

Q3 2024

Summary, SEKm

	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep
Net sales	935	1,042	2,807	3,036
Gross profit	644	654	1,907	1,923
Profit/loss from property management	353	410	1,012	1,113
Profit/loss before tax	71	-1,197	-698	-4,419
Profit/loss after tax	14	-992	-668	-3,527
Net lettings	-11	-25	-85	-3
Surplus ratio, %	77	76	75	75
Loan-to-value ratio, %			43	42
EPRA NRV, SEK per share			147	157

Jan-Sep 2024¹

- Rental income increased to SEK 2,577m (2,539). In a like-for-like property portfolio, income rose by 5 per cent compared to the previous year (12).
- Revenue from residential development totalled SEK 230m (486).
- Gross earnings from residential development amounted to SEK -17m (23).
- Net operating income increased to SEK 1,924m (1,900). In a like-for-like property portfolio, net operating income rose by 4 per cent (13).

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

- The surplus ratio was 75 per cent (75).
- Net interest items amounted to SEK -727m (-725).
- Profit from property management amounted to SEK 1,012m (1,113).
- Impairment losses on development properties amounted to SEK -34 million (-).
- Changes in the value of properties amounted to SEK -1,232m (-5,415) and for fixed-income derivatives to SEK -444m (-115).
- Profit/loss before tax for the period totalled SEK -698m (-4,419).
- Earnings after tax for the period amounted to SEK -668m (-3,527), corresponding to earnings per share of SEK -2.12 (-11.21).

- Net lettings totalled SEK -85m (-3).
- Leases totalling SEK 62m (74) were renegotiated, with an average change in rental value of -2 per cent (1.4). Leases worth SEK 199m (287) were also extended on unchanged terms.
- The equity/assets ratio was 46 per cent (47).
- The loan-to-value ratio stood at 43 per cent (42).

See page 27 for key performance indicator definitions

Message from the CEO

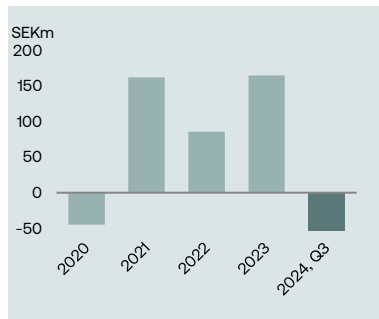


Rental income in the third quarter amounted to SEK 847m (854), almost the same level as in 2023 despite divestments. Unrealised changes in value were positive during the quarter.

OPERATIONAL TARGETS

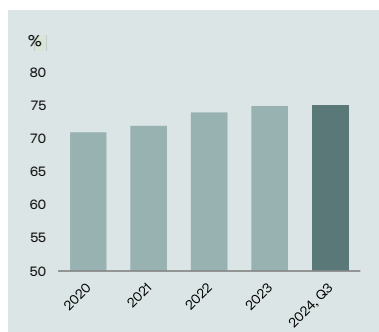
- Net lettings of at least SEK 80m per year.
- Surplus ratio of 75 per cent.
- Investment volume of approximately SEK 2,500m per year.

NET LETTINGS



Target: SEK 80m per year

SURPLUS RATIO



Target: 75%

During the quarter, we had the pleasure of officially welcoming the Royal Swedish Opera and Royal Dramatic Theatre to Flemingsberg, Restaurant Billman opened its doors in Regulatörn, the moving into Ackordet in Haga Norra started and the garage was completed, Kung Carl expanded its restaurant and bar area, Wirström's Pub opened on Kungsgatan, and Bruce Springsteen played to full houses at Strawberry Arena. There were a lot of positive developments and happenings. At the same time, there are also various challenges.

This past quarter can be summarised as being a period of continuing significant unrest around the world, declining inflation, falling interest rates, a stronger krona, significant political uncertainty particularly in the US, and a still highly challenging economic environment, mainly in Europe and Asia.

Many of the above-mentioned factors are positive for the property market, such as falling interest rates, but unrest in other parts of the world and a weaker economy are fuelling uncertainty in the rental market. We feel that this unease has dominated 2024 thus far, and we're not out of the woods yet. Above all, uncertainty and volatility give rise to caution and extended lead times when it comes to decision making.

We are noting a weak trend in office employment. The number of people working in an office environment is perhaps the most important driver of demand for office space. Office employment declined by about half a per cent in 2023. It will likely remain slightly negative for the rest of 2024 and early 2025 before we see a turnaround.

Net lettings were also negative in the third quarter, at SEK -11m. This includes the effects of us unfortunately having to vacate the Wenner-Gren center for, among other things, replacement of the façade. In total, this had a negative impact on net lettings for the quarter of approximately SEK 7m and for the first three quarters of approximately SEK 18m. As I have said before, numerous exciting and

constructive discussions are underway with potential tenants, but unfortunately not enough of them have yet resulted in a lease. Meanwhile, some tenants have opted to downsize. The decision to downsize can be prompted by various reasons, such as a weaker economy, changed working methods and that they previously rented too much space. A few years ago, when borrowing costs were very low and businesses had a more positive outlook, they sometimes took on additional space to 'grow into'. This space may no longer be needed.

The Swedish word for office – kontor – has been in the Swedish language since the 1500s. It has taken on many different meanings over time, although it has always related to a company or authority's 'brain' where contracts, bookkeeping, filing, etc. are managed. The word comes from the French word *comptoir*, which actually means counting table.

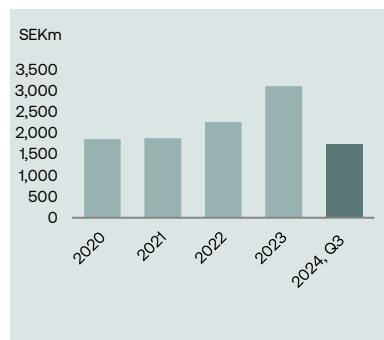
The role of the office has seen a rapid shift since the early 2000s. We now have laptops, smartphones, internet, email, and so on. Desks have become much smaller, they are used more efficiently, and filing is done digitally, i.e. there are fewer cabinets. During the pandemic, we took a giant leap forwards in the use of digital communication, which has resulted in a need for more meeting rooms and also a change in travel patterns. The list of changes that have happened is long.

In a new report, the Stockholm Chamber of Commerce has highlighted the significance of offices for the development of companies in Stockholm. Despite greater flexibility, the office remains an important hub for creative collaboration.

In addition, commuting to the office has become increasingly important. According to the Chamber of Commerce, almost 75 per cent of employees feel that reliable public transport and efficient transport links are more important now than ever before. This means that the location of the office and proximity to rail-based public transport are gaining significance. The fact that public transport has unfortunately been unreliable in recent years is a problem that needs to be addressed.

With our high-quality properties in prime locations, we are well positioned to offer good products for companies and authorities in Stockholm. I am convinced that this will be reflected in rentals going forward. However,

INVESTMENT VOLUME



Target: SEK 2.5bn per year over a business cycle

FINANCIAL TARGETS

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

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

Outcome 30/09/2024

- Loan-to-value ratio of 43 per cent
- Interest coverage ratio of 2.5x
- Debt ratio of 13.9x
- Equity/assets ratio of 46 per cent

I am reluctant to promise total positive net lettings this year.

We chose to have an independent valuation of a significant portion (52 per cent) of our portfolio carried out in the third quarter as well. The average required rate of return remained at 4.54 per cent and unrealised changes in the value of properties amounted to SEK 224m. In my opinion, the values have stabilised at the current levels. We had several deals both in the city centre and in less central areas at yield requirements that confirmed our valuations.

We have previously stated that our main goals for 2024 are:

- To increase the occupancy rate of the investment portfolio. The aim is to increase the occupancy rate to 95 per cent
- Ensure cost control
- Work to enable future projects
- Refinancing our bond maturities and securing access to capital
- Remaining at the forefront in terms of sustainability
- Contributing to the creation of a sense of safety and wellbeing in the places in which we have operations

In the current tougher market, our occupancy rate has gone in the wrong direction in 2024. We are working hard to reverse this trend. A boost will be provided in this regard during the next eighteen months, as companies such as Alfa Laval and SAAB move in and the ongoing projects are completed. This will, of course, also increase our income.

We should always aim to have optimal costs. We usually say it is important to distinguish between good costs and bad costs. Good costs either give rise to, or strengthen, income. I think we are effective in that regard in terms of managing day-to-day costs, but we can and must also focus on costs in our projects, particularly in our tenant customisations. This is an ongoing process.

As expected, the Riksbank lowered its policy rate during the quarter and is now indicating further cuts in the fourth quarter. It is possible there will be an even larger cut than previously expected.

