	-237	-265	-239	-221	-189	-159
Ground rent	-10	-11	-10	-12	-12	-12	-12	-11
Share in profit of associated companies	-27	-11	3	59	-17	-10	-24	9
Profit/loss from property management	331	329	345	410	351	351	235	408
Realised changes in value of properties	0	3	0	0	0	0	0	0
Unrealised changes in value of properties	-80	-1,381	-2,415	-1,591	-1,715	-2,110	-3,665	253
Unrealised changes in value, fixed-income derivatives	-184	213	-888	-15	117	-217	-61	277
Changes in value, equities	0	0	-3	-1	1	-1	-3	1
Profit/loss before tax	67	-836	-2,961	-1,197	-1,246	-1,977	-3,494	939
Current tax	0	0	-1	0	0	0	-3	0
Deferred tax	-50	137	971	205	294	393	768	-211
Profit/loss for the period	17	-699	-1,991	-992	-952	-1,584	-2,729	728

Condensed financial position

	2024			2023			2022	
SEKm	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Assets								
Goodwill	205	205	205	205	205	205	205	205
Properties	77,584	77,358	78,093	82,700	83,520	84,994	86,348	89,373
Right-of-use asset, leasehold	949	949	949	1,243	1,243	1,243	1,243	1,090
Other property, plant and equipment	31	30	30	28	25	25	25	18
Derivatives	881	1,029	925	1,574	1,589	1,472	1,689	1,750
Non-current financial assets	1,356	1,343	1,319	531	514	490	456	450
Development properties	795	395	519	563	716	795	892	957
Current assets	857	1,247	997	1,107	1,122	1,333	1,042	1,250
Short-term investments	98	98	98	97	96	96	96	95
Cash and cash equivalents	10	31	85	58	76	82	87	114
Total assets	82,766	82,685	83,220	88,106	89,106	90,735	92,083	95,302
Equity and liabilities								
Shareholders' equity	37,996	38,545	39,244	41,232	42,224	43,175	45,514	48,232
Deferred tax	8,218	8,168	8,305	9,303	9,508	9,802	10,195	10,957
Other provisions	153	154	158	155	156	157	157	167
Interest-bearing liabilities	33,715	33,579	32,982	34,563	33,846	33,976	33,341	32,882
Lease liability	949	949	949	1,243	1,243	1,243	1,243	1,091
Derivatives	166	130	240	0	0	-	-	-
Non-interest-bearing liabilities	1,569	1,160	1,342	1,610	2,129	2,382	1,633	1,974
Total equity and liabilities	82,766	82,685	83,220	88,106	89,106	90,735	92,083	95,302

Key performance indicators

	2024			2023			2022	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Financial¹								
Return on equity, %	0.2	-7.2	-19.8	-9.5	-8.9	-14.3	-23.3	6.1
Interest coverage ratio, multiple ²	2.5	2.4	2.4	2.3	2.5	2.6	2.8	3.5
Equity/assets ratio, %	46	47	47	47	47	48	49	51
Loan-to-value ratio, properties, %	43	43	42	41	40	40	38	36
Debt ratio, multiple	13.9	13.8	13.5	14.5	14.6	15.4	15.6	15.4
Debt/equity ratio, multiple	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.7
Share-based¹								
Earnings per share for the period, SEK ²	0:05	-2:22	-6:33	-3:15	-3:03	-5:04	-8:68	2:30
Equity per share, SEK	121	123	125	131	134	137	145	153
Cash flow from operating activities per share, SEK	2:07	0:60	1:15	0:60	1:80	1:44	1:49	0:97
No. of shares outstanding at the end of the period, thousands	314,577	314,577	314,577	314,577	314,577	314,577	314,577	314,577
Average no. of shares, thousands	314,577	314,577	314,577	314,577	314,577	314,577	317,221	318,102
Property-related								
Financial occupancy rate, %	90	90	91	91	91	90	89	90
Total return on properties, %	70.0	-1.0	-2.2	-1.1	-1.3	-1.7	-3.4	0.9
Surplus ratio, %	75	71	76	76	75	72	73	74

¹Unless otherwise stated, the key performance indicator is not defined under IFRS. Please refer to definitions.

