

Q2

2022

Fabege

Summary, SEKm

	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 jan-jun
Net sales	739	715	1,508	1,422
Gross profit	539	541	1,086	1,047
Profit/loss from property management	347	369	729	715
Profit/loss before tax	2,023	1,484	5,519	2,578
Profit/loss after tax	1,595	1,183	4,377	2,046
Net lettings	36	20	44	56
Surplus ratio, %	74	76	73	74
Loan-to-value ratio, properties, %			36	36
EPRA NRV, SEK per share			183	160

Jan - June 2022¹

- Rental income totalled SEK 1,480m (1,422). On a like-for-like basis, income rose by 4 per cent compared with the previous period.
- Net operating income amounted to SEK 1,081m (1,047). On a like-for-like basis, net operating income rose by 3 per cent.
- The surplus ratio stood at 73 per cent (74).
- Revenue from housing development amounted to SEK 28m and gross earnings totalled SEK 5m.

For the definitions of the key performance indicators, see page 26.

- Profit from property management came to SEK 729m (715).
- Realised and unrealised changes in the value of properties amounted to SEK 3,253m (1,595) and SEK 1,538m (268) for fixed-income derivatives.
- Profit/loss before tax for the period stood at SEK 5,519m (2,578).
- Profit/loss after tax for the period totalled SEK 4,377m (2,046), corresponding to SEK 13.71 per share (6.32).

- Net lettings totalled SEK 44m (56) during the first half of the year.
- Rent levels in renegotiated leases increased by an average of 11 per cent (12).
- The equity/assets ratio was 51 per cent (51) the loan-to-value ratio was 36 per cent (36).

¹ The comparison figures for income and expense items relate to values for the January–June 2021 period and for balance sheet items at 31 December 2021.

Message from the CEO

OPERATIONAL TARGETS

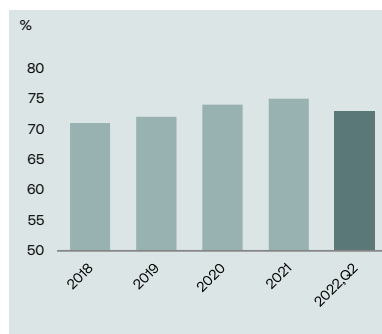
- Investment volume of approximately SEK 2,500m per year.
- Net lettings of at least SEK 80m per year.
- Surplus ratio of 75 per cent.

INVESTMENT VOLUME



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

SURPLUS RATIO



Target: 75%

The market during the first half of 2022 was a case of Jekyll and Hyde. On the one hand, we had positive net lettings, stable or increasing rental levels and a strong transaction market. On the other, there were rising interest rates and inflation, falling share prices, the war in Ukraine and generally high geopolitical uncertainty. Our business nevertheless continued to do well in the first half of 2022, but we must of course have the humility to recognise the change in our environment, which has swung from an economic upturn to a more uncertain future in such a short space of time. This makes it particularly important that we have a strong balance sheet and a stable customer base. We have well-maintained and modern properties in attractive locations, and knowledgeable and motivated employees.

The big question is whether the economy is heading for a soft landing or a steeper downturn. My guess is as good or as bad as yours. We have lived for many years with the central banks' experiments with extremely cheap money and even negative interest rates. This has contributed, among other things, to a sharp fall in required rates of return and rising property prices. In 2021, the stock market continued to soar, the number of property transactions reached record levels, property prices continued to climb to new heights and it was easy to find financing on the capital market. What we are facing now is a painful sobering up and, as usual when this happens, it is happening fast. I don't think that we are facing another property crisis like we saw in the early 90s though. The current situation differs in a number of important ways. At that time, Sweden had a fixed exchange rate that the Riksbank was prepared to defend at all costs. Many office buildings were also built on a speculative basis, leading to an oversupply of office space. The property sector was also far more highly geared than now, as back then loan-to-value ratios of more than 90 per cent were not unheard of.

We sometimes hear that the market finds us a bit boring as we have in many ways been seen as conservative, due to factors such as our low leverage and our refusal to abandon our banking relationships for more

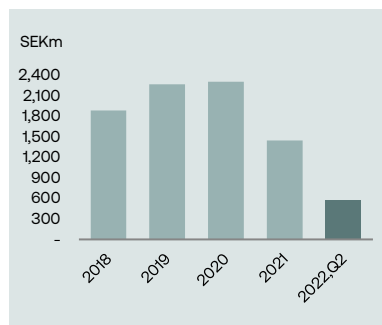


capital market financing. Today I am pleased that we have maintained a good relationship with the leading Nordic banks.

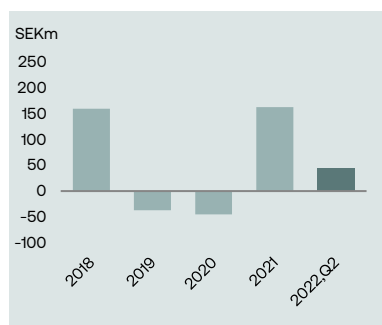
It is during turbulent times that foresight and caution pay off and can create room for business. Long term is not the same as slow and boring though. Around SEK 1.2bn of bonds will mature in the autumn and we will probably opt for bank refinancing unless conditions on the capital market improve. Fabège is currently being offered better terms by banks than by the bond market and we are getting strong signals from them that they are willing to increase our financing. This does not mean that we will abandon the bond market but, as things stand at the moment, we will reduce our exposure or issue shorter-term debt in the future. It is also important to have multiple sources of financing, however.

During the quarter, we increased the framework amount for our MTN programme from SEK 12bn to SEK 18bn. We also updated our green framework, adapting it to the EU taxonomy. This framework is based on the green bond principles, adapted to

CHANGE IN VALUE OF PROJECTS



NET LETTINGS



FABEGE HAS UPDATED THE MTN PROSPECTUS AND THE GREEN FRAMEWORK

In the annual update of the MTN programme's base prospectus, the framework amount was increased from SEK 12bn to SEK 18bn. The updated prospectus has been approved and registered with Finansinspektionen (Sweden's financial supervisory authority).

The green framework is based on the green bond principles, adapted to the EU taxonomy and linked to Fabège's ambition of contributing to the Agenda 2030 goals. CICERO has issued a second opinion with ratings of 'medium green' for the green terms and conditions and 'excellent' for governance.

the EU taxonomy and linked to Fabège's ambition of contributing to the Agenda 2030 goals. CICERO has issued a second opinion with ratings of 'medium green' for the green terms and conditions and 'excellent' for governance.

The Riksbank's key interest rate hike and higher margins will have an impact on interest rates. Interest expenses are set to rise. The effect on Fabège is considerably mitigated, however, by the fact that around 70 per cent of our portfolio has a fixed interest rate.

In addition, virtually all our rental contracts are index-linked, which also creates a buffer against rising interest expenses.

Our current projects are proceeding well. The major purchases have already been made, but we will have to manage the increased cost of materials for future new projects. The cost of materials usually tends to be around 30 per cent of total costs. It will be more difficult to work on a fixed price basis when price levels are so uncertain going forward. We are therefore working more closely with our suppliers. Another way to counter increased costs is to review the materials chosen with customers and try to find alternative solutions. We have to be realistic, though, and assume that project margins will be slightly lower in the future, given how the situation stands today. We are currently bidding for a couple of tenders and it is still too soon to say what the outcome will be. We have not reached the point where we are stopping projects and putting them on hold though.

At the start of the year, construction began on the new Royal Dramatic Theatre and Royal Swedish Opera building in Flemingsberg. We are planning to hold the groundbreaking ceremony for Alfa Laval's new offices at the end of August. The first office project in Haga Norra is also under way and you can now see the framework emerging.

Net lettings landed at SEK 44m for the half-year. We are seeing strong interest from the market, even if the decision-making process is still taking a little longer. During the quarter, we agreed a major 4,200 sqm lease to CGI in Solna Business Park on a seven-year contract. Our target of SEK 80m of net lettings for the full year feels within reach.

We completed two projects in the second quarter. On Kungsgatan in central

Stockholm, Convendum moved into Bocken 39 and, in Arenastaden, TietoEvy moved into our newly built Poolen 1 property. Another two contracts have now been signed, meaning that Poolen is now 94% occupied.

Vacancy rates in the investment property portfolio are still too high. I will probably repeat this until it is back down to around five per cent. Something that is often forgotten when we discuss vacancies, however, is that they are an opportunity to increase rental income.

Changes in value in the second quarter were mainly driven by completed projects and renegotiations, as well as good levels of new lettings. To some extent, inflation assumptions have also had an effect. The yield adjustment over the quarter, which amounted to -0.02 per cent, was related to the backlog. The market yield did not change during the quarter and remains stable according to both Newsec and Cushman Wakefield.

The transaction market in Stockholm, where few properties come onto the market, remained strong, as transactions set new records up until the summer. We have looked at several properties, but were not prepared to pay the asking price. We are very pleased with our acquisition of the 22,000 sqm Kabelverket property in Älvsjö, though, which we took possession of on 30 April. We strongly believe in southern Stockholm's growth and, through this acquisition, we have acquired a good property with stable tenants, a steady cash flow and potential for the future.

In the current circumstances, I hope that opportunities will arise that we can act on quickly thanks to our strong balance sheet. This would also allow us to pursue our long-term value creation with our urban development projects, mainly in Solna and Flemingsberg. In addition, it is reassuring for us that we now have a principal owner, Backahill, who is committed to this aim, is stable and debt-free, and has never sold a single Fabège share. As Erik Paulsson, the founder of the Fabège that we see today, often pointed out, it is important to have something set aside in turbulent times".

Stefan Dahlbo, CEO

Earnings Jan-June 2022¹

Profit after tax for the period came to SEK 4,377m (2,046), corresponding to earnings per share of SEK 13.71 (6.32). Profit before tax for the period amounted to SEK 5,519m (2,578). Higher profit from property management and more significant changes in the value of both properties and fixed-income derivatives meant that profit before tax increased compared with the same period of the previous year.