We were active in the bond market during the quarter, and issued SEK 3.1bn with good conditions. The fact that the capital market has come back so strongly is positive not only for us but for the whole industry.

Our average interest rate has dropped slightly, to 3.16 per cent. We expect it to continue to fall towards the end of the year. During the period, we also took the opportunity to enter into new long-term swap contracts to reduce interest rate risk.

Our latest residential project in Haga Norra, consisting of 288 apartments (including 78 rental apartments), is proceeding as planned. We launched sales in BRF Alma in September, and have now sold 9 of 23 apartments. These tenant-owner apartments will be ready for occupancy in March 2025. The rental apartments will be ready for occupancy from the second half of 2025.

In the field of sustainability, we received confirmation that we are at the forefront with our efforts. We achieved 95 points in the Global Real Estate Sustainability Benchmark (GRESB), which is our best ever result. This means we are ranked number 1 in offices, listed companies in Northern Europe, and number 2 in the categories of offices Europe and listed companies in Europe. We are noting heightened customer interest in sustainability issues, which is positive. We are also well positioned to comply with upcoming EU sustainability legislation. Our work with reuse has aroused considerable interest and is important for future projects.

I am proud of the work we do to contribute to the local communities in which we are a major property owner and developer. Our focus on also ensuring fulfilling leisure activities, such as sport and culture, schools and job-creating activities, has numerous positive effects.

There's a lot to be positive about in our business. I am proud of the organisation and what we create in Stockholm. We have good properties in prime locations, from Stureplan to Flemingsberg; we have fantastic tenants; we have a strong, professional organisation with a positive culture and strong drive; we have several projects due to be completed over the next year; we have many exciting future projects and opportunities and, last but not least, we have a strong financial position. General uncertainty and the economy are the two issues that are currently causing concern. Offices are perhaps more important than ever, but there is a great deal of uncertainty about what they should look like. Our knowledge of offices and urban development is needed more than it has been for many years.

It is also gratifying to see how proud our tenants and we are of the offices located in our properties. This can be seen, for example, in the total of 7 nominations for the Office of the Year award

Being an optimist is more fun than being a pessimist. And they say that optimists live longer. However, while being optimistic it is necessary to also try to be a realist. The end of 2024 will probably continue to be characterised by uncertainty and volatility. At the same time, we have plenty of opportunities.

Stefan Dahlbo, CEO

Earnings Jan–Sep 2024¹

Earnings after tax for the period amounted to SEK –668m (–3,527), corresponding to earnings per share of SEK –2.12 (–11.21). Earnings before tax for the period amounted to SEK –698m (–4,419). Net operating income increased slightly, while interest costs were consistent with the previous year. Unrealised changes in the value of the property portfolio turned around and were positive in the third quarter. Profit before and after tax thus increased compared with the previous year.

THIRD QUARTER IN BRIEF

- New lettings totalled SEK 33m (24).
- Net lettings totalled SEK –11m (–25).
- Rental income totalled SEK 847m (854).
- The surplus ratio was 77 per cent (76).
- Revenue from residential development amounted to SEK 88m (177) and gross earnings totalled SEK –12m (–5).
- Net interest items amounted to SEK –242m (–265).
- Earnings in associatee companies totalled SEK –19m (59).
- Profit from property management amounted to SEK 353m (410).
- Impairment losses on development properties amounted to SEK –34m (–).
- Unrealised changes in the value of properties amounted to SEK 224m (–1,591).
- Unrealised changes in value in the derivatives portfolio totalled SEK –472m (–15).
- Profit after tax amounted to SEK 14m (–992).

RENTAL INCOME AND NET OPERATING INCOME

Rental income increased to SEK 2,577m (2,539) and net operating income amounted to SEK 1,924m (1,900). Occupancy in completed projects was offset by reduced income relating to divested properties, net SEK –93m. In a like-for-like portfolio, income increased by SEK 120m, corresponding to approximately 5 per cent (12), which was mainly attributable to the index increase that came into effect at year-end. Income included non-recurring items of SEK 12m. Property costs amounted to SEK –653m (–650) in line with the previous year. Net operating income on a like-for-like basis rose by approximately 4 per cent (13). The surplus ratio was 75 per cent (75).

PROFIT FROM RESIDENTIAL DEVELOPMENT

Revenue from residential development totalled SEK 230m (486). Residential development costs amounted to SEK –247m (–463), of which administrative costs were SEK –20m (–17). Gross earnings therefore totalled SEK –17m (23). Income is recognised in connection with phased occupancy or upon completion. Two projects were completed and finalised during the period. In addition, the value of development properties has been written down by SEK –34m, which is mainly attributable to two individual project opportunities.

CENTRAL ADMINISTRATION

Central administration costs amounted to SEK –80m (–81).

NET FINANCIAL ITEMS

Net interest items amounted to SEK –727m (–725). The average interest rate at 30 September 2024 was 3.16 per cent (3.13 at year-end). Ground rent amounted to SEK –31m (–35).

SHARE IN PROFIT/LOSS OF ASSOCIATED COMPANIES

The share in the profit/loss of associated companies totalled SEK –57m (31), of which SEK –71m (–54) related to contributions to Arenabolaget, and SEK 11m related to results from the JV project in Haga Norra. Other associated companies contributed SEK 3m, of which SEK 1m pertained to Urban Services.

CHANGES IN THE VALUE OF PROPERTIES

The property portfolio is valued using a well-established process. The entire property portfolio is independently valued at least once a year. Due to the market situation, a larger proportion has been independently valued each quarter for the last two years. Just over 45 per cent of the portfolio was valued independently in the third quarter of 2024, while the remaining properties were valued internally based on the most recent independent valuations. The total market value at the end of the period was SEK 78.2bn (78.1). Unrealised changes in value totalled SEK –1,236m (–5,415). As in the previous quarter, the average yield requirement was 4.54 per cent; an increase of 0.11 percentage points since the beginning of the year. Realised value changes of SEK 4m related to additional earnings from the transaction with Nrep in 2023.

TAX

The tax expense for the period amounted to SEK 30m (892) and related to deferred tax. Tax was calculated at a rate of 20.6 per cent on taxable earnings. The interest deduction limitations are not expected to have a material effect on taxes paid over the next few years.

SEGMENT REPORTING

The Property Management segment generated net operating income of SEK 1,829m (1,798), representing a surplus ratio of 77 per cent (77). The occupancy rate was 89

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

CHANGES IN PROPERTY VALUES, JAN–SEP 2024

Changes in property values, SEKm	
Opening fair value, 01/01/2023	78,093
Property acquisitions	-
Sales, disposals and other	-
Investments in new builds, extensions and cor	1,732
Unrealised changes in value	-1,236
Reclassifications	-348
Closing fair value, 30/09/2024	78,241

AVERAGE YIELD REQUIREMENT, 30/09/2024

Area	Average yield requirement, %
Stockholm city	4.12%
Solna	4.74%
Hammarby Sjöstad	4.75%
Flemingsberg	5.39%
Other markets	5.41%
Average yield	4.54%

per cent (91). Profit from property management amounted to SEK 1,086m (1,107). Unrealised changes in the value of properties amounted to SEK –961m (–4,257).

The Property Improvement segment generated net operating income of SEK 106m (90), resulting in a surplus ratio of 55 per cent (55). Profit from property management amounted to SEK 32m (17). Unrealised changes in the value of properties amounted to SEK –384m (–454).

In the Projects segment, unrealised changes in value of SEK 124m (–684) were recognised. Project gains were offset to some extent by impairment due to increased yield requirements when assessing the final value of the project properties.

The Residential segment generated gross earnings of SEK –11m (23). Earnings from property management amounted to SEK –17m (27). Impairment losses on development properties amounted to SEK –34 million (–). Unrealised changes in value totalled SEK –15m (–20). Further information about the breakdown by segment is provided in the segment report on page 11.

GOODWILL

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

PROPERTIES

Recognised property value relates to Fabege's investment property portfolio, including project and land properties. At 30 September 2024, the total property value amounted to SEK 78.2bn (78.1).

DEVELOPMENT PROPERTIES

The carrying amount refers to ongoing projects managed by the company itself and development properties for future construction within Birger Bostad. During the second quarter, part of Kvinten 1, Haga Norra, where the project to build a new residential area is currently ongoing, was acquired internally. The value at the end of the quarter totalled SEK 722m (519), SEK 460m (201) of which relates to ongoing construction and SEK 262m (318) to development properties for future development.