²Definition according to IFRS.

Group

Reconciliation of key performance indicators

The reconciliation of the financial key performance indicators that Fabege reports is presented below.

	2024	2023	2023
	Jun 30	Jun 30	31 Dec
Equity/assets ratio			
Shareholders' equity, SEKm	37,996	42,224	39,244
Total assets, SEKm	82,766	89,106	83,220
Equity/assets ratio, %	46	47	47
	2024	2023	2023
	Jun 30	Jun 30	31 Dec
Loan-to-value ratio, properties			
Interest-bearing liabilities, SEKm	33,715	33,846	32,982
Carrying amount, properties, SEKm	77,584	83,520	78,093
Carrying amount, development properties, SEKm	795	716	519
Loan-to-value ratio, properties, %	43	40	42
	2024	2023	2023
	Jun 30	Jun 30	31 Dec
Debt ratio			
Gross profit	2,524	2,343	2,528
Reversal of impairment	6	81	6
Central administration, SEKm	-102	-102	-97
Total, SEKm	2,428	2,322	2,437
Interest-bearing liabilities, SEKm	33,715	33,846	32,982
Debt ratio, multiple	13.9	14.6	13.5
	2024	2023	2023
	Jun 30	Jun 30	31 Dec
Interest coverage ratio, multiple			
Gross profit	1,264	1,268	2,528
Reversal of impairment	-	-	6
Ground rent, SEKm	-21	-23	-45
Central administration, SEKm	-60	-55	-97
Total, SEKm	1,183	1,190	2,392
Net interest expense, SEKm	-486	-460	-962
Interest coverage ratio, multiple	2.4	2.6	2.5
	2024	2023	2023
	Apr-Jun	Apr-Jun	jan-jun
Return on equity			
Profit/loss for the period, SEKm	17	-952	-682
Average equity, SEKm	38,271	42,700	38,620
Return on equity, %	0.2	-8.9	-3.5
	2024	2023	2023
	Apr-Jun	Apr-Jun	jan-jun
Total return on properties			
Net operating income, SEKm	650	642	1,269
Unrealised and realised changes in the value of properties, SEKm	-80	-1,715	-1,457
Market value including investments for the period, SEKm	77,663	85,235	79,041
Total return on properties, %	0.7	-1.3	-0.2
	2024	2023	2023
	Apr-Jun	Apr-Jun	jan-jun
Debt/equity ratio			
Interest-bearing liabilities, SEKm	33,715	33,846	33,715
Shareholders' equity, SEKm	37,996	42,224	37,996
Debt/equity ratio	0.9	0.8	0.9
	2024	2023	2023
	Apr-Jun	Apr-Jun	jan-jun
Equity per share			
Shareholders' equity, SEKm	37,996	42,224	37,996
No. of shares outstanding at end of period, million	315	315	315
Equity, SEK per share	121	134	121
	2024	2023	2023
	Apr-Jun	Apr-Jun	jan-jun
Cash flow per share			
Cash flow from operating activities, SEKm	651	577	839
Average number of shares, million	315	315	315
Cash flow, SEK per share	2.1	1.8	2.7

Group

Reconciliation of EPRA key performance indicators

The reconciliation of the EPRA key performance indicators that Fabege reports is presented below.