SECOND QUARTER IN BRIEF

- Continued high activity on the rental market, in terms of viewings, negotiations and completions.
- New lettings totalled SEK 76m (42).
- Net lettings amounted to SEK 36m (20).
- Rental income totalled SEK 717m (715).
- The surplus ratio stood at 73 per cent (76).
- SHH's net revenue amounted to SEK 22m and its gross earnings totalled SEK 12m.
- Profit from property management totalled SEK 347m (369).
- The property portfolio posted an unrealised growth in value of SEK 1,020m (1 025), of which projects accounted for SEK 283m (130).
- Unrealised changes in value in the derivatives portfolio totalled SEK 657m (34).
- Profit after tax for the quarter amounted to SEK 1,595m (1,183).

RENTAL INCOME AND NET OPERATING INCOME

Rental income increased to SEK 1,480m (1,422) and net operating income amounted to SEK 1,081m (1,047). The increase in income was mainly due to acquisitions, occupancies of project properties and index-linked revenue, and also includes non-recurring income of SEK 6m. On a like-for-like basis, income rose by approximately 4 per cent (0). The increase mainly related to rental income from the completed project properties Nationalarenan 3 and Poolen 1. Income from new lettings and renegotiations and index-linked revenue fell following Skatteverket's departure from Nöten 4. The increase in property expenses was mainly attributable to higher electricity costs and property taxes. Net operating income rose by approximately 3 per cent (1) on a like-for-like basis. The surplus ratio stood at 73 per cent (74).

PROFIT FROM HOUSING DEVELOPMENT

SHH Bostad has been included in the Faberge Group's earnings since the fourth quarter of 2021. Revenue from housing development totalled SEK 28m during the first half-year. Housing development costs amounted to SEK -23m, of which administrative costs accounted for SEK -15m. Gross earnings therefore totalled SEK 5m. Income recognition takes place on the completion of projects. One project in Riksten was wrapped up during the period. Income from co-owned projects is recognised under share in profit of associated companies.

CENTRAL ADMINISTRATION

Central administration costs stood at SEK -55m (-62). The figure for 2021 included non-recurring costs relating to Faberge's new headquarters.

NET FINANCIAL ITEMS

Net interest items amounted to SEK -264m (-240). The increase in interest expenses

was mainly due to a higher volume of loans. During the second quarter, the average interest rate increased slightly as the Riksbank's key interest rate hike had an effect on the market rate (STIBOR). The average interest rate at the end of the half-year was 1.79 per cent, compared with 1.71 per cent at the same time last year. Ground rent amounted to SEK -20m (-18).

SHARE IN PROFIT OF ASSOCIATED COMPANIES

The share in the profit of associated companies came to SEK -18m (-12) and mainly related to contributions to Arenabolaget.

CHANGES IN THE VALUE OF PROPERTIES

The property portfolio is valued using a well-established process. The entire property portfolio is independently valued at least once a year. Approximately 30 per cent of the portfolio was independently valued in the second quarter, while the remaining properties were internally valued based on the most recent independent valuations. The total market value at the end of the period was SEK 88.5bn (83.3). Unrealised changes in value totalled SEK 3,179m (1,539). The average required rate of return fell by 0.07 percentage points during the period to 3.69 per cent (3.76 at the end of the year). The change in the required rate of return was mainly due to a backlog based on transactions at the end of last year and the beginning of the current year.

The realised changes in value of SEK 74m (56) related to gains from the sale of Lagern 3, in Råsunda, to the joint venture that has been developing housing on the property.

TAX

The tax expense for the period amounted to SEK -1,142m (-532). Tax was calculated at a rate of 20.6 per cent on taxable earnings. The interest deduction limitations are not expected to have a material effect on taxes paid in the current year.

CHANGES IN PROPERTY VALUES, JAN-JUNE 2022

Changes in property values, SEKm

Opening fair value, 01/01/2022	83,256
Property acquisitions	968
Investments in new builds, extensions and cor	1,077
Unrealised changes in value	3,179
Sales, disposals and other	0
Closing fair value, 30/06/2022	88,480

AVERAGE REQUIRED RATE OF RETURN, 30/06/2022

Area	Average yield requirement, %
Stockholm city	3.34%
Solna	3.85%
Hammarby Sjöstad	4.01%
Other markets	5.08%
Average yield	3.69%

SEGMENT REPORTING

Segment reporting has been adjusted due to the acquisition of SHH.

The Property Management segment generated net operating income of SEK 1,025m (1,017), representing a surplus ratio of 76 per cent (76). The occupancy rate stood at 89 per cent (91). Profit from property management totalled SEK 722m (730). Unrealised changes in the value of properties amounted to SEK 2,679m (1,297).

The Property Development segment generated net operating income of SEK 38m (19), resulting in a surplus ratio of 40 per cent (35). Profit from property management totalled SEK 8m (-8). Unrealised changes in the value of properties amounted to SEK 109m (11).

In the Projects segment, unrealised changes in value of SEK 391m (231) were recognised. The change in value of the project portfolio was mainly due to development gains on major project properties.

The Housing segment generated gross earnings of SEK 9m (-). Profit from property management totalled SEK 3m (-). Further information about the breakdown by segment is provided in the segment report and segment notes on pages 10 and 23.

PROPERTIES

The property value recognised relates to Fabege's investment property portfolio, including project and land properties. At the end of the half-year, the total property value amounted to SEK 88.5bn (83.3).

DEVELOPMENT PROPERTIES

This refers to ongoing in-house projects and development properties for future construction within SHH. The value at the end of the quarter totalled SEK 845m (821), of which SEK 444m relating to ongoing construction and SEK 401m to development properties for future development.

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 748m (707). Changes in working capital had an impact on cash flow of SEK 457m (42). Investing activities had an impact of SEK -1,955 (-1,011) on cash flow, while cash flow from financing activities totalled SEK 804m (501). In investing activities, cash flow is driven by property transactions and projects. Overall, cash and cash equivalents increased by SEK 54m (239) during the period.

FINANCIAL POSITION AND NET ASSET VALUE

Shareholders' equity amounted to SEK 47,765m (45,174) at the end of the period and the equity/assets ratio was 51 per cent (51). The dividend decided on by the Annual General Meeting reduced the equity. Equity per share attributable to Parent Company shareholders totalled SEK 151 (141). EPRA NRV stood at SEK 183 per share (171).

GOODWILL

The goodwill of SEK 205m recognised is entirely attributable to the acquisition of SHH Bostad AB.

NEW LETTINGS IN SOLNA BUSINESS PARK

CGI, a global provider of IT and business process services, has signed lease agreements for two new offices, one in Solna Business Park, which has around 4,200 sqm of floorspace, and the other in the Glädjen area of Västra Kungsholmen, which has around 1,300 sqm of floorspace.

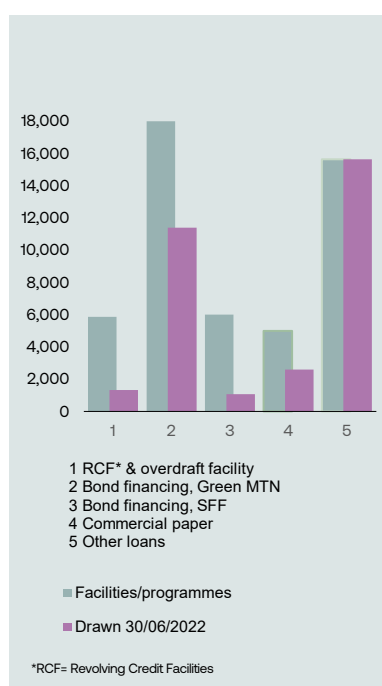
The agreements are for seven years and the tenant should take possession in March 2023 in Kungsholmen and in October 2023 in Solna Business Park.



Financing

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

BREAKDOWN OF SOURCES OF FINANCING



100%

Green financing
30 June 2022

Moody's Rating

BAA2

stable outlook

Confirmed by Moody's in May 2022

FINANCING

Fabege is striving to achieve a balance between different forms of financing on both the capital and banking markets, long-term relationships with major financial backers having high priority. Fabege's bank facilities are supplemented by an MTN programme, whose framework amount we increased from SEK 12bn to SEK 18bn in June, a SEK 5bn commercial paper programme, and the possibility of borrowing a maximum of SEK 6bn via SFF's secured MTN programme.

The financial turmoil has not affected the company's access to long-term capital, but has led to a shift from the bond market to banks, where we are now offered better terms. In July we will sign a new SEK 1.2bn ten-year bank facility. This increases our fixed-term maturity from 4.4 to 4.9 years.

Fabege's fixed-interest term at the end of the quarter was 3.1 years. The derivatives portfolio comprised interest rate swaps totalling SEK 18,750m, maturing in 2032 and bearing fixed annual interest of between -0.18 and 1.30 per cent.

The commercial paper market saw uneven demand in the second quarter. We also refinanced and issued new paper in the second quarter, however. At the end of the quarter, outstanding commercial paper and bonds totalled SEK 15bn.

Net financial items included other financial expenses of SEK 33m, 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 17m (8) 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. In 2020, the target of 100 per cent green financing was reached. In June 2021, the company took another step towards expanding its sustainable financing in the form of a loan linked to the EU's new taxonomy. 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.