FINANCIAL POSITION AND NET ASSET VALUE

Equity at the end of the period amounted to SEK 38,010m (39,244) and the equity/assets ratio was 46 per cent (47). Equity per share attributable to Parent Company shareholders totalled SEK 121 (125). EPRA NRV amounted to SEK 147 per share (150).

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 995m (1,049). Changes in working capital had an impact on cash flow of SEK 472m (154). Investing activities had an impact on cash flow of SEK –1,764m (–1,762), while financing activities had an impact on cash flow of SEK 243m (530). In investing activities, cash flow is driven by property transactions and projects. Cash and cash equivalents declined by a total of SEK –54m (29) during the period.

FIRST APARTMENTS IN HAGA NORRA SOLD

September saw the start of the sale of Birger Bostad's ongoing project in Haga Norra. First out was BRF Alma, with 23 apartments. Of these, 9 have now been sold with binding purchase contracts. These apartments will be ready for occupancy in March 2025. The next sales phase, starting in October, consists of 50 owner-occupied apartments.

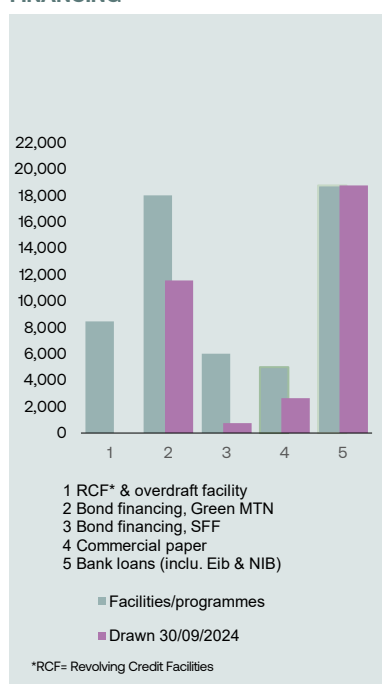
The project comprises a total of 288 apartments, including 190 tenant-owned apartments, 50 owner-occupied apartments and 78 rental apartments. NCC has been engaged as the contractor. It will be a contiguous residential block with a shared inner courtyard and garage.



Financing

Fabege employs long-term credit facilities subject to fixed terms and conditions. The company's creditors mainly comprise the major Nordic banks and investors on the capital market. The capital market has gradually improved in 2024 in terms of both availability and conditions.

BREAKDOWN OF SOURCES OF FINANCING



99%
Green financing
30 September 2024

Moody's Rating

Baa2

negative outlook

Confirmed in June 2024

FINANCING

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

Expectations that the Riksbank will continue to cut interest rates have led to a steadily falling short-term interest rate. Long-term interest rates also fell significantly during the quarter due to a weaker outlook for the economy. The lower interest rates have led Fabege to enter into several new fixed interest rate swaps. Capital market activity has also been good, resulting in lower credit margins. During the period, Fabege therefore rebalanced its debt portfolio by issuing bonds and amortising bank loans. Overall, financing via the banking market decreased by SEK 2.2bn, and via the capital market it increased by just over SEK 3.0bn.

Interest-bearing liabilities increased slightly during the period, while interest costs remained relatively stable. At the end of the quarter, the total loan volume amounted to SEK 33.7bn, of which SEK 14.9bn was via the capital market and SEK 18.7bn was via the banking market.

Committed lines of credit and undrawn credit facilities, including the backup facility for the commercial paper programme, amounted to SEK 7.0bn at the end of the quarter.

At 30 September 2024, the fixed-term maturity was 3.4 years and the fixed-rate period was 1.8 years. Including the estimated maturity of the callable swaps in the derivatives portfolio, the adjusted maturity is 3.1 years. During the quarter, Fabege signed more traditional interest rate swaps, which at the end of the period totalled SEK 15.7bn, while callable swaps totalled SEK 7.0bn. The traditional swaps mature in 2032 and carry fixed annual interest of between 0.11 and 2.18 per cent.

Net financial items included other financial expenses of SEK 29m, 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 69m (41) relating to project properties was capitalised.

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

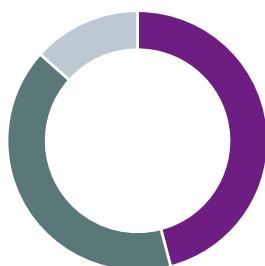
FINANCING, 30/09/2024

	2024-09-30	2023-12-31
Interest-bearing liabilities, SEKm	33,696	32,982
of which outstanding MTN, SEKm	11,560	9,570
of which outstanding SFF, SEKm	738	764
of which outstanding commercial paper, SEKm	2,650	1,655
Undrawn facilities, SEKm ¹	8,460	6,960
Fixed-term maturity, years	3.4	4.1
Fixed-rate period, years ²	1.8	2.1
Fixed-rate period, percentage of portfolio, %	54	60
Derivatives, market value, SEKm	242	686
Average interest expenses, incl. committed credit facilities, %	3.16	3.13
Average interest expenses, excl. committed credit facilities, %	3.07	3.04
Unpledged assets, %	38	41
Loan-to-value ratio, %	43	42

¹ Included credit facilities for commercial paper

² The fixed interest rate period adjusted by the estimated maturity of callable swaps amounted to 3.1 years (3.1)

SUPPLY OF CAPITAL



- Equity, 46%
- Interest-bearing liabilities, 41%
- Other liabilities, 13%

BREAKDOWN OF COLLATERAL



- Pledged assets 62%
- Unpledged assets 38%

INTEREST MATURITY STRUCTURE, 30/09/2024

	Amount, SEKm	Average interest rate, %	Percentage, %
< 1 year	17,871	4.82	53
1-2 years	3,400	0.87	10
2-3 years	3,250	1.08	10
3-4 years	3,676	1.53	11
4-5 years	2,500	1.02	7
5-6 years	1,400	1.15	4
6-7 years	800	1.03	2
7-8 years	500	0.80	1
8-9 years	300	0.88	1
Total	33,696	3.07	100

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

LOAN MATURITY STRUCTURE, 30/09/2024

	Credit agreements, SEKm	Drawn, SEKm
Commercial paper programme	2,650	2,650
< 1 year	6,231	4,721
1-2 years	9,413	4,613
2-3 years	10,400	9,250
3-4 years	4,641	4,641
4-5 years	1,280	1,280
5-10 years	7,541	6,541
Total	42,156	33,696

GREEN FINANCING, 30/09/2024

	Credit facilities	Outstanding loans and bonds
Green MTN bonds, SEKm	11,560	11,560
Green bonds via SFF, SEKm	738	738
Green commercial paper, SEKm	2,650	2,650
Green loans, other, SEKm	26,793	18,333
Total green financing, SEKm	41,741	33,281
Green financing, %	99	99
Total green available borrowing facility according to the Green framework	46,319	
of which unrestricted green available borrowing facility, SEKm	13,505	

GREEN FINANCING

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

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

Operations

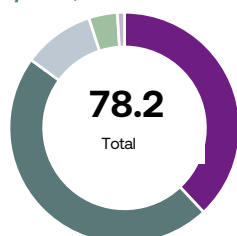
Jan-Sep 2024¹

The Stockholm market generally continues to show stable rent levels, although we are seeing slightly lower activity levels in the rental market and continuing long lead times to completion. Net lettings amounted to SEK –85m (–3), while the occupancy rate decreased to 89 per cent (91). Projects proceeded according to plan.

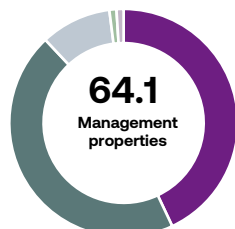
BREAKDOWN OF MARKET VALUE,

- Stockholm inner city
- Solna
- Hammarby Sjöstad
- Flemingsberg
- Other markets

30/09/2024, SEKBN



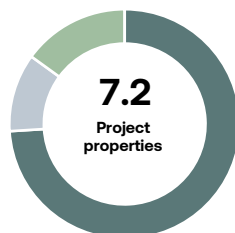
■ 38% ■ 47% ■ 10% ■ 4% ■ 1%



■ 43% ■ 45% ■ 10% ■ 1% ■ 1%



■ 24% ■ 38% ■ 15% ■ 23% ■ 0%



■ 0% ■ 74% ■ 11% ■ 15% ■ 0%

PROPERTY PORTFOLIO AND PROPERTY MANAGEMENT

Fabege's property management and urban and property development activities are concentrated on a few selected submarkets in and around Stockholm: Stockholm city centre, Solna, Hammarby Sjöstad and Flemingsberg. On 30 September 2024, Fabege owned 100 properties with a total rental value of SEK 4.1bn, lettable floor space of 1.3m sqm and a carrying amount of SEK 78.2bn, of which improvement and project properties accounted for SEK 13.8bn.