	2024 Jan-Jun			2023 Jan-Jun			2023 Jan-Dec		
EPRA NRV, EPRA NTA & EPRA NDV	NRV	NTA	NDV	NRV	NTA	NDV	NRV	NTA	NDV
Shareholders' equity, SEKm	37,996	37,996	37,996	42,224	42,224	42,224	39,244	39,244	39,244
Reversal of approved but unpaid dividend, SEKm	425	425	425	566	566	566	189	189	189
Reversal of fixed-income derivatives according to balance sheet, SEK	-715	-715	-715	-1,589	-1,589	-1,589	-686	-686	-686
Reversal of deferred tax according to balance sheet, SEKm	8,218	8,218	8,218	9,508	9,508	9,508	8,305	8,305	8,305
Reversal of goodwill according to balance sheet, SEKm	-	-205	-205	-	-205	-205	-	-205	-205
Deduction of actual deferred tax, SEKm	-	-2,797	-2,797	-	-3,179	-3,179	-	-2,670	-2,670
Deduction of fixed-income derivatives according to balance sheet, SEI	-		715	-	-	1,589	-	-	686
Deduction of deferred tax according to balance sheet after adjustment of estimated actual deferred tax, SEKm	-	-	-5,421	-	-	-6,329	-	-	-5,634
NAV, SEKm	45,924	42,922	38,216	50,709	47,325	42,585	47,052	44,177	39,229
Number of shares outstanding, millions	314.6	314.6	314.6	314.6	314.6	314.6	314.6	314.6	314.6
NAV, SEK per share	146	136	121	161	150	135	150	140	125

	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
EPRA EPS			
Profit/loss from property management, SEKm	659	703	1458
Deduction for tax depreciation, SEKm	-380	-384	-758
Total, SEKm	279	319	700
Nominal tax (20.6%), SEKm	58	66	144
EPRA earnings in total (profit/loss from property management less nominal tax), SEKm	601	637	1,314
Number of shares, millions	314.6	314.6	314.6
EPRA EPS, SEK per share	1:91	2:03	4:18

	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
EPRA Vacancy rate			
Estimated market value of vacant property rents, SEKm	342	319	318
Annual rental value, entire portfolio, SEKm	3,594	3,563	3,406
EPRA Vacancy rate, %	10	9	9

	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
EPRA rental growth identical portfolio			
Change, %	8	12	11
Change, SEKm	122	184	321
Rental income identical portfolio current period, SEKm	1,730	1,657	3,203
Rental income identical portfolio previous period, SEKm	1,608	1,473	2,882

Parent Company

Condensed income statement

SEKm	2024	2023	2023
	Jan-Jun	Jan-Jun	Jan-Dec
Income	209	229	443
Expenses	-357	-336	-449
Net financial items	1,688	653	512
Share in profit of associated companies	-	-	0
Changes in value, fixed-income derivatives	29	-100	-1,003
Changes in value, equities	-	-1	-8
Appropriation	-	-	196
Profit/loss before tax	1,569	445	-309
Current tax	-	-	-
Deferred tax	35	60	169
Profit/loss for the period	1,604	505	-140

Condensed balance sheet

SEKm	2024	2023	2023
	Jun 30	Jun 30	31 Dec
Investments in Group companies	13,400	13,400	13,400
Other non-current assets	50,394	49,490	47,244
<i>of which, receivables from Group companies</i>	<i>49,453</i>	<i>47,838</i>	<i>46,299</i>
Current assets	88	92	472
Cash and cash equivalents	0	3	1
Total assets	63,882	62,985	61,117
Shareholders' equity	12,547	12,155	11,509
Provisions	230	369	220
Non-current liabilities	46,289	44,418	42,591
<i>of which, liabilities to Group companies</i>	<i>17,082</i>	<i>16,026</i>	<i>16,702</i>
Current liabilities	4,816	6,043	6,797
Total equity and liabilities	63,882	62,985	61,117

Notes

NOTE 1 DERIVATIVES

Derivatives are measured at fair value as Level 2 assets. 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 recognised for accounting purposes and have no impact on cash flow. At maturity, the market value of derivative instruments is always zero. The valuation assumptions have not changed significantly compared with the most recent annual report.

NOTE 2 CONTINGENT LIABILITIES

On the balance sheet date, contingent liabilities comprised guarantees and commitments in favour of associated companies and subsidiaries of SEK 484m (503) and other 0 (0).