FINANCING, 30/06/2022

	2022-06-30	2021-12-31
Interest-bearing liabilities, SEKm	32,046	30,399
of which outstanding MTN, SEKm	11,400	10,950
of which outstanding SFF, SEKm	1,074	1,524
of which outstanding commercial paper, SEKm	2,605	2,250
Undrawn facilities, SEKm	1,929	3,374
Fixed-term maturity, years	4.4	4.9
Fixed-rate period, years	3.1	3.7
Fixed-rate period, percentage of portfolio, %	71	76
Derivatives, market value, SEKm	1,473	-65
Average interest expenses, incl. committed credit facilities, %	1.79	1.71
Average interest expenses, excl. committed credit facilities, %	1.74	1.62
Unpledged assets, %	44.4	43.8
Loan-to-value ratio, %	35.9	36.5

SUPPLY OF CAPITAL



■ Eget kapital 51%
 ■ Interest-bearing liabilities 34%
 ■ Other liabilities 15%

BREAKDOWN OF COLLATERAL



■ Pledged assets 56% ■ Unpledged assets 44%

FINANCIAL TARGETS

Fabege's Board of Directors has decided on the following financial targets for the business:

- 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.

INTEREST MATURITY STRUCTURE, 30/06/2022

	Amount, SEKm	Average interest rate, %	Percentage, %
< 1 year	11,084	3.22	31
1-2 years	2,350	0.92	7
2-3 years	3,386	0.74	10
3-4 years	2,000	0.95	6
4-5 years	4,150	1.01	14
5-6 years	4,376	1.41	10
6-7 years	1,700	0.95	10
7-8 years	1,200	0.20	7
8-9 years	400	0.60	1
9-10 years	900	0.72	3
11 years	500	0.81	1
Total	32,046	1.74	100

The average interest rate for the <1 year period includes the margin for the variable portion of the debt portfolio, as the company's interest is fixed by means of interest rate swaps, which are traded without margins.

LOAN MATURITY STRUCTURE, 30/06/2022

	Credit agreements, SEKm	Drawn, SEKm
Commercial paper programme	2,605	2,605
< 1 year	2,334	2,183
1-2 years	11,462	7,080
2-3 years	4,386	4,386
3-4 years	3,105	3,105
4-5 years	4,250	4,250
5-10 years	4,743	4,743
10-15 years	2,492	2,492
15-20 years	1,202	1,202
Total	36,579	32,046

GREEN FINANCING, 30/06/2022

	Credit facilities	Outstanding loans and bonds
Green MTN bonds, SEKm	11,400	11,400
Green bonds via SFF, SEKm	1,074	1,074
Green commercial paper, SEKm	2,605	2,605
Green loans, other, SEKm	21,500	16,967
Total green financing, SEKm	36,579	32,046
Green financing, %	100	100
Total green available borrowing facility, SEKm	54,597	
of which unrestricted green available borrowing facility, SEKm	16,582	

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 real estate 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 the 2030 Agenda. 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. After SHH's loan from SBAB was classified as green, the share of green financing became 100 per cent again.

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.

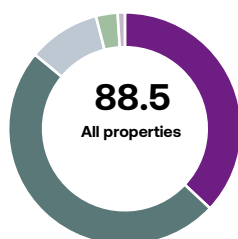
Operations

Jan-June 2022¹

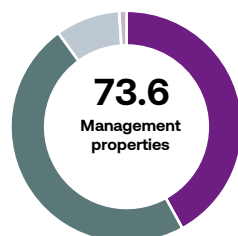
Activity in the rental market remained strong and net lettings totalled SEK 44m over the period. Renegotiations made a positive contribution of 11 per cent towards the rental value in renegotiated leases. Projects proceeded according to plan. Two new projects were launched during the first half of the year and two projects were completed.

BREAKDOWN OF MARKET VALUE, 30/06/2022, SEK BN

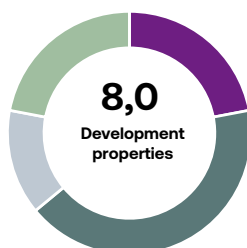
■ Innerstaden ■ Solna
■ Hammarby Sjöstad ■ Flemingsberg
■ Övriga marknader



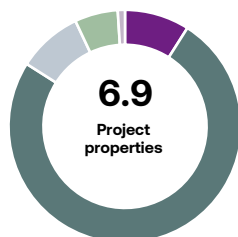
■ 37% ■ 49% ■ 10% ■ 3% ■ 1%



■ 42% ■ 48% ■ 9% ■ 0% ■ 1%



■ 22% ■ 42% ■ 14% ■ 22% ■ 0%



■ 9% ■ 75% ■ 9% ■ 6% ■ 1%

PROPERTY PORTFOLIO AND PROPERTY MANAGEMENT

Fabège's property management and urban and property development activities are concentrated on a few selected submarkets in and around Stockholm: Stockholm city centre, Solna, Hammarby Sjöstad and Flemingsberg. On 30 June 2022, Fabège owned 102 properties with a combined rental value of SEK 3.5bn, lettable floor space of 1.3m sqm and a carrying amount of SEK 88.5bn, of which development and project properties accounted for SEK 14.9bn.

OCCUPANCY RATE

The investment property portfolio's financial occupancy rate was 89 per cent at the end of the half-year (90 at year-end). 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 contracts pending demolition or redevelopment. These cover a surface area of 236 thousand sqm, of which 139 thousand sqm are being let for a current annual rent of SEK 212m. Project properties make up a lettable area of approximately 156 thousand sqm, with a future rental value of SEK 397m. The project portfolio's occupancy rate came to 27 per cent at the end of the half-year.

NET LETTINGS

During the period, 81 (69) new leases were signed with a combined rental value of SEK 137m (143), and 94 per cent (97) of the space was attributable to green leases. Lease terminations amounted to SEK -93m (-87). Net lettings amounted to SEK 44m (56). Leases totalling SEK 82m (139) were renegotiated, with an average rise in rental value of 11 per cent (12). Leases worth SEK 169m were also extended on unchanged terms. The retention rate during the year was 73 per cent (73).

CHANGES IN THE PROPERTY PORTFOLIO

Generatör 10, in Flemingsberg, was acquired during the first quarter. There was also a property reallocation whereby

Hagalund 2:10, in Haga Norra, was divided into 6 properties. The new properties are included in the upcoming subproject that is part of the further development of offices and housing in Haga Norra. The Kabelverket 2 property, in Älvsjö, was acquired during the second quarter. SHH also took possession of a residential property in Borås. A total of SEK 968m worth of properties were acquired during the period.

PROJECTS AND INVESTMENTS

The purpose of Fabège's project investments in the investment property portfolio is to reduce vacancy rates and increase rents in the property portfolio, thereby improving cash flows and values. Investments during the period totalled SEK 1,077m (989) of existing properties and projects, of which SEK 660m (762) related to investments in project and development properties. The capital invested in the investment property portfolio, which amounted to SEK 417m (227) and encompassed, for example, energy investments and tenant customisations, also contributed to the total growth in value.

COMPLETED PROJECTS

During the first quarter, the new construction of Poolen 1, in Arenastaden, was completed, and Tieto Evry moved into its premises on 31 March. The loan-to-value ratio at the end of the half-year was 94 per cent. The remaining occupancies will begin in autumn and March 2023. In June, Convendum's premises in Bocken 39, in Kungsgatan, were completed.

MAJOR ONGOING PROJECTS

Redevelopment work continued at Glädjen 2, in Stadshagen, with a total estimated investment of SEK 185m. The property has been certified to BREEAM in-use, excellent standard. The first tenant moved in in June 2021. A further five new leases were signed during the period. The project is progressing, with customisations for future tenants, who will move in in the third and fourth quarters of 2022, and the first quarter of 2023. The occupancy rate is 69 per cent.

In February, the groundbreaking ceremony was held for the construction of new

¹ The comparison figures for income and expense items relate to values for the January-June 2021 period and for balance sheet items at 31 December 2021.

TOTAL INVESTMENTS, JAN-JUNE 2022

Total investments, SEKm	
Investments in investment properties	417
Investments in development properties	80
Investments in project properties	580
Total investments	1,077

PROPERTY ACQUISITIONS, JAN-JUNE 2022

Property	Area	Category	Lettable area, sqm
Q1			
Generatörn 10	Flemingsberg	Mark	0
Q2			
Kabelverket 3	Älvsjö	Kontor	22,123
Solrosen 3	Borås	Bostad	800
Total			22,923

premises for the Royal Swedish Opera and Royal Dramatic Theatre at Regulatorn 4 in Flemingsberg. Procurement is largely complete and construction is on schedule. The investment is expected to amount to SEK 445m and the property will be completed for occupancy in June 2024. The property has been certified to BREEAM-SE, very good standard.

The project to construct the first office building on the Ackordet 1 property (which was formerly part of Hagalund 2:10), in Haga Norra, has begun. Construction is moving ahead with the assembly of the framework. The investment is estimated to be just short of SEK 1.4bn and covers a GFA of just over 42,000 sqm. No leases have been signed as yet. The property has been certified to BREEAM-SE, excellent standard.

The project for the construction of a car park at Semaforen 1, in Arenastaden (which was formerly part of Järva 3:17) has begun. The foundation work is under way and framework assembly should start in October. The investment is estimated at SEK 300m. The project is expected to make a loss of around SEK -80m, but it will resolve a parking deficit and therefore generate cost savings for other adjacent projects.

In Flemingsberg, planning and design is under way for the construction of offices and laboratories for Alfa Laval. Fabege has entered into a land allocation agreement with Huddinge Municipality for the current site and the local development plan came into force in June. The project has been expanded to cover a lettable area of more than 24,000 sqm, of which Alfa Laval is leasing more than 90 per cent. The investment is estimated at SEK 823m, excluding land acquisition, and the building will be ready for occupancy in the second quarter of 2025.

Planning is also under way for the redevelopment of Nöten 4, in Solna Strand. The property will be customised for a number of tenants, with an investment estimated at SEK 770m.

PROJECT COSTS

Global unrest due to the pandemic and the war and rising inflation are affecting the cost of building materials and transport, for example, which, together with the risk of delayed deliveries, may affect our cost structure and project calculations. This is especially true for the projects currently being launched, such as the projects in Flemingsberg, Nöten and Påsen.

FORTHCOMING PROJECT STARTS

Additional project starts decided on include the redevelopment of the Påsen 1 property in Hammarby Sjöstad and tenant customisations for Convendum in Hägern 7, on Drottninggatan. These projects will start in the autumn.