OCCUPANCY RATE

The investment property portfolio's financial occupancy rate was 89 per cent (91) at the end of the period. The biggest vacancies relate mainly to three properties in Solna Business Park and additional vacancies in Arenastaden. The financial occupancy rate for improvement properties is not measured as most of these properties are vacant, or have been partially let on short-term leases pending demolition or redevelopment. These cover an area of 228,000 sqm, of which 140,000 sqm are being let for a current annual rent of SEK 255m. Significant ongoing projects make up a lettable area of approximately 134,000 sqm, with a rental value of SEK 366m.

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

NET LETTINGS

During the period, 92 (110) new leases were signed with a combined rental value of SEK 116m (160), and 98 per cent (84) of the space was attributable to green leases. Lease terminations amounted to SEK –201m (–163). Net lettings amounted to SEK –85m (–3). Leases totalling SEK 62m (73) were renegotiated, with an average decline in rental value of 2.1 per cent (1.0). Leases worth SEK 199m (287) were also extended on unchanged terms. The retention rate during the period was 57 per cent (72).

CHANGES IN THE PROPERTY PORTFOLIO

During the second quarter, part of the Kvinten 1 property, Haga Norra, was divested internally to Birger Bostad, which is managing a residential development project on the property at a value of SEK 348m. As a result of the transfer, the property changed character, from an investment property to a development property.

PROJECTS AND INVESTMENTS

The purpose of Fabege's project investments in the investment property portfolio is to reduce vacancy rates and increase rents in the property portfolio, thereby improving cash flows and values. Investments in existing properties and projects during the period totalled SEK 1,732m (2,173), of which SEK 1,188m (1,425) related to investments in project and improvement properties. Capital invested in the investment property portfolio amounted to SEK 544m (748), a significant proportion of which related to tenant customisations. When fully leased, the projects provide an additional annual rental value of SEK 358m.

COMPLETED PROJECTS

During the second quarter, the project for the Royal Swedish Opera and Royal Dramatic Theatre at the Regulatörn 4 property in Flemingsberg was completed. The tenant took possession as planned on 1 June 2024. The annual rental value amounts to SEK 26m. The construction of the garage property in Haga Norra has had its final inspection and the garage opened for parking for Bilia and others in August.

MAJOR ONGOING PROJECTS

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

TOTAL INVESTMENTS,
JAN–SEP 2024

Total investments, SEKm	
Investments in investment properties	544
Investments in improvement properties	127
Investments in project properties	1,061
Total investments	1,732

PROPERTY ACQUISITIONS,
JAN–SEP 2024

Property	Area	Category	Lettable area, sqm
Q1			
No acquisitions			
Q2			
No acquisitions			
Q3			
No acquisitions			
Total			

PROPERTY SALES,
JAN–SEP 2024

Property	Area	Category	Lettable area, sqm
Q1			
No sales			
Q2			
No sales			
Q3			
No sales			
Total			

In Flemingsberg, the project at Separatörn 1 relating to the construction of offices and laboratories for Alfa Laval is continuing. The project encompasses a lettable area of roughly 23,400 sqm excluding parking, of which Alfa Laval is leasing approximately 91 per cent. Work is currently being carried out on the interior, including installations and tenant customisations. The investment is estimated at SEK 1,062m, excluding land acquisition. The property is being certified to BREEAM–SE standard, Excellent. Alfa Laval will take up occupancy on 30 April 2025.

The reconstruction of part of Regulatorn 3, Flemingsberg, is ongoing and will be completed during the fourth quarter. The investment is estimated at SEK 193m. The occupancy rate is 83 per cent.

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

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

BIRGER BOSTAD

Birger Bostad’s project portfolio comprises 18 projects, of which 5 (all phases in Haga Norra) are currently in ongoing production. The estimated

investment volume in ongoing projects amounts to approximately SEK 1.0bn, including land acquisitions. The project in Haga Norra comprises a total of 288 apartments, including 78 rental apartments with possible occupancy starting in the second half of 2025. Construction is proceeding according to schedule. In the communal housing association, BRF Alma, the frame is complete at the top and large parts of the façade have been fixed in place. Windows have been installed and inside, work is underway on completion of the frame. The frame is also complete at the top for the rental apartments, owner-occupied apartments and the first stairwell in the other housing association, BRF Mathilda. BRF Alma has launched sales and will be ready for occupancy in March 2025. Of 23 apartments, 9 have been sold. The rental apartments will be ready for occupancy from the second half of 2025.

During the first quarter, a project in Staffanstorp was completed and finalised, and during the third quarter, a project in Upplands Väsby was finalised.

Since the beginning of the year, 19 apartments have been sold, 9 of which are in ongoing production (Haga Norra) and 10 in completed projects. Subsequently, 4 unsold apartments remain in completed projects and 15 unsold apartments in sales and projects in which production has started.

RESIDENTIAL DEVELOPMENT IN
JOINT VENTURES

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

PROPERTY PORTFOLIO, 30/09/2024

Property holdings	No. of properties	Lettable area, '000 sqm	Market value SEKm	Rental value ²	Financial occupancy rate %
Management properties ¹	63	966	64,106	3,601	89
Development properties ¹	18	230	6,939	462	
Land and project properties ¹	19	65	7,196	44	
Total	100	1,260	78,241	4,107	
Of which, Inner city	26	313	29,106	1,591	91
Of which, Solna	51	689	36,960	1,854	89
Of which, Hammarby Sjöstad	10	138	8,024	478	83
Of which, Flemingsberg	9	80	3,174	110	100
Of which, Other	4	40	977	74	88
Total	100	1,260	78,241	4,107	89

¹See definitions.

ONGOING PROJECTS > SEK 50M, 30/09/2024

Property listing	Category	Area	Completed	Lettable area, sqm	Occupancy rate, % space ¹	Rental value ²	Book value, SEKm	Estimated investment, SEKm	of which spent, SEKm
Ackordet 1	Offices	Haga Norra	Q1-2025	27,000	66%	101	1,586	1,441	1,107
Påsen 1	Offices	Hammarby Sjöstad	Q1-2025	11,500	47%	41	758	486	365
Regulatorn 3 (part of)	Offices	Flemingsberg	Q1-2025	5,800	83%	10	698	193	165
Separatorn 1	Offices	Flemingsberg	Q2-2025	23,400	91%	59	879	1,060	907
Nöten 4 ³	Offices	Solna Strand	Q3-2025	66,000	100%	155	2,081	1,196	453
Total				133,700	85%	366	6,002	4,376	2,997
Other land and project properties							1,892		
Other development properties							6,242		
Total project, land and development properties							14,136		

¹ Operational occupancy rate at 30 Sep 2024.² Rental value including additions. The annual rent for the largest projects in progress could increase to SEK 366m (fully let) from SEK 8m in annualised current rent at 30 Sep 2024.

BIRGER BOSTAD ONGOING PROJECTS, 30/09/2024

Project	Area	GFA, sqm	RFA, sqm	No. of resi. properties	Selling grade, %	Completion	Book value, SEKm	Est. Investment, SEKm	Of which spent, SEKm
Haga Norra rental		3,227	2,338	78	-	Q4-2025			
Haga Norra owner-occupied		3,124	2,246	50	0	Q4-2026			
Haga Norra tenant-owned		14,516	11,263	160	6	Q2-2025 - Q3-2026			
Total Haga Norra		20,867	15,847	288			460	867	250
Total		20,867	15,847	288			460	867	250

DEVELOPMENT RIGHTS, 30/09/2024

Commercial building rights				Residential building rights			
Area	Gross floor area, sqm	Legal approval, %	Book value, SEK/sqm	Area	Gross floor area, sqm	Legal binding, %	Book value, SEK/sqm
Inner city	32,400	13	8,300	Inner city	3,600	0	0
Solna	306,000	39	6,900	Solna	182,400	41	8,400
Hammarby Sjöstad	49,000	75	5,400	Hammarby Sjöstad	24,600	17	14,900
Flemingsberg	268,900	6	4,600	Flemingsberg	264,500	0	5,100
Birger Bostad	-	-	-	Birger Bostad	99,200	79	6,000
Other	20,000	100	1,500	Other	-	-	-
Total	676,300	29	5,800	Total	574,300	28	6,700