NOTE 3 EU TAXONOMY

Percentage of activities eligible for the taxonomy

Key ratios	Total, SEKm	Activities eligible for the taxonomy, %	Activities not eligible for the taxonomy, %
Revenue	1,731	100	59
Operating expenditure	85	100	43
Capital expenditure	1,246	100	30

Fabege owns and manages properties, with a primary focus on commercial properties in the Stockholm area. The vast majority of the property portfolio falls within the scope of the taxonomy and the economic activities applied are

CCM 7.1 Construction of new buildings

CCM 7.7 Acquisition and ownership of buildings

The proportion of Fabege's operations that are environmentally sustainable according to the EU Taxonomy Regulation is reported based on three financial indicators: turnover, operating expenditure and capital expenditure.

Recognition of turnover:

All turnover related to the properties included in the economic activities above are recognised. This refers to rental income, including the standard supplements. No material income that should be excluded has been identified.

Recognition of operating expenditure:

Operating expenditure includes property management costs, regular repairs, maintenance and expensed tenant adaptations. Birger Bostad's production costs for residential development are recorded as operating expenses but are not included here, as they do not fall within the definition of operating expenses according to the taxonomy.

Recognition of capital expenditure:

Relates to capital expenditure for acquisitions and capitalised investment expenditure related to the properties included in the economic activities.

Percentage of activities aligned with the taxonomy

Fabege contributes significantly to objective 1, i.e. climate change mitigation, including the Do No Significant Harm criteria. The existing properties assessed as being aligned with objective 1 have an EPC-A level energy performance certificate or are in the top 15 per cent in terms of primary energy use in Sweden (in accordance with the definition applied by the Swedish Property Federation for existing buildings). The properties have undergone a climate resilience analysis.

According to Fabege's assessment, 59 per cent of its turnover, 39 per cent of its operating expenditure and 16 per cent of its capital expenditure are aligned with the taxonomy, based on fulfilment of objective 1 (CCM), including the DNSH criteria. The outcome is based on rolling 12-month outcomes up to and including Q1 2024 for primary energy figures. The reason for the percentage of capital expenditure that is green being reported as low is that Fabege has chosen to make a conservative assessment of ongoing new construction projects and interpret that they are covered by all DNSH requirements in 7.1. These are reported as non-compliant with the taxonomy, as interpretations of the DNSH requirements and documentation of this to demonstrate compliance are not yet fully in place. Fabege believes that, in the long term, at least part of the capital expenditure will be classified as being aligned with the taxonomy.

Fabege also meets the taxonomy's requirements for Minimum Safeguards related to human rights, anti-corruption, transparency regarding tax burdens and fair competition.

The full tables are only presented annually and can be found on pages 83–86 of Fabege's Annual and Sustainability Report for 2023.

This is Fabege

Fabège is one of Sweden's leading property companies. We develop attractive and sustainable city districts, with a primary focus on commercial properties within a limited number of well-located submarkets in the Stockholm region.

We are one of the largest property owners in Stockholm and have a clear strategy for our property holdings, with a portfolio grouped into clusters. The Group also includes Birger Bostad, which is a property development company focused on residential and public-services property. The large number of residential development rights that we hold means that together we have a great opportunity to create mixed-use developments in our city districts. The concentration of our properties in well-contained clusters ensures greater customer proximity and, when coupled with Fabège's thorough knowledge of the market, creates a solid foundation for efficient property management and high occupancy rates. On 30 June 2024, Fabège owned 100 properties with a combined rental value of SEK 4.1bn, lettable floor space of 1.3m sqm and a carrying amount of SEK 77.6bn, of which development and project properties accounted for SEK 14.1bn. The value of development properties in Birger Bostad totalled SEK 0.8bn.

Business concept

Fabège develops sustainable city districts, with a primary focus on commercial properties within a limited number of well-located submarkets in the Stockholm region.

Value is created via property management, property development, project development and transactions. We are keen to be a supportive partner that puts people front and centre and enables companies, locations and our city to develop.

BUSINESS MODEL

Fabège is active in three business areas: Property Management, Property Development and Transactions.

STRATEGY FOR GROWTH

Fabège's strategy is to create value by managing, improving and developing its property portfolio and, through transactions, to acquire and divest properties with the aim of increasing the property portfolio's potential. 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 to enhance the appeal of an area benefit many of Fabège's customers.