SHH BOSTAD

SHH's project portfolio includes 26 projects, of which 8 are under construction, with an estimated investment volume of around SEK 1bn. During the first quarter, construction started on a project in Botkyrka, the BRF (tenant-owner association) project Översten. The selling rate for the BRF projects under construction is 100%. During the second quarter, the BRF project Kaptenen in Botkyrka was completed and wrapped up. A BRF project in Karlskrona was also acquired in the first quarter of 2022, together with Balder. During the second quarter, the BRF project Fyrklövern in Upplands-Väsby was launched, with a selling rate of more than 80 per cent.

HOUSING DEVELOPMENT IN JOINT VENTURES

The housing project being conducted in cooperation with Brabo in Haga Norra is proceeding according to plan. The project includes 418 apartments that are being constructed in a 3D reallocation above the facility that Fabege built for Bilia. The estimated investment totals approximately SEK 1.1bn. The project is being financed by an owner's loan. A total of 406 apartments have been sold, for 335 of which tenancy contracts have been signed, and non-binding booking agreements for 71 of them. Tenant-owners have moved in to 211 apartments. As the project is completed, the booking agreements will be converted into tenancy contracts. Work is continuing on fixtures and fittings and interior decoration. The project is expected to be completed in February 2023.

The housing project in the Lagern 3 property, in Råsunda, which is being managed alongside the TB group in a 50:50 joint venture, has been completed, and all of the apartments are occupied. The capital gain of SEK 74m from the sale of the property to the joint venture company was recognised as a realised change in value in the first quarter of 2022. The final income from the project will be recognised in the third quarter.

The current joint venture projects have been recognised using the equity method. Income recognition will take place on the completion of the projects.

ONGOING PROJECTS > SEK 50M, 30/06/2022

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
Glädjen 12	Offices	Marieberg	Q1-2023	11,000	69%	43	637	185	96
Nöten 4	Offices	Solna Strand	Q1-2024	53,400	0%	130	1,790	770	53
Regulatorn 4	Offices	Flemingsberg	Q2-2024	11,900	100%	24	111	445	55
Ackordet 1	Offices	Haga Norra	Q2-2024	27,000	0%	94	585	1,356	277
Visättra 1:1	Kontor	Flemingsberg	Q2-2025	23,400	95%	56	128	823	33
Semaforen 1	Offices	Arenastaden	Q4-2023	18,000	0%	14	0	300	71
Påsen 10	Kontor	Hammarby Sjt	Q4-2024	11,000	0%	36	452	313	8
Total				155,700	27%	397	3,703	4,192	593
Other land and project properties							3,152		
Other development properties							8,003		
Total project, land and development properties							14,858		

¹Operational occupancy rate at 30 June 2022.²Rental value including additions. The annual rent for the largest projects in progress could increase to SEK 397m (fully let) from SEK 13m in annualised current rent at 30 June 2022.

DEVELOPMENT RIGHTS, 30/06/2022

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	32,900	2	7,700	Inner city	1,300	0	0
Solna	353,300	16	7,000	Solna	283,100	48	10,000
Hammarby Sjöstad	75,900	40	7,900	Hammarby Sjöstad	4,300	100	5,800
Flemingsberg	269,600	6	5,500	Flemingsberg	272,000	0	5,600
SHH Bostad	7,100	0	14,400	SHH Bostad	118,600	75	4,400
Other	20,000	100	1,500	Other	-	-	-
Total	758,800	16	6,500	Total	679,300	34	7,200

The gross floor areas and carrying amounts relate to the additional GFA covered by development rights. 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.

PROPERTY PORTFOLIO, 30/06/2022

Property holdings	No. of properties	Lettable area, '000 sqm	Market value SEKm	Rental value ²	Financial occupancy rate %
Management properties ¹	61	976	73,622	3,195	89
Development properties ¹	18	237	8,003	247	-
Land and project properties ¹	23	81	6,855	25	-
Total	102	1,294	88,480	3,467	
Of which, Inner city	27	322	33,033	1,262	90
Of which, Solna	53	738	43,716	1,686	89
Of which, Hammarby Sjöstad	11	136	8,369	384	88
Of which, Flemingsberg	7	70	2,187	68	-
Of which, Other	4	28	1,175	67	0
Total	102	1,294	88,480	3,467	89

¹See definitions. ²In the rental value, time limited deductions of about SEK 158m (in rolling annual rental value at 30 Jun 2022) have not been deducted.

CONDENSED SEGMENT RAPPORTING

	2022 Jan-Jun	2022 Jan-Jun	2022 Jan-Jun	2022 Jan-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Jun	2021 Jan-Jun	2021 Jan-Jun	2,021 Jan-Jun
SEKm										
Rental income	1,349	96	30	5	1,480	1,330	55	37	-	1,422
Contract sales, residential	-	-	-	28	28	-	-	-	-	-
Total net sales	1,349	96	30	33	1,508	1,330	55	37	-	1,422
Property expenses	-324	-58	-16	-1	-399	-313	-36	-26	-	-375
Contract costs, residential development	-	-	-	-23	-23	-	-	-	-	-
Gross profit	1,025	38	14	9	1,086	1,017	19	11	-	1,047
Of which net operating income property management	1,025	38	14	4	1,081	1,017	19	11	-	1,047
Sur plus ratio, property management	76%	40%	47%	80%	73%	76%	35%	30%	-	74%
Of which gross profit residential development	-	-	-	5	5	-	-	-	-	-
Central administration	-46	-5	-4	-	-55	-52	-6	-4	-	-62
Net interest income/expense	-221	-25	-12	-6	-264	-206	-21	-13	-	-240
Ground rent	-19	-	-1	-	-20	-18	-	-	-	-18
Share in profits of associated companies	-17	-	-1	0	-18	-11	0	-1	-	-12
Profit from property management	722	8	-3	3	729	730	-8	-7	-	715
Realised changes in value properties	0	-	74	-	74	0	0	56	-	56
Unrealised changes in value properties	2,679	109	391	0	3,179	1,297	11	231	-	1,539
Profit before tax per segment	3,401	117	462	3	3,982	2,027	3	280	-	2,310
Changes in value interest rate derivatives & shares					1,537					268
Profit before tax					5,519					2,578
Market value properties	73,327	8,003	6,855	295	88,480	66,594	7,896	4,352	-	78,842
Project & development properties	-	-	-	845	845	-	-	-	-	-
Occupancy rate, %	89					91				

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.
- Halving of the climate impact of project development.

39 kWh/sqm

Average energy consumption during the first half of the year

GRESB 2021

In 2021, Fabege once again achieved 93 points in GRESB's sustainability survey.



Goals & strategy

URBAN DEVELOPMENT

The design of the physical environment has a major impact on how we live our lives and on our well-being. Social sustainability is not a new urban planning phenomenon but is something that is constantly evolving. In Flemingsbergdalen, work is therefore continuing on the Vinnova social sustainability in the physical environment project. During the quarter, for instance, we made leisure activities for children and young people possible through Samverkan Huddinge and BID-Flemingsberg. This was achieved through the HANG initiative, in collaboration with Huddinge basketball, the Municipal Culture and Leisure Department and the National Sports Federation. Flemingsberg residents will now be able to make fuller use of the Flemingsbergshallen. This summer, HANG is also organising 52 days of activities.

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. By 2030, Fabege will have reduced its carbon footprint from construction projects, so that its life-cycle analysis will show a halving of its CO₂e/GFA compared with 2019. Achieving this target will require us to use innovative approaches in our project development, involving reuse, the choice of materials, new technology and the imposing of stringent requirements during procurement processes. During the quarter, the Hållbarhetshuset (Sustainability Building), a new development in Haga Norra, was opened. Around 70 per cent of the building is made from materials from the demolition of the previous Bilia property.

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 energy efficiency targets are divided into phases. In 2019, we already exceeded the Swedish Energy Agreement's target of 50 per cent more efficient energy use by 2030 compared with 2005. In 2021, Fabege's average energy use was 77 kWh/sqm (cumulative twelve-month result). The target is average energy use of 77 kWh/sqm by 2023. The portfolio is divided into two parts: newer properties that received planning permission after 2012 and have a target of 50 kWh/sqm, and older properties that have a target of 85 kWh/sqm.

ENVIRONMENTAL CERTIFICATION OF PROPERTIES

Fabege's objective is for the company's entire property portfolio to be certified to BREEAM-SE/BREEAM In-Use standard. All project properties and investment properties have been certified since 2019. Fabege's new builds are certified according to BREEAM-SE, ambition level Excellent, and our investment properties according to BREEAM In-Use, ambition level Very Good. 63 of Fabege's 102 properties were certified at the end of the period. Overall, this represents 83 per cent of the total combined area of Fabege's existing portfolio. The properties for which certification has not yet begun are land and development properties for future project development.

GREEN FRAMEWORK UPDATED IN JUNE 2022

The framework has been designed to give Fabège 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 Fabège's ambition to contribute to the goals of the 2030 Agenda. CICERO has issued a second opinion with ratings of 'medium green' for the green terms and conditions and 'excellent' for governance. Find out more at www.fabège.se/en.

THE EU TAXONOMY

Fabège is subject to the EU's Non-Financial Reporting Directive. In accordance with the mandatory reporting for the 2021 financial year, Fabège is reporting the extent to which the Group's activities are covered by the EU taxonomy. This information is published as part of the 2021 Annual Report and Sustainability Report, on page 61, and in note 5 on page 24 of this Interim Report.

According to Fabège's preliminary assessment, approximately 70 per cent of its revenue is aligned with EU taxonomy requirements.