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

SEGMENT REPORTING, 30/09/2024

	2024 jan-sep	2024 Jan-Sep	2024 Jan-Sep	2024 Jan-Sep Birger Bostad	2024 jan-sep Total	2023 Jan-Sep	2023 Jan-Sep	2023 Jan-Sep	2023 Jan-Sep Birger Bostad	2023 Jan-Sep Total
SEKm	Management	Improvement	Projects			Management	Improvement	Projects		
Rental income	2,365	191	12	9	2,577	2,341	165	23	10	2,539
Contract sales, residential	-	-	-	230	230	-	-	-	486	486
Other income	-	-	-	-	-	8	2	1	11	11
Total net sales	2,365	191	12	239	2,807	2,349	167	24	496	3,036
Property expenses	-536	-85	-29	-3	-653	-551	-77	-21	-1	-650
Contract costs, residential development	-	-	-	-247	-247	-	-	-	-463	-463
Gross profit	1,829	106	-17	-11	1,907	1,798	90	3	32	1,923
Of which net operating income property management	1,829	106	-17	6	1,924	1,798	90	3	9	1,900
Sur plus ratio, property management	77%	55%	-142%	67%	75%	77%	55%	13%	90%	75%
Of which gross profit residential development	-	-	-	-17	-17	-	-	-	23	23
Central administration	-64	-8	-8	-	-80	-68	-7	-6	0	-81
Net interest income/expense	-588	-66	-67	-6	-727	-609	-66	-45	-5	-725
Ground rent	-31	-	-	-	-31	-35	0	0	0	-35
Share in profits of associated companies	-59	-	2	-	-57	21	0	0	10	31
Profit from property management	1,087	32	-90	-17	1,012	1,107	17	-48	27	1,113
Impairment development properties	-	-	-	-34	-34	-	-	-	-	-
Realised changes in value properties	4	-	-	-	4	-	-	-	-	0
Unrealised changes in value properties	-961	-384	124	-15	-1,236	-4,257	-454	-684	-20	-5,415
Profit before tax per segment	130	-352	34	-66	-254	-3,150	-437	-732	7	-4,302
Changes in value interest rate derivatives & shares					-444					-117
Profit before tax					-698					-4,419
Market value properties	63,878	6,939	7,196	228	78,241	68,239	7,646	6,572	243	82,700
Development properties	-	-	-	722	722	-	-	-	563	563
Occupancy rate, %	89	-	-	-	-	91	-	-	-	-

The segments are presented with the company management's approach divided into segments. Fabege's operations are classified as follows:

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

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

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

Fabege's sustainability work

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

Goals for 2030

- Carbon neutral property management.
- Halving of the climate impact of project development per GFA.

71 kWh/sqm

Average
energy use 2023

FABEGE'S HIGHEST RESULT EVER IN GRESB 2024

With a rating of 95 in the assessment relating to property management and 98 in project development, Fabege has received the highest rating, 5 stars, and is ranked number 1 in offices, listed companies in Northern Europe and number 2 in the categories offices in Europe and listed companies in Europe.



SCIENCE BASED TARGETS

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



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Goals & strategy

URBAN DEVELOPMENT

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

Examples of areas of work:

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

REDUCED CARBON FOOTPRINT IN PROJECTS

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

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

At the beginning of the quarter, a tenant customisation was completed from a premises that consisted of the frame only in Solna Business Park, where the tenant wanted a state-of-the-art office and high-standard training premises that would be

built in the most sustainable way possible. The focus ended up being on reuse and products with a high proportion of recycled materials. The project's circularity index, calculated on all materials added to the project, amounted to 43%. Fabege has a long-term, target-based and integrated approach to creating more sustainable properties. Our ultimate long-term goal is for Fabege's property management to be carbon neutral, as measured in kg CO2e/sqm, by 2030. By this we mean that we will have control over all the emissions associated with our operations, and we will minimise emissions to the greatest possible extent using the tools available. We will compensate for emissions over which we have no control via carbon offsetting, for example investments in additive technology that reduces the amount of carbon dioxide in the atmosphere.

ENERGY EFFICIENCY TARGETS

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

The cumulative energy consumption of the investment portfolio at the end of the third quarter increased by 4.1% compared to the same period in the previous year, mainly due to external factors such as significantly colder and warmer than normal months in the first three quarters of 2024.

ENVIRONMENTAL CERTIFICATION OF PROPERTIES

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

THE EU TAXONOMY

Fabege is subject to the EU's Non-Financial Reporting Directive. Reporting on the extent to which the Group's activities are eligible for, and aligned with the EU taxonomy can be found in Note 3 EU taxonomy, page 25.

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

OMX SWEDEN SMALL CAP 30 ESG RESPONSIBLE INDEX

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



EXAMPLES OF SOCIAL SUSTAINABILITY INITIATIVES

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

CERTIFIED PROPERTIES*

System	Antal	Kvm, LOA	Andel av certifierad yta, %
BREEAM-In-Use	47	713 491	66%
BREEAM-SE**	15	365 185	34%
Miljöbyggnad	1	5 593	1%
Totalt miljöcertifierade fastigheter	63	1 084 269	100%

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

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

SUSTAINABILITY PERFORMANCE MEASURES

	2024, Q3	2023	2022	Target
Energy performance, kWh/sqm Atemp*	51	71	73	Max. 70 kWh/sqm*
Proportion of renewable energy, %	90	90	94	100
Environmental certification, number of properties**	63	63	63	-
Environmental certification, % of total area	82	82	84	100
Green leases, % of newly signed space	98	96	100	100
Green leases, % of total space	91	91	89	100
Green financing, %	99	100	100	100
Satisfied employees, confidence rating, %	n/a	88	87	2024 >88
GRESB, points	95	93	94	>91

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

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

During the quarter, work continued on making sustainable improvements to the buildings themselves within the remit of the certifications, and with regard to the property management and operational activities, which resulted in us managing to retain the ratings of four properties in the management portfolio, which have now been recertified to BREEAM In-Use.

SOCIAL SUSTAINABILITY INITIATIVES

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

ABOUT THE SUSTAINABILITY REPORT

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

CSRD/ESRS

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

An overall picture of the company's sustainability work is published once a year in the Sustainability Report; find out more at <https://www.fabege.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	610	46.1%	42.9%
0	0	45.8%	43.1%
-1	-610	45.5%	43.3%

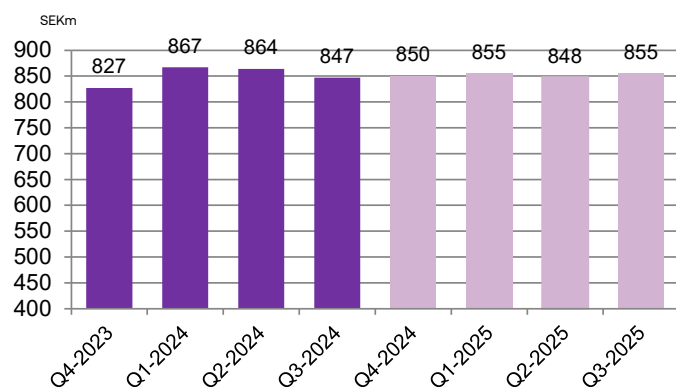
Earnings and key performance indicators are affected by realised and unrealised changes in the value of properties. The table shows the effect of a 1 percentage point change in value after the deduction of deferred tax.

SENSITIVITY ANALYSIS – CASH FLOW AND EARNINGS

	Change	Effect, SEKm
Rental income, total	1%	33.9
Rent level, commercial income	1%	33.1
Financial occupancy rate	1 percentage point	36.0
Property expenses	1%	-8.6
Interest expenses, LTM ¹	±1 percentage point	-90,9 / + 148,6
Interest expenses, longer term perspec	±1 percentage point	±337,0

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

RENTAL INCOME – TREND FOR THE NEXT FOUR QUARTERS



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

HUMAN RESOURCES

At the end of the period, 229 people (227) were employed by the Group.

PARENT COMPANY

Revenue during the period amounted to SEK 335m (343) and earnings before appropriations and tax totalled SEK 1,098m (409). Net financial items include dividends from subsidiaries of SEK 1,750m (750). Net investments in property, equipment and shares totalled SEK 1m (4).

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date.