VALUE DRIVERS

Fabège's operations are affected by a number of external factors, such as the pricing of and demand for premises, the transaction market's yield requirements, and changes in market interest rates, which create the conditions for the company's success.

THE STOCKHOLM MARKET

Stockholm is one of the five metropolitan areas in Western Europe with the highest rate of population growth. The population of Stockholm County is forecast to continue to grow over the next 20 years. However, since the second half of 2023, growth in the number of people employed in office activities has slowed down slightly.

Changing demand

New technology and new working methods are fuelling demand for flexible and space-efficient premises in prime locations. Peripheral services and effective 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. Demand for premises is closely linked to GDP growth and companies' need for premises. Changes in market interest rates affect required rates of return.

Sustainable urban development

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

Business model

PROPERTY MANAGEMENT

The essence of Fabège's operations is finding the right premises for customers' specific requirements and ensuring customer satisfaction. This is accomplished through long-term efforts, based on close dialogue with the customer, which build mutual trust and loyalty.

PROPERTY DEVELOPMENT

High-quality property development is the second key cornerstone of our business. Fabège has long-standing experience in the management of extensive property development projects, and endeavours to attract long-term tenants for properties that have not yet been fully developed and can be redesigned based on customers' 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 in order to utilise opportunities to generate capital growth through acquisitions and divestments.

Definitions

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

ACTUAL DEFERRED TAX

Estimated actual deferred tax has been calculated as approximately 4 per cent based on a 3 per cent discount rate. Furthermore, it has been assumed that loss carryforwards are realised over four years with a nominal tax rate of 20.6 per cent, which results in 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, 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 of 6 per cent, which results in a net present value for deferred tax liabilities of 4 per cent.

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.

DEBT/EQUITY RATIO

Interest-bearing liabilities divided by shareholders' equity

DEBT RATIO

Interest-bearing liabilities divided by rolling twelve-month gross earnings, less central administration costs and reversal of impairment.

DEVELOPMENT PROPERTIES*

Properties for which a redevelopment or extension is in progress or planned that has a significant impact on the property's net operating income. Net operating income is affected by limitations on lettings prior to imminent improvement work.

EARNINGS PER SHARE

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

EPRA EPS

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

from property management less such items as tax-deductible depreciation and amortisation and redevelopments.

EPRA NDV – NET DISPOSAL VALUE

Shareholders' equity according to the balance sheet.

EPRA NRV – NET REINVESTMENT VALUE

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

EPRA NTA – NET TANGIBLE ASSETS

Shareholders' equity according to the 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 VACANCY RATE

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

EQUITY/ASSETS RATIO

Shareholders' equity including non-controlling interests 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

Gross earnings, including ground rent, less central administration costs and reversal of impairment, 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 undergoing new construction/complete redevelopment.

LOAN-TO-VALUE RATIO, PROPERTIES

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

LEASE VALUE*

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

NET LETTINGS*

New lettings during the period less leases terminated due to departure.

RETURN ON EQUITY

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

RETURN ON INVESTED CAPITAL IN THE PROJECT PORTFOLIO*

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

RENTAL VALUE*

Lease value plus the estimated annual rent for unleased premises after a reasonable general renovation.

RETENTION RATE*

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

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 the market value at the start of the period plus investments for the period.

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

CALENDAR

22/10/2024 Interim Report Jan–Sep 2024
06/02/2025 Year-end Report 2024

PRESS RELEASES DURING THE SECOND QUARTER OF 2024

09/04/2024 Resolution by Faberge's Annual General Meeting on 9 April 2024
24/04/2024 BSH moves to Solna Business Park
25/04/2024 Interim Report Jan–Mar 2024
05/06/2024 Telia renegotiates and extends tenancy in Arenastaden
07/06/2024 Faberge publishes updated prospectus for MTN
19/06/2024 Invitation to Faberge's presentation of the Interim Report Jan–Jun 2024
28/06/2024 Moody's confirms Faberge's rating Baa2, negative outlook

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There will also be a web presentation on the Group's website, in which Stefan Dahlbo and Åsa Bergström present the report, on 5 July 2024.

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