CERTIFIED PROPERTIES, 30/06/2022

System	Quantity	Sqm, GLA	Target
BREEAM In-Use	48	714,331	67%
BREEAM-SE	12	318,793	30%
BREEAM Bespoke	1	7,364	1%
Miljöbyggnad	2	28,035	3%
Total certified properties	63	1,068,523	100%

SUSTAINABILITY PERFORMANCE MEASURES

	Q2-2022	2021	2020	Target
Energy performance, kWh/sqm Atemp	39	77	74	Max. 77 kWh/sqm Atemp
Proportion of renewable energy, %	96	95	96	100
Environmental certification, number of properties	63	59	59	
Environmental certification, % of total area	83	81	82	100
Green leases, % of newly signed space	94	96	96	100
Green leases, % of total space	88	80	73	100
Green financing, %	100	99	100	100
Satisfied employees, confidence rating, %	n/a	86	79	2021 minst 85%
GRESB, points	n/a	93	93	>90

During the quarter, work continued on driving sustainable improvements in construction, management and operations, in connection with the certifications. All housing new builds are certified according to the Nordic Ecolabel.

SOCIAL SUSTAINABILITY INITIATIVES

Fabège collaborates with 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 education, leisure time, health and work.

Examples of initiatives:

- BID (business improvement district) started in Flemingsberg
- Homework club in Flemingsberg
- Changers Hub in Huddinge
- 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.

ABOUT THE SUSTAINABILITY REPORT

The following is a quarterly follow-up of Fabège's work on sustainability issues. The starting point is Fabège's annual Sustainability Report. The quarterly report has not been prepared in accordance with the GRI guidelines and therefore does not address certain issues. An overall picture of the company's sustainability work is published once a year in the Sustainability Report; more information is available 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	690	50.9%	36.1%
0	0	50.6%	36.2%
-1	-690	50.4%	36.4%

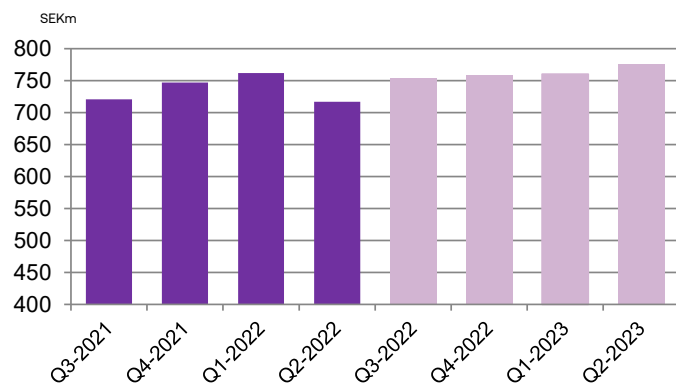
Earnings and key performance indicators are affected by realised and unrealised changes in the value of properties. The table shows the effect of a 1 percentage point change in value after the deduction of deferred tax.

SENSITIVITY ANALYSIS – CASH FLOW AND EARNINGS

	Change	Effect, SEKm
Rental income, total	1%	28.7
Rent level, commercial income	1%	28.2
Financial occupancy rate	1 percentage point	32.0
Property expenses	1%	-7.3
Interest expenses, LTM ¹	+/-1 percentage point	88 / 86
Interest expenses, longer term perspective	1 percentage point	320.5

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 graph is therefore not a forecast, but instead aims to show the rental trend for the existing contract portfolio on the balance sheet date.

HUMAN RESOURCES

At the end of the period, 228 people (191) were employed by the Group.

PARENT COMPANY

Revenue during the period amounted to SEK 181m (177) and earnings before appropriations and tax totalled SEK 1,389m (149). Net investments in property, equipment and shares came to SEK 0m (2).

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

In July we will sign a new SEK 1.2bn ten-year bank facility. This increases our fixed-term maturity from 4.4 to 4.9 years.

LEASE MATURITY STRUCTURE

Maturity, year	No. of leases	Annual rent, SEKm	Percentage, %
2022	383	256	9%
2023	438	429	14%
2024	236	297	10%
2025	132	391	13%
2026	99	399	13%
2027+	73	1,059	36%
Commercial	1,361	2,830	95%
Housing leases	170	18	1%
Indoor and outdoor parking	727	131	4%
Total	2,258	2,979	100%

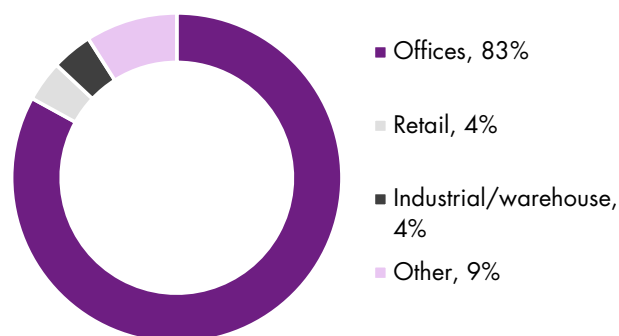
¹Of which just over SEK 151m has already been renegotiated for 2022.

BIGGEST CUSTOMERS

	Share, %	Year of expiry
SEB	6%	2037
ICA Fastigheter Sverige AB	4%	2030
Telia Company	4%	2031
TietoEvyry	3%	2029
Swedbank	2%	2029
Carnegie Investment Bank AB	2%	2027
Migrationsverket	2%	2028
Bilia AB	2%	2041
Svea Ekonomi AB	2%	2027
Statens Skolverk	1%	2024
Total	28%	

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 2021 Annual Report (pages 74–83).

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 2021 Annual Report. Financial risk, defined as the risk of insufficient access to long-term funding through loans, and Fabege's management of this risk, are also described in the Risks and opportunities section of the 2021 Annual Report (pages 74–83).

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 max. The debt ratio will amount to a maximum of 13x.

Since the start of the pandemic, we have commented in particular on the risks and impact of the pandemic. As we no longer believe there are specific risks associated with the pandemic, this section has been deleted.

Russia's invasion of Ukraine, rising inflation and rising market interest rates have created global turmoil, which has had a negative impact on the financial markets, resulting in higher lending margins and reduced access to the capital markets. Inflation also affects the cost of construction materials and transport, for example, which, together with the risk of delayed deliveries, may affect future projects particularly. No material changes in the company's assessment of risks have arisen, aside from the above, since the publication of the 2021 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 feel that Stockholm's rental market is stable, with healthy demand for office premises in all our locations. New lettings and renegotiations are being completed at good levels. Recent deal closures in the transaction market also confirm continued high levels.

Faberge has a strong financial position. We have created new investment opportunities in our locations through the acquisitions that were completed during the period. With the acquisition of SHH in the autumn we took a step towards more comprehensive urban development that extends to housing 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 prepared to take on the challenges and opportunities open to us on the market over the coming year.

ACCOUNTING POLICIES

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

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

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

New or revised IFRS standards or other IFRIC interpretations that came into effect after 1 January 2022 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, 8 July 2022

Stefan Dahlbo
CEO

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, 8 July 2022

Jan Litborn
Chairman of the Board

Anette Asklin
Board Member

Mattias Johansson
Board Member

Stina Lindh Hök
Board Member

Märtha Josefsson
Board Member

Lennart Mauritzson
Board Member

Anne Årneby
Board Member

Share information

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

OWNERS*

Fabege had a total of 43,529 known shareholders at 31 May 2022, including 61.8 per cent Swedish ownership. The 15 largest shareholders control 48.2 per cent of the total number of shares and votes.

DIVIDEND POLICY

Fabege aims to pay a dividend to its shareholders comprising the part of the company's profit that is not required for the consolidation or development of the business. Under current market conditions, this means that the dividend is expected to account, on a lasting basis, for 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 TRANSFERRING OF TREASURY SHARES*

The 2022 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. Just under 4 million shares were repurchased over the period. The company held 13,430,877 treasury shares on 31 May. The repurchases were made at an average price of SEK 124.95 per share. The holding represents 4.06 per cent of the total number of registered shares.

LARGEST SHAREHOLDERS, 31/05/2022*

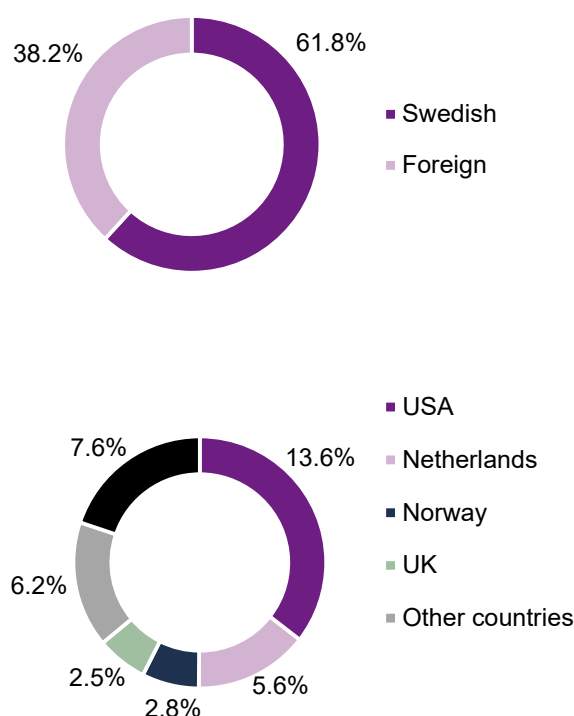
	Number of shares*	Proportion of capital, %	Proportion of votes, %
Erik Paulsson & company	52,108,718	16.4	16.4
BlackRock	15,745,399	5.0	5.0
Länsförsäkringar Funds	11,773,678	3.7	3.7
Vanguard	10,250,316	3.2	3.2
Handelsbanken Funds	10,025,012	3.2	3.2
APG Asset Management	6,765,739	2.1	2.1
E.N.A City Aktiefond	6,530,000	2.1	2.1
The Fourth Swedish National Pension Fund	6,384,163	2.0	2.0
Mats Qviber with wife	6,300,364	2.0	2.0
Norges Bank	5,880,336	1.9	1.9
Folksam	5,363,017	1.7	1.7
AFA Insurance	4,329,698	1.4	1.4
BNP Paribas Asset Management	4,265,111	1.3	1.3
Nodea Funds	3,751,201	1.2	1.2
AMF Pension & Funds	3,307,852	1.0	1.0
Total 15 largest shareholders	152,780,604	48.2	48.2
Total no. of shares outstanding	317,688,267	96.0	96.0
Treasury shares	13,094,877	4.0	4.0
Total no. of registered shares	330,783,144	100	100

REVENUE AND TRADING, JAN-MAY 2022

	Fabege
Lowest price, SEK	108.8
Highest price, SEK	154.7
VWAP, SEK	133.9
Average daily turnover, SEK	76,959,529
Number of traded shares	59,214,442
Average number of transactions	2,182
Number of transactions	224,734
Average value per transaction, SEK	35,272
Daily turnover relative to market capitalisation	0.17

OWNERSHIP STRUCTURE, 31/05/2022*

	Number of shares	Capital & votes, %
Foreign institutional owners	100,271,053	30.3
Swedish institutional owners	73,151,266	22.1
Other owners	67,809,605	20.5
Swedish private individuals	51,415,922	15.5
Anonymous ownership	25,040,421	7.6
Treasury shares	13,094,877	4.0
Total	330,783,144	100



*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 30/06/2022 was not available at the time of publication.