LEASE MATURITY STRUCTURE

Maturity, year	No. of leases	Annual rent, SEKm	Percentage, %
2024 ¹	251	180	5%
2025 ¹	428	595	18%
2026 ¹	305	577	17%
2027	212	506	15%
2028	96	189	6%
2029+	144	1,143	34%
Commercial	1,436	3,190	95%
Housing leases	203	23	1%
Indoor and outdoor parking	640	138	4%
Total	2,279	3,351	100%

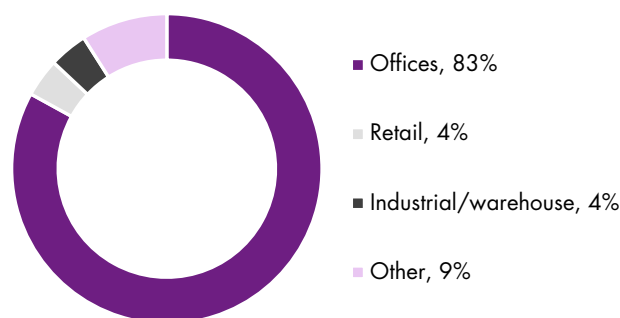
¹Of which just over SEK 233m has already been renegotiated.

LARGEST CUSTOMERS

	Share, %	Year of expiry
Skandinaviska Enskilda Banken AB	6.8%	Q3-2037
Convendum Stockholm City AB	3.7%	Q2-2034
ICA Fastigheter AB	3.3%	Q4-2030
Telia Sverige AB	2.9%	Q4-2031
Carnegie Investment Bank AB	2.1%	Q3-2027
Bilia AB	1.8%	Q1-2041
Svea Bank AB	1.7%	Q4-2029
Tietoevry AB	1.3%	Q1-2029
Telenor Sverige AB	1.3%	Q1-2025
The North Alliance Sverige AB	1.2%	Q1-2027
Total	26.0%	

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. Risks and opportunities in the parent company are linked to ownership of subsidiaries. The effect of the changes on consolidated profit, including a sensitivity analysis, and a more detailed description of risks and opportunities, are presented in the section on Risks and opportunities in the 2023 Annual Report (pages 50–60).

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

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

No material changes in the company's assessment of risks have arisen, aside from the above, since the publication of the 2023 Annual Report.

SEASONAL VARIATIONS

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

MARKET OUTLOOK

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

Access to capital market financing has improved, with significantly lower margins. Market interest rates have peaked and are expected to continue falling during the rest of 2024. Roughly 54 per cent of Fabège's loan portfolio is at fixed rates, which will mitigate the effect of higher market rates for the next few years. Rising interest rates have impacted yield requirements in property valuations. Yield requirements, which had been increasing since the second half of 2022, have stabilised. Completed transactions in Fabège's submarkets confirm that the decline in values has levelled out and that long-term investors are willing to pay well for quality in Stockholm.

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

ACCOUNTING POLICIES

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

Disclosures in accordance with IAS 34.16A Interim Financial Reporting are submitted both in the notes and in other sections of the Interim Report.

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

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

Stockholm, 22 October 2024

Stefan Dahlbo, CEO

Review report

We have carried out a limited assurance review of the interim financial information in summary (the interim report) for Fabege AB as of 30 September 2024 and the nine-month period ending on that date. The Board of Directors and Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our limited assurance review.

Scope and focus of the limited assurance review

We conducted our limited assurance review in accordance with the International Standard on Review Engagements ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A limited assurance review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance review vary in nature from, and are considerably less in scope than for a reasonable assurance engagement conducted in accordance with the ISA and other generally accepted auditing standards in Sweden. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Conclusion

Based on our limited assurance review, no circumstances have come to light that give us reason to consider that the interim report has not, in all material respects, been prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the parent company in accordance with the Annual Accounts Act.

Stockholm, 22 October 2024
KPMG AB

Mattias Johansson
Authorised Public Accountant

Share information

Fabege's shares are listed on the NASDAQ Stockholm and included in the Large-Cap segment with the ticker FABG.

SHAREHOLDERS

Fabege had a total of 44,002 known shareholders at 30 September 2024, including 58.7 per cent Swedish ownership. The 12 largest shareholders control 49.05 per cent of the capital and 51.8 per cent of the votes.

DIVIDEND 2023

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

DIVIDEND POLICY

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

ACQUISITION AND TRANSFER OF TREASURY SHARES*

The 2024 AGM passed a resolution authorising the Board, for the period until the next AGM, to acquire and transfer shares in the company. Share buybacks are subject to a limit of 10 per cent of the total number of shares outstanding at any time. The company held 16,206,048 treasury shares on 30 September 2024. Repurchases have been made at an average price of SEK 120.23 per share. The holding represents 4.9 per cent of the total number of registered shares. There were no repurchases during the period.

GREEN EQUITY DESIGNATION

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



LARGEST SHAREHOLDERS, 30/09/2024

	Number of shares*	Proportion of capital, %	Proportion of votes, %
Backahill AB	52,108,718	15.75	16.56
Geveran Trading Co	38,202,835	11.55	12.14
Vanguard	10,892,887	3.29	3.46
BlackRock	10,027,475	3.03	3.19
Länsförsäkringar Funds	8,949,951	2.71	2.85
Nordea Funds	7,240,720	2.19	2.30
E.N.A City Aktiebolag	7,150,000	2.16	2.27
Folksam	7,063,764	2.14	2.25
Norges Bank	5,836,669	1.76	1.86
APG Asset Management	5,381,723	1.63	1.71
Handelsbanken Funds	4,968,425	1.50	1.58
AFA Insurance	4,444,053	1.34	1.41
Total 12 largest shareholders	162,267,220	49.05	51.58
Total no. of shares outstanding	314,577,096	95.10	100
Treasury shares	16,206,048	4.90	-
Total no. of registered shares	330,783,144	100	100

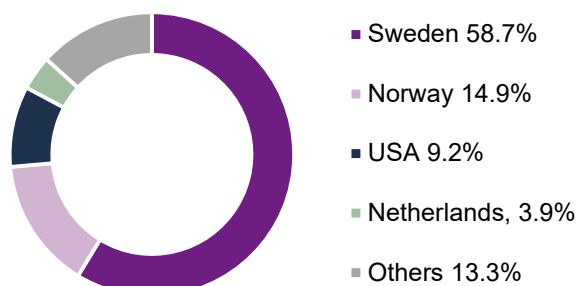
TURNOVER & TRADING, JAN-SEP 2024

Highest price, SEK	108.6
Lowest price, SEK	80.0
VWAP, SEK	91.3
Average daily turnover, SEK	59,242,367
Number of traded shares	112,666,685
Average number of transactions	1,498
Number of transactions	283,100
Average value per transaction, SEK	39,551
Daily turnover relative to market capitalisation, %	0.20

SHARE DISTRIBUTION

	2024-09-30	2023-09-30
Number of owners	44,002	44,266
Number of foreign owners	1,001	987
Fund ownership, %	26.6	33.1
Transparency ownership, %	15.9	15.9

COUNTRY DISTRIBUTION, 30/09/2024



Financial data

Group

Condensed statement of comprehensive income

SEKm	2024 Jul-Sep	2023 Jul-Sep	2024 jan-sep	2023 Jan-Sep	2023 Jan-Dec	Rolling 12 m okt-sep
Rental income ¹	847	854	2,577	2,539	3,366	3,404
Sales residential projects	88	177	230	486	553	297
Other income ²	-	11	-	11	11	-
Net Sales	935	1,042	2,807	3,036	3,930	3,701
Property expenses	-191	-206	-653	-650	-853	-855
Residential projects expenses	-100	-182	-247	-463	-549	-333
Gross profit	644	654	1,907	1,923	2,528	2,513
<i>of wich gross profit property managment</i>	<i>656</i>	<i>659</i>	<i>1,924</i>	<i>1,900</i>	<i>2,524</i>	<i>2,549</i>
<i>Surplus ratio, %</i>	<i>77%</i>	<i>76%</i>	<i>75%</i>	<i>75%</i>	<i>75%</i>	<i>75%</i>
<i>of wich gross profit property projects</i>	<i>-12</i>	<i>-5</i>	<i>-17</i>	<i>23</i>	<i>4</i>	<i>-36</i>
Central administration	-20	-26	-80	-81	-97	-96
Net interest expense	-242	-265	-727	-725	-962	-964
Ground rent	-10	-12	-31	-35	-45	-41
Share in profit of associated companies	-19	59	-57	31	34	-54
Profit/loss from property management	353	410	1,012	1,113	1,458	1,358
Impairment development properties	-34	-	-34	-	-	-34
Realised changes in value of properties	0	0	4	0	0	4
Unrealised changes in value of properties	224	-1,591	-1,236	-5,415	-7,831	-3,652
Unrealised changes in value, fixed-income derivatives	-472	-15	-444	-115	-1,003	-1,332
Changes in value of shares	-	-	0	-2	-4	-3
Profit/loss before tax	71	-1,197	-698	-4,419	-7,380	-3,659
Current tax	-	0	-	0	-1	-1
Deferred tax	-57	205	30	892	1,863	1,001
Profit/loss for period/year	14	-992	-668	-3,527	-5,518	-2,659
<i>Items that will not be restated in profit or loss</i>						
Revaluation of defined-benefit pensions	-	-	-	-	3	3
Comprehensive income for the period/year	14	-992	-668	-3,527	-5,515	-2,656
Of which attributable to non-controlling interests	-	-	-	-	-	-
Total comprehensive income attributable to Parent Company shareholders	14	-992	-668	-3,527	-5,515	-2,656
Earnings per share, SEK	0:04	-3:15	-2:12	-11:21	-17:54	-8:45
No. of shares outstanding at period end, thousands	314,577	314,577	314,577	314,577	314,577	314,577
Average no. of shares, thousands	314,577	314,577	314,577	314,577	314,577	314,577

¹ On-charging, service and other income amounts to SEK 59m (58) for the period Jan-Jun 2024. ² Refers to elctricity support. ³ Earnings per share are the same before and after dilution.