Financial data

Group

Condensed statement of comprehensive income

SEKm	2022 Apr-Jun	2021 Apr-Jun	2022 jan-jun	2021 jan-jun	2021 Jan-Dec	Rolling 12 m Jul-Jun
Rental income ¹	717	715	1,480	1,422	2,889	2,947
Sales residential projects	22	0	28	0	62	90
Net Sales	739	715	1,508	1,422	2,951	3,037
Property expenses	-190	-174	-399	-375	-704	-728
Residential projects expenses	-10	0	-23	0	-71	-94
Gross profit	539	541	1,086	1,047	2,176	2,215
<i>of wich gross profit property managment</i>	<i>527</i>	<i>541</i>	<i>1,081</i>	<i>1,047</i>	<i>2,185</i>	<i>2,219</i>
Surplus ratio, %	74%	76%	73%	74%	76%	75%
<i>of wich gross profit property projects</i>	<i>12</i>	<i>0</i>	<i>5</i>	<i>0</i>	<i>-9</i>	<i>-4</i>
Central administration	-30	-30	-55	-62	-110	-103
Net interest expense	-137	-122	-264	-240	-495	-519
Ground rent	-10	-9	-20	-18	-36	-38
Share in profit of associated companies	-15	-11	-18	-12	2	-4
Profit/loss from property management	347	369	729	715	1,537	1,551
Realised changes in value of properties	0	56	74	56	56	74
Unrealised changes in value of properties	1,020	1,025	3,179	1,539	4,585	6,225
Unrealised changes in value, fixed-income derivatives	657	34	1,538	268	532	1,802
Changes in value of shares	-1	0	-1	0	2	1
Profit/loss before tax	2,023	1,484	5,519	2,578	6,712	9,653
Current tax	0	0	0	0	0	0
Deferred tax	-428	-301	-1,142	-532	-1,312	-1,922
Profit/loss for period/year	1,595	1,183	4,377	2,046	5,400	7,731
<i>Items that will not be restated in profit or loss</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Revaluation of defined-benefit pensions	14	0	14	0	6	6
Comprehensive income for the period/year	1,609	1,183	4,391	2,046	5,406	7,737
Of which attributable to non-controlling interests	0	0	0	0	0	0
Total comprehensive income attributable to Parent Company shareholders	1,609	1,183	4,391	2,046	5,406	7,737
Earnings per share, SEK	5.01	3.67	13.71	6.32	16.73	24.12
No. of shares outstanding at period end, thousands	317,352	321,998	317,352	321,998	321,332	317,352
Average no. of shares, thousands	318,175	322,602	319,170	323,654	322,743	320,501

¹On-charging, service and other income amounts to SEK xxm (SEK 60m) for the period January–June 2022.

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

Condensed statement of financial position

SEKm	2022 Jun 30	2021 Jun 30	2021 31 Dec
Assets			
Goodwill	205	-	205
Properties	88,480	78,842	83,257
Right-of-use asset	1,091	897	1,092
Other property, plant and equipment	19	21	22
Derivatives	1,473	57	121
Non-current financial assets	757	1,529	832
Development properties	845	-	821
Current assets	1,157	535	1,411
Short-term investments	95	95	96
Cash and cash equivalents	185	259	131
Total assets	94,307	82,235	87,988
Equity and liabilities			
Shareholders' equity	47,765	41,911	45,174
Deferred tax	10,748	8,821	9,603
Other provisions	179	182	197
Interest-bearing liabilities ¹	32,046	28,268	30,399
Lease liability	1,091	897	1,093
Derivatives	0	386	186
Non-interest-bearing liabilities	2,478	1,770	1,336
Total equity and liabilities	94,307	82,235	87,988

¹Of which current, SEK 2,200m (2,798).

Group

Condensed statement of changes in equity

SEKm	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total shareholders' equity
Shareholders' equity, 1 January 2021, according to adopted Statement of financial	5,097	3,017	33,428	41,542	0	41,542
Profit/loss for the period			5,400	5,400	0	5,400
Other comprehensive income			6	6		6
Total income and expenses for the period			5,406	5,406	0	5,406
TRANSACTIONS WITH SHAREHOLDERS						
Share buybacks			-613	-613		-613
Cash dividend			-1,161	-1,161		-1,161
Total transactions with shareholders			-1,774	-1,774	0	-1,774
Shareholders' equity, 31 December 2021, according to adopted Statement of financial position	5,097	3,017	37,060	45,174	0	45,174
Profit/loss for the period			4,377	4,377		4,377
Other comprehensive income			14	14		14
Total income and expenses for the period			4,391	4,391	0	4,391
TRANSACTIONS WITH SHAREHOLDERS						
Share buybacks			-524	-524		-524
Approved but unpaid dividend			-957	-957		-957
Cash dividend			-319	-319		-319
Total transactions with shareholders			-1,800	-1,800	0	-1,800
Shareholders' equity, 30 Jun 2022	5,097	3,017	39,651	47,765	0	47,765

Statement of cash flows

SEKm	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Operations			
Net operating income	1,086	1,047	2,176
Central administration	-55	-62	-110
Reversal of depreciation	4	3	7
Interest received	8	9	20
Interest paid	-295	-290	-535
Income tax paid	0	0	0
Cash flow before changes in working capital	748	707	1,558
Change in working capital			
	-24	-	-94
Change in current receivables	210	-185	-59
Change in current liabilities	271	227	112
Total change in working capital	457	42	-41
Cash flow from operating activities	1,205	749	1,517
Investing activities			
Business acquisition, net cash outflow	26	-	-734
Investments in new-builds, extensions and conversions	-1,087	-980	-1,890
Acquisition of properties	-968	-270	-735
Divestment of properties	0	309	309
Other non-current financial assets	74	-70	72
Cash flow from investing activities	-1,955	-1,011	-2,978
Financing activities			
Dividend to shareholders	-319	-582	-1,161
Treasury share buybacks	-524	-516	-613
Borrowings	13,494	6,487	14,958
Repayment of debt	-11,847	-4,888	-11,612
Cash flow from financing activities	804	501	1,572
Cash flow for the period	54	239	111
Cash and cash equivalents at beginning of period	131	20	20
Cash and cash equivalents at end of period	185	259	131

Group

Key performance indicators

	2022	2021	2021
	Jan-Jun	Jan-Jun	Jan-Dec
Financial¹			
Return on equity, %	18.8	9.8	12.5
Interest coverage ratio, multiple	3.8	4.0	4.1
Equity/assets ratio, %	51	51	51
Loan-to-value ratio, properties, %	36	36	36
Debt ratio, multiple	15.1	14.1	14.7
Debt/equity ratio, multiple	0.7	0.7	0.7
Share-based¹			
Earnings per share, SEK ²	13.71	6.32	16.73
Equity per share, SEK	151	130	141
Cash flow from operating activities per share, SEK	3.78	2.31	4.70
Average no. of shares, thousands	319,170	323,654	322,743
No. of shares outstanding at end of period, thousands	317,352	321,998	321,332
Property-related			
No. of properties	102	89	94
Carrying amount, properties, SEKm	88,480	78,842	83,257
Lettable area, sqm	1,294,000	1,238,000	1,247,000
Projekt & development properties, SEKm	845	-	821
Financial occupancy rate, %	89	91	90
Total return on properties, %	5.1	3.4	8.7
Surplus ratio, %	73	74	76

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

²Definition according to IFRS.

EPRA key performance indicators

	2022	2021	2021
	Jan-Jun	Jan-Jun	Jan-Dec
EPRA Earnings (income from property mgmt after tax), SEKm	647	629	1,356
EPRA Earnings (EPS), SEK/share	2.03	1.94	4.20
EPRA NRV (long-term net asset value), SEKm	57,997	51,641	54,842
EPRA NRV, SEK/share	183	160	171
EPRA NTA (long-term net asset value), SEKm	54,224	49,077	51,832
EPRA NTA, SEK/share	171	152	161
EPRA NDV (net asset value), SEKm	48,517	42,491	44,969
EPRA NDV, SEK/share	153	132	140
EPRA Vacancy rate, %	11	9	10

Deferred tax

	2022	2021	2021
	Jun 30	Jun 30	31 Dec
Deferred tax attributable to:			
- tax loss carryforwards, SEKm	-362	-514	-532
- difference between carrying amount and tax value of properties, SEKm	10,829	9,411	10,174
- derivatives, SEKm	303	-68	-13
- other, SEKm	-22	-8	-26
Net debt, deferred tax, SEKm	10,748	8,821	9,603

Quarterly Group overview

Condensed income statement

	2022			2021			2020	
SEKm	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Rental income	717	762	746	721	715	707	703	696
Sales property projects	22	7	62	-	-	-	-	-
Net sales	739	769	808	721	715	707	703	696
Property expenses	-190	-208	-177	-152	-174	-201	-175	-158
Costs property projects	-10	-14	-71	-	-	-	-	-
Gross profit	539	547	560	569	541	506	528	538
of which gross profit property management	527	554	569	569	541	506	528	538
Surplus ratio	74%	73%	76%	79%	76%	72%	75%	77%
of which gross profit property projects	12	-7	-9	-	-	-	-	-
Central administration	-30	-25	-25	-24	-30	-32	-24	-21
Net interest expense	-137	-127	-130	-124	-122	-118	-116	-119
Ground rent	-10	-11	-9	-9	-9	-9	-8	-8
Share in profit of associated companies	-15	-3	22	-9	-11	-1	-10	-14
Profit/loss from property management	347	381	418	404	369	346	370	-376
Realised changes in value of properties	0	74	0	0	56	0	24	0
Unrealised changes in value of properties	1020	2,159	2,165	881	1,025	514	799	391
Unrealised changes in value, fixed-income derivatives	657	881	140	124	34	234	87	-24
Changes in value, equities	-1	0	0	1	0	0	-1	0
Profit/loss before tax	2023	3,495	2,723	1,411	1,484	1,094	1,279	743
Current tax	0	0	0	0	0	0	-1	0
Deferred tax	-428	-173	-465	-315	-301	-231	-244	-169
Profit/loss for the period	1595	2,782	2,258	1,096	1,183	863	1,034	574

Condensed financial position

	2022			2021			2020		
SEKm	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	
Assets									
Goodwill	205	205	205	-	-	-	-	-	
Properties	88,480	85,996	83,257	80,369	78,842	77,210	76,648	75,399	
Right-of-use asset, leasehold	1,091	1,092	1,092	897	897	897	897	942	
Other property, plant and equipment	19	20	22	21	21	14	15	15	
Derivatives	1,473	817	121	94	57	60	20	11	
Non-current financial assets	757	756	832	1,595	1,529	1,536	1,108	1,011	
Development properties	845	875	821	-	-	-	-	-	
Current assets	1,157	1,384	1,411	449	535	528	350	396	
Short-term investments	95	95	96	96	95	95	108	108	
Cash and cash equivalents	185	197	131	85	259	287	20	727	
Total assets	94,307	91,437	87,988	83,605	82,235	80,627	79,166	78,609	
Equity and liabilities									
Shareholders' equity	47,765	46,351	45,174	43,007	41,911	40,882	41,542	40,844	
Deferred tax	10,748	10,317	9,603	9,135	8,821	8,519	8,288	8,045	
Other provisions	179	197	197	181	182	182	183	179	
Interest-bearing liabilities	32,046	30,669	30,399	28,393	28,268	27,321	26,669	26,205	
Lease liability	1,091	1,092	1,093	897	897	897	897	942	
Derivatives	0	1	186	299	386	422	617	695	
Non-interest-bearing liabilities	2,478	2,810	1,336	1,693	1,770	2,404	970	1,699	
Total equity and liabilities	94,307	91,437	87,988	83,605	82,235	80,627	79,166	78,609	

Key performance indicators

	2022			2021			2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Financial¹								
Return on equity, %	13.6	24.3	12.5	10.3	11.4	8.4	10	5.7
Interest coverage ratio, multiple²	3.6	4.1	4.1	4.3	4.1	3.9	4.3	4.3
Equity/assets ratio, %	51	51	51	51	51	51	52	52
Loan-to-value ratio, properties, %	36	35	36	35	36	35	35	35
Debt ratio, multiple	15.1	14.4	14.7	14	14.1	13.7	13.2	12.9
Debt/equity raio, multiple	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6
Share-based¹								
Earnings per share for the period, SEK²	5:01	8:69	7:02	3:40	3:67	2:64	7:65	1:75
Equity per share, SEK	151	145	141	134	130	126	127	124
Cash flow from operating activities per share, SEK	1:90	1:88	1:03	1:36	1:01	1:30	0:61	1:40
No. of shares outstanding at the end of the period, thousands	317,352	318,998	321,332	321,998	321,998	323,206	326,206	328,206
Average no. of shares, thousands	318,175	320,165	321,665	321,998	322,602	327,110	328,317	329,211
Property-related								
Financial occupancy rate, %	89	89	90	91	91	91	91	91
Total return on properties, %	5.1	3.3	8.7	1.9	2.1	1.3	1.8	1.3
Surplus ratio, %	73	73	76	79	76	72	77	77

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.

	2022	2021	2021
	Jun 30	Jun 30	31 Dec
Equity/assets ratio			
Shareholders' equity, SEKm	47,765	41,911	45,174
Total assets, SEKm	94,307	82,235	87,988
Equity/assets ratio	51%	51%	51%
	2022	2021	2021
	Jun 30	Jun 30	31 Dec
Loan-to-value ratio, properties			
Interest-bearing liabilities, SEKm	32,046	28,268	30,399
Carrying amount, properties, SEKm	88,480	78,842	83,257
	845	-	821
Loan-to-value ratio, properties	36%	36%	36%
	2022	2021	2021
	Jun 30	Jun 30	31 Dec
Debt ratio			
Net operating income, SEKm	2,219	2,133	2,185
Central administration, SEKm	-103	-107	-110
Total, SEKm	2,116	2,006	2,075
Interest-bearing liabilities, SEKm	32,046	28,268	30,399
Debt ratio, multiple	15.1	14.1	14.7
	2022	2021	2021
	Jun 30	Jun 30	31 Dec
Interest coverage ratio, multiple			
Net operating income, SEKm	1,081	1,047	2,185
Ground rent, SEKm	-20	-18	-36
Central administration, SEKm	-55	-62	-110
Total, SEKm	1,006	967	2,039
Net interest expense, SEKm	-264	-240	-495
Interest coverage ratio, multiple	3.8	4.0	4.1
	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun
Return on equity			
Profit/loss for the period, SEKm	1,595	1,183	4,377
Average equity, SEKm	47,058	41,397	46,469
Return on equity	13.6%	11.4%	18.8%
	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun
Total return on properties			
Net operating income, SEKm	539	541	1,081
Unrealised and realised changes in the value of properties, SEKm	1,020	1,081	3,253
Market value including investments for the period, SEKm	87,460	77,303	85,227
Total return on properties	1.8	2.1	5.1
	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun
Debt/equity ratio			
Interest-bearing liabilities, SEKm	32,046	28,268	32,046
Shareholders' equity, SEKm	47,765	41,911	47,765
Debt/equity ratio	0.7	0.7	0.7
	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun
Equity per share			
Shareholders' equity, SEKm	47,765	41,911	47,765
No. of shares outstanding at end of period, million	317	322	317
Equity per share	151	130	151
	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun
Cash flow per share			
Cash flow from operating activities, SEKm	603	325	1205
Average number of shares, million	318	323	319
Cash flow per share	1.9	1.0	3.8

Group

Reconciliation of EPRA key performance indicators

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

	2022			2021			2021		
	Jan-Jun			Jan-Jun			Jan-Dec		
EPRA NRV, EPRA NTA & EPRA NDV	NRV	NTA	NDV	NRV	NTA	NDV	NRV	NTA	NDV
Shareholders' equity, SEKm	47,765	47,765	47,765	41,911	41,911	41,911	45,174	45,174	45,174
Reversal of approved but unpaid dividend, SEKm	957	957	957	580	580	580	-	-	-
Reversal of fixed-income derivatives according to balance sheet, SEKm	-1,473	-1,473	-1,473	329	329	329	65	65	65
Reversal of deferred tax according to balance sheet, SEKm	10,748	10,748	10,748	8,821	8,821	8,821	9,603	9,603	9,603
Reversal of goodwill according to balance sheet, SEKm	-	-205	-205	-	-	-	-	-205	-205
Deduction of actual deferred tax, SEKm	-	-3,568	-3,568	-	-2,564	-2,564	-	-2,805	-2,805
Deduction of fixed-income derivatives according to balance sheet, SEKm	-	-	1,473	-	-	-329	-	-	-65
Deduction of deferred tax according to balance sheet after adjustment of estimated actual deferred tax, SEKm	-	-	-7,180	-	-	-6,257	-	-	-6,798
NAV	57,997	54,224	48,517	51,641	49,077	42,491	54,842	51,832	44,969
Number of shares outstanding, millions	317.4	317.4	317.4	322.0	322.0	322.0	321.3	321.3	321.3
NAV per share, SEK	183	171	153	160	152	132	171	161	140

	2022			2021		
	Jan-Jun			Jan-Jun		
EPRA EPS						
Profit/loss from property management, SEKm	729			715		
Deduction for tax depreciation, SEKm	-330			-297		
Total, SEKm	399			418		
Nominal tax (20.6%), SEKm	82			86		
EPRA earnings in total (profit/loss from property management less nominal tax), SEKm	647			629		
Number of shares, millions	319.2			323.7		
EPRA EPS, SEK per share	2:03			1:94		

	2022			2021		
	Jan-Jun			Jan-Jun		
EPRA Vacancy rate						
Estimated market value of vacant property rents, SEKm	342			319		
Annual rental value, entire portfolio, SEKm	3,195			3,361		
EPRA Vacancy rate, %	11%			9%		

Parent Company

Profit and loss account

SEKm	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Income	181	177	324
Expenses	-290	-290	-385
Net financial items	-39	-7	-324
Share in profit of associated companies	0	0	0
Changes in value, fixed-income derivatives	1,538	268	532
Changes in value, equities	-1	1	2
Appropriation	0	0	0
Profit/loss before tax	1,389	149	149
Current tax	0	0	-
Deferred tax	-288	-34	-109
Profit/loss for the period	1,101	115	40

Balance sheet

SEKm	2022 Jun 30	2021 Jun 30	2021 31 Dec
Investments in Group companies	13,400	12,517	13,400
Other non-current assets	48,283	45,465	45,434
<i>of which, receivables from Group companies</i>	<i>46,949</i>	<i>45,186</i>	<i>45,164</i>
Current assets	64	58	115
Cash and cash equivalents	2	258	2
Total assets	61,749	58,298	58,951
Shareholders' equity	11,083	11,954	11,782
Provisions	79	70	69
Non-current liabilities	47,685	44,658	45,687
<i>of which, liabilities to Group companies</i>	<i>18,025</i>	<i>17,858</i>	<i>18,038</i>
Current liabilities	2,902	1,616	1,413
Total equity and liabilities	61,749	58,298	58,951

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 last annual report.