Condensed statement of financial position

SEKm	2024 Sep 30	2023 Sep 30	2023 31 Dec
Assets			
Goodwill	205	205	205
Properties	78,241	82,700	78,093
Right-of-use asset	949	1,243	949
Other property, plant and equipment	32	28	30
Derivatives	551	1,574	925
Non-current financial assets	1,378	531	1,319
Development properties	722	563	519
Current assets	753	1,107	997
Short-term investments	99	97	98
Cash and cash equivalents	31	58	85
Total assets	82,961	88,106	83,220
Equity and liabilities			
Shareholders' equity	38,010	41,232	39,244
Deferred tax	8,275	9,303	8,305
Other provisions	155	155	158
Interest-bearing liabilities ¹	33,696	34,563	32,982
Lease liability	949	1,243	949
Derivatives	309	0	240
Non-interest-bearing liabilities	1,567	1,610	1,342
Total equity and liabilities	82,961	88,106	83,220

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

Group

Condensed statement of changes in equity

SEKm	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Shareholders' equity at beginning of period	39,244	45,514	45,514
Shareholders' equity,			
Opening amount	39,244	45,514	45,514
Share buybacks	-	-	-
Approved but unpaid dividend	-283	-377	-189
Cash dividend	-283	-378	-566
Profit/loss for the period	-668	-3,527	-5,518
Other comprehensive income			3
Total Shareholders' equity at end of period¹	38,010	41,232	39,244

¹ There is no non-controlling interests

Statement of cash flows

SEKm	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Operations			
Net operating income	1,907	1,923	2,528
Central administration	-80	-81	-97
Reversal of depreciation and impairment	9	6	11
Interest received	15	11	24
Interest paid ¹	-856	-810	-1,150
Income tax paid	0	0	0
Cash flow before changes in working capital	995	1,049	1,316
Change in working capital			
Change in development properties	110	329	373
Change in current receivables	244	-66	44
Change in current liabilities	118	-109	-163
Total change in working capital	472	154	254
Cash flow from operating activities	1,467	1,203	1,570
Investing activities			
Investments in new-builds, extensions and conversions	-1,662	-2,112	-2,978
Acquisition of properties	-	-78	-78
Divestment of properties	-	484	2,977
Other non-current financial assets	-102	-56	-253
Cash flow from investing activities	-1,764	-1,762	-332
Financing activities			
Dividend to shareholders	-472	-692	-881
Treasury share buybacks	-	-	-
Borrowings	17,845	16,737	22,275
Repayment of debt	-17,130	-15,515	-22,634
Cash flow from financing activities	243	530	-1,240
Cash flow for the period	-54	-29	-2
Cash and cash equivalents at beginning of period	85	87	87
Cash and cash equivalents at end of period	31	58	85

¹Of which other financial costs , SEK -29m (50).

Group

Key performance indicators

	2024	2023	2023
	Jan-Sep	Jan-Sep	Jan-Dec
Financial¹			
Return on equity, %	-2.3	-10.8	-13.0
Interest coverage ratio, multiple	2.5	2.5	2.5
Equity/assets ratio, %	46	47	47
Loan-to-value ratio, properties, %	43	42	42
Debt ratio, multiple	13.9	14.5	13.5
Debt/equity ratio, multiple	0.9	0.8	0.8
Share-based¹			
Earnings per share, SEK ²	-2.12	-11.21	-17.54
Equity per share, SEK	121	131	125
Cash flow from operating activities per share, SEK	4.66	3.80	4.99
Average no. of shares, thousands	314,577	314,578	314,577
No. of shares outstanding at end of period, thousands	314,577	314,578	314,577
Property-related			
No. of properties	100	102	100
Carrying amount, properties, SEKm	78,241	82,700	78,093
Lettable area, sqm	1,260,000	1,301,000	1,246,000
Development properties, SEKm	722	563	519
Financial occupancy rate, %	89	91	91
Total return on properties, %	0.9	-4.0	-6.2
Surplus ratio, %	75	75	75

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

²Definition according to IFRS.

EPRA key performance indicators

	2024	2023	2023
	Jan-Sep	Jan-Sep	Jan-Dec
EPRA Earnings (income from property mgmt after tax), SEKm	1,012	1,113	1,314
EPRA Earnings (EPS), SEK/share	2.93	3.19	4.18
EPRA NRV (long-term net asset value), SEKm	46,326	49,338	47,052
EPRA NRV, SEK/share	147	157	150
EPRA NTA (net asset value), SEKm	43,300	45,926	44,177
EPRA NTA, SEK/share	138	146	140
EPRA NDV (net asset value), SEKm	38,088	41,404	39,228
EPRA NDV, SEK/share	121	132	125
EPRA Vacancy rate, %	11	9	9
EPRA Rental growth identical portfolio	5	12	11

Deferred tax

	2024	2023	2023
	Sep 30	Sep 30	31 Dec
Deferred tax attributable to:			
- tax loss carryforwards, SEKm	-94	-273	-410
- difference between carrying amount and tax value of properties, SEKm	8,341	9,272	8,596
- derivatives, SEKm	50	324	141
- other, SEKm	-22	-20	-22
Net debt, deferred tax, SEKm	8,275	9,303	8,305

Quarterly Group overview

Condensed income statement

SEKm	2024				2023		2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Rental income	847	864	867	827	854	855	829	781
Sales property projects	88	0	141	67	177	122	187	163
Other income	-	-	-	-	11	-	-	-
Net sales	935	864	1,008	894	1,042	977	1,016	944
Property expenses	-191	-214	-248	-203	-206	-213	-231	-207
Costs property projects	-100	-6	-140	-86	-182	-116	-165	-252
Gross profit	644	644	620	605	654	648	620	485
<i>of which gross profit property management</i>	656	650	619	624	659	642	598	574
<i>Surplus ratio</i>	77%	75%	71%	76%	76%	75%	72%	74%
<i>of which gross profit property projects</i>	-12	-6	1	-19	-5	6	22	-89
Central administration	-20	-31	-29	-16	-26	-29	-26	-25
Net interest expense	-242	-245	-240	-237	-265	-239	-221	-189
Ground rent	-10	-10	-11	-10	-12	-12	-12	-12
Share in profit of associated companies	-19	-27	-11	3	59	-17	-10	-24
Profit/loss from property management	353	331	329	345	410	351	351	235
Impairment development properties	-34	-	-	-	-	-	-	-
Realised changes in value of properties	0	0	3	0	0	0	0	0
Unrealised changes in value of properties	224	-80	-1,381	-2,415	-1,591	-1,715	-2,110	-3,665
Unrealised changes in value, fixed-income derivatives	-472	-184	213	-888	-15	117	-217	-61
Changes in value, equities	0	0	0	-3	-1	1	-1	-3
Profit/loss before tax	71	67	-836	-2,961	-1,197	-1,246	-1,977	-3,494
Current tax	0	0	0	-1	0	0	0	-3
Deferred tax	-57	-50	137	971	205	294	393	768
Profit/loss for the period	14	17	-699	-1,991	-992	-952	-1,584	-2,729