NOTE 2 CONTINGENT LIABILITIES

On the balance sheet date, contingent liabilities comprised guarantees and commitments in favour of associated companies of SEK 370m (358) and other 0 (0).

NOTE 3 SEGMENT REPORTING – CLASSIFICATIONS AND RECLASSIFICATIONS DURING THE PERIOD

In accordance with IFRS 8, segments are presented from the management's point of view, broken down by segment. Following the acquisition of SHH Bostad, the segment reporting has been adjusted to better highlight the various business areas. Fabege's property portfolio is 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.
- Housing – SHH's 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 the property are allocated to the respective segments based on the period of time for which the property belonged to the segments. 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 SHH's operations are recognised in the Housing segment.

During the fourth quarter of 2021, segment reporting was changed through the separation of development properties and ongoing projects and land properties, which means that some of Fabege's properties have been reclassified. The comparative figures have also been adjusted in accordance with the new breakdown.

The Generatörn 10 property acquired during the first quarter was classified as a land property. In March 2022, the Poolen 1 project, in Arenastaden, was completed, and from the second quarter of 2022 has been reclassified from a project property to an investment property. During the second quarter, possession was taken of the investment properties Kabelverket 2, in Älvsjö, and Solrosen 1, in Borås. During the second quarter, Nöten 4 was reclassified from an investment property to a project property. Påsen 1 was reclassified from a development property to a project property. Finally, Pool 1 was reclassified from a project to an investment property.

NOTE 4 ACQUISITIONS

On 18 October 2021, the Group acquired all of SHH Bostad AB's shares for a purchase price of SEK 880m. The preliminary acquisition analysis has been updated with an investment aid receivable for one of the properties acquired. The goodwill has been reduced by the same amount.

For further information about the acquisition, see Fabege's 2021 Annual and Sustainability Reports.

SEKm	Net assets of the acquired company at the time of acquisition		Adjustment preliminary purchase price allocation	Final purchase price allocation
Property, Plant and equipment	5			5
Interests in associated companies	53			53
Properties	50			50
Development properties	692			692
Other Current assets	377		29	406
Cash and cash equivalents	126			126
Provisions	-24			-24
Interest-bearing liabilities	-394			-394
Non-interest-bearing liabilities	-239			-239
Net identifiable assets and liabilities	646			646
Group Goodwill	234		-29	205
Consideration transferred	880			880

NOTE 5 THE EU TAXONOMY

Percentage of activities eligible for the taxonomy:

	Total, SEKm	Percentage of activities eligible for the taxonomy	Percentage of activities not eligible for the taxonomy
Rental income	1,480	100	0
Sales residential projects	28	100	0
Net Sales	1,508	100	0
Investments and acquisitions	2,045	100	0
Operating expenses	91	100	0

Percentage of activities eligible for the taxonomy:

Fabege owns and manage properties, with a primary focus on commercial properties in the Stockholm area. The majority of the property portfolio is eligible for the taxonomy and is divided into the following categories:

- 7.1 Construction of new buildings; refers to properties under construction and project properties completed during 2021.
- 7.2 Renovation of existing buildings; refers to development properties undergoing renovation where a significant portion of the property is affected by the project.
- 7.7 Acquisition and ownership of buildings; refers to the majority of the Group's properties. All investment properties with a current cash flow are included.

Properties that fall outside the scope of the taxonomy are pure land properties, including SHH's development portfolio, i.e. land acquisitions for which construction has not yet started. The revenue, operating expenditure and capital expenditure relating to properties that are not eligible for the taxonomy are considered to be negligible. The Swedish trade association Fastighetsägarna is currently discussing and examining how the classification according to the different categories above should be interpreted.

Recognition of revenue:

All of the income related to properties included in the qualifying activities above is 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 customisations. SHH's construction costs for housing development are also included.

Recognition of capital expenditure:

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

Percentage of activities aligned with the taxonomy:

It is not yet clear how the interpretation of the taxonomy framework should be fully implemented. Fabege has based its preliminary assessment on objective 1, i.e. the climate objective, including the Do No Significant Harm criteria. The 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 Fastighetägarna (Swedish Property Federation) to existing buildings). The properties have undergone a climate resilience analysis.

According to Fabege's preliminary assessment, just under 70 per cent of its revenue is aligned with the taxonomy based on compliance with objective 1, including the DNSH criteria. This assessment may change, depending on how the top 15 per cent is interpreted.

Capital expenditure related to the construction of new buildings by Fabege has initially been classified as non-aligned, as there is not enough information about how to interpret the requirements for Fabege to be able to say that the capital expenditure is aligned with the taxonomy at this stage. Work is under way on the interpreting of the the taxonomy in order to determine whether projects may be classified as being aligned with the taxonomy. Fabege believes that, in the long run, at least part of the capital expenditure will be classified as being aligned with the taxonomy.

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 SHH Bostad, which is a property development company focused on residential and public-services property. Thanks to the large number of residential development rights that we hold, 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. At 30 June 2022, Fabège owned 102 properties with a total market value of SEK 88.5bn. Their rental value stood at SEK 3.5bn. This has been supplemented by SHH Bostad's development portfolio, comprising ongoing and future residential development projects with a value of SEK 845m.

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, acquiring and divesting 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 are sure to 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 required rate of return, and changes in market interest rates, which set the conditions for the company's success.

Stockholm is growing

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. The most significant growth is in people in the active labour force, which is boosting demand for office premises.

Changing demand

New technology and new working methods are fuelling demand for flexible and space-efficient premises in prime locations. 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 builds 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 seize opportunities to generate capital growth through acquisitions and divestments.



Definitions

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

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 RATIO

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

DEBT/EQUITY RATIO

Interest-bearing liabilities divided by shareholders' equity.

DEVELOPMENT PROPERTIES*

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

EARNINGS PER SHARE

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

EPRA EPS

Profit from property management less tax at a nominal rate attributable to profit from property management, divided by average number of shares. Taxable profit from property management is defined as profit from property management less such amounts as tax-deductible depreciation and remodelling.

EPRA NDV – NET DISPOSAL VALUE

Shareholders' equity according to balance sheet.

EPRA NRV – NET REINVESTMENT VALUE

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

EPRA NTA – NET TANGIBLE ASSETS

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

EPRA VACANCY RATE

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

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.

EQUITY/ASSETS RATIO

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

FINANCIAL OCCUPANCY RATE*

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

INTEREST COVERAGE RATIO

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

LAND AND PROJECT PROPERTIES*

Land and development properties and properties in which a new construction/complete redevelopment is in progress.

LEASE VALUE*

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

LOAN-TO-VALUE RATIO, PROPERTIES

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

MANAGEMENT PROPERTIES*

Properties that are being actively managed on an ongoing basis.

NET LETTINGS*

New lettings during the period less terminations to vacate

RENTAL VALUE*

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

RETENTION RATE*

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

RETURN ON EQUITY

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

RETURN ON INVESTED CAPITAL IN PROJECT PORTFOLIO*

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

RETURN, SHARE

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

SURPLUS RATIO*

Net operating income divided by rental income.

TOTAL RETURN ON PROPERTIES

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

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

CALENDAR

03/10/2022	Dividend date of record (3 of 4)
06/10/2022	Payment (3 of 4)
22/10/2022	Interim Report, Jan-Sept 2022
09/01/2023	Dividend date of record (4 of 4)
12/01/2023	Payment (4 of 4)

PRESS RELEASES DURING THE SECOND QUARTER 2022

01/04/2022	New acquisition of office premises in southern Stockholm
19/04/2022	Invitation to join a webcast and teleconference on 26 April for the presentation of Faberge's Interim Report Jan-March 2022
25/04/2022	Opening of LAUNCH OF RE, an interdisciplinary art and research project about plastic
26/04/2022	Interim Report Jan-March 2022
26/04/2022	Correction in Interim Report Jan-March 2022
28/04/2022	Faberge launches share buyback
18/05/2022	Faberge's zero-energy hotel in Arenastaden receives the City of Solna Environmental Award for 2022
25/05/2022	Faberge and CGI sign office lease agreements in Solna Business Park and Kungsholmen
07/06/2022	Faberge publishes an updated MTN prospectus and an updated green framework
15/06/2022	Niclas Sylven becomes Faberge's new CFO
27/06/2022	Invitation to join a webcast and teleconference on 8 July for the presentation of Faberge's Interim Report Jan-June 2022



FOLLOW US ONLINE, WWW.FABERGE.SE/EN

There will also be a web presentation on the Group's website on 8 July 2022, during which Stefan Dahlbo and Åsa Bergström will present the report

Faberge AB (publ)

Box 730, SE-169 27 Solna
Visitors: Gårdsvägen 6, 7tr
169 70 Solna

Phone: +46 (0) 8 555 148 00
Email: info@faberge.se

Corporate registration number:
556049-1523
Registered office of the Board of Directors:
www.faberge.se/en



STEFAN DAHLBO
President and CEO Faberge

+46 (0) 8 555 148 10
stefan.dahlbo@faberge.se



ÅSA BERGSTRÖM
Vice President and CFO

+46 (0) 8 555 148 29
asa.bergstrom@faberge.se