Condensed financial position

SEKm	2024				2023		2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Assets								
Goodwill	205	205	205	205	205	205	205	205
Properties	78,241	77,584	77,358	78,093	82,700	83,520	84,994	86,348
Right-of-use asset, leasehold	949	949	949	949	1,243	1,243	1,243	1,243
Other property, plant and equipment	32	31	30	30	28	25	25	25
Derivatives	551	881	1,029	925	1,574	1,589	1,472	1,689
Non-current financial assets	1,378	1,356	1,343	1,319	531	514	490	456
Development properties	722	795	395	519	563	716	795	892
Current assets	753	857	1,247	997	1,107	1,122	1,333	1,042
Short-term investments	99	98	98	98	97	96	96	96
Cash and cash equivalents	31	10	31	85	58	76	82	87
Total assets	82,961	82,766	82,685	83,220	88,106	89,106	90,735	92,083
Equity and liabilities								
Shareholders' equity	38,010	37,996	38,545	39,244	41,232	42,224	43,175	45,514
Deferred tax	8,275	8,218	8,168	8,305	9,303	9,508	9,802	10,195
Other provisions	155	153	154	158	155	156	157	157
Interest-bearing liabilities	33,696	33,715	33,579	32,982	34,563	33,846	33,976	33,341
Lease liability	949	949	949	949	1,243	1,243	1,243	1,243
Derivatives	309	166	130	240	0	0	-	-
Non-interest-bearing liabilities	1,567	1,569	1,160	1,342	1,610	2,129	2,382	1,633
Total equity and liabilities	82,961	82,766	82,685	83,220	88,106	89,106	90,735	92,083

Key performance indicators

	2024				2023		2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Financial¹								
Return on equity, %	0,1	0,2	-7,2	-19,8	-9,5	-8,9	-14,3	-23,3
Interest coverage ratio, multiple ²	2,5	2,5	2,4	2,4	2,3	2,5	2,6	2,8
Equity/assets ratio, %	46	46	47	47	47	47	48	49
Loan-to-value ratio, properties, %	43	43	43	42	42	40	40	38
Debt ratio, multiple	13,9	13,9	13,8	13,5	14,5	14,6	15,4	15,6
Debt/equity ratio, multiple	0,9	0,9	0,9	0,8	0,8	0,8	0,8	0,7
Share-based¹								
Earnings per share for the period, SEK ²	0:04	0:05	-2:22	-6:33	-3:15	-3:03	-5:04	-8:68
Equity per share, SEK	121	121	123	125	131	134	137	145
Cash flow from operating activities per share, SEK	2:0	2:07	0:60	1:15	0:60	1:80	1:44	1:49
No. of shares outstanding at the end of the period, thousands	314 577	314 577	314 577	314 577	314 577	314 577	314 577	314 577
Average no. of shares, thousands	314 577	314 577	314 577	314 577	314 577	314 577	314 577	317 221
Property-related								
Financial occupancy rate, %	89	90	90	91	91	91	90	89
Total return on properties, %	1,1	0,7	-1,0	-2,2	-1,1	-1,3	-1,7	-3,4
Surplus ratio, %	77	75	71	76	76	75	72	73

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

²Definition according to IFRS.

Group

Reconciliation of key performance indicators

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

	2024	2023	2023		
	Sep 30	Sep 30	31 Dec		
Equity/assets ratio					
Shareholders' equity, SEKm	38,010	41,232	39,244		
Total assets, SEKm	82,961	88,106	83,220		
Equity/assets ratio, %	46	47	47		
	2024	2023	2023		
	Sep 30	Sep 30	31 Dec		
Loan-to-value ratio, properties					
Interest-bearing liabilities, SEKm	33,696	34,563	32,982		
Carrying amount, properties, SEKm	78,241	82,700	78,093		
Carrying amount, development properties, SEKm	722	563	519		
Loan-to-value ratio, properties, %	43	42	42		
	2024	2023	2023		
	Sep 30	Sep 30	31 Dec		
Debt ratio					
Gross profit, SEKm	2,513	2,407	2,528		
Reversal of impairment, SEKm	-	87	6		
Central administration, SEKm	-96	-106	-97		
Total, SEKm	2,417	2,388	2,437		
Interest-bearing liabilities, SEKm	33,696	34,563	32,982		
Debt ratio, multiple	13.9	14.5	13.5		
	2024	2023	2023		
	Sep 30	Sep 30	31 Dec		
Interest coverage ratio, multiple					
Gross profit, SEKm	1,907	1,923	2,528		
Reversal of impairment, SEKm	-	6	6		
Ground rent, SEKm	-31	-35	-45		
Central administration, SEKm	-80	-81	-97		
Total, SEKm	1,796	1,813	2,392		
Net interest expense, SEKm	-727	-725	-962		
Interest coverage ratio, multiple	2.5	2.5	2.5		
	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	jan-sep	jan-sep	jan-dec
Return on equity					
Profit/loss for the period, SEKm	14	-992	-668	-3,527	-5,517
Average equity, SEKm	38,003	41,728	38,627	43,373	42,379
Return on equity, %	0.1	-9.5	-2.3	-10.8	-13
	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	jan-sep	jan-sep	jan-dec
Total return on properties					
Net operating income, SEKm	656	659	1,924	1,900	2,524
Unrealised and realised changes in the value of properties, SEKm	224	-1,591	-1,232	-5,415	-7,831
Market value including investments for the period, SEKm	78,016	84,291	79,473	88,115	85,924
Total return on properties, %	1.1	-1.1	0.9	-4.0	-6.2
	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	jan-sep	jan-sep	jan-dec
Debt/equity ratio					
Interest-bearing liabilities, SEKm	33,696	34,563	33,696	34,563	32,982
Shareholders' equity, SEKm	38,010	41,232	38,010	41,232	39,244
Debt/equity ratio	0.9	0.8	0.9	0.8	0.8
	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	jan-sep	jan-sep	jan-dec
Equity per share					
Shareholders' equity, SEKm	38,010	41,232	38,010	41,232	39,244
No. of shares outstanding at end of period, million	315	315	315	315	315
Equity, SEK per share	121	131	121	131	125
	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	jan-sep	jan-sep	jan-dec
Cash flow per share					
Cash flow from operating activities, SEKm	628	174	1,467	1,203	1,570
Average number of shares, million	315	315	315	315	315
Cash flow, SEK per share	2.0	0.6	4.7	3.8	5.0

Group

Reconciliation of EPRA key performance indicators

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

	2024 Jan-Sep			2023 Jan-Sep			2023 Jan-Dec		
	NRV	NTA	NDV	NRV	NTA	NDV	NRV	NTA	NDV
EPRA NRV, EPRA NTA & EPRA NDV									
Shareholders' equity, SEKm	38,010	38,010	38,010	41,232	41,232	41,232	39,244	39,244	39,244
Reversal of approved but unpaid dividend, SEKm	283	283	283	377	377	377	189	189	189
Reversal of fixed-income derivatives according to balance sheet, SEK	-242	-242	-242	-1,574	-1,574	-1,574	-686	-686	-686
Reversal of deferred tax according to balance sheet, SEKm	8,275	8,275	8,275	9,303	9,303	9,303	8,305	8,305	8,305
Reversal of goodwill according to balance sheet, SEKm	-	-205	-205	-	-205	-205	-	-205	-205
Deduction of actual deferred tax, SEKm	-	-2,821	-2,821	-	-3,207	-3,207	-	-2,670	-2,670
Deduction of fixed-income derivatives according to balance sheet, SEI	-		242	-	-	1,574	-	-	686
Deduction of deferred tax according to balance sheet after adjustment of estimated actual deferred tax, SEKm	-	-	-5,454	-	-	-6,096	-	-	-5,634
NAV, SEKm	46,326	43,300	38,088	49,338	45,926	41,404	47,052	44,177	39,229
Number of shares outstanding, millions	314.6	314.6	314.6	314.6	314.6	314.6	314.6	314.6	314.6
NAV, SEK per share	147	138	121	157	146	132	150	140	125

	2024 Jan-Sep		2023 Jan-Sep		2023 Jan-Dec	
EPRA EPS						
Profit/loss from property management, SEKm		1,012		1,113		1458
Deduction for tax depreciation, SEKm		-570		-575		-758
Total, SEKm		442		538		700
Nominal tax (20.6%), SEKm		92		111		144
EPRA earnings in total (profit/loss from property management less nominal tax), SEKm		920		1,002		1,314
Number of shares, millions		314.6		314.6		314.6
EPRA EPS, SEK per share		2:93		3:19		4:18

	2024 Jan-Sep		2023 Jan-Sep		2023 Jan-Dec	
EPRA Vacancy rate						
Estimated market value of vacant property rents, SEKm		385		331		318
Annual rental value, entire portfolio, SEKm		3,602		3,590		3,406
EPRA Vacancy rate, %		11		9		9

	2024 Jan-Sep		2023 Jan-Sep		2023 Jan-Dec	
EPRA rental growth identical portfolio						
Change, %		5		12		11
Change, SEKm		120		269		321
Rental income identical portfolio current period, SEKm		2,408		2,508		3,203
Rental income identical portfolio previous period, SEKm		2,288		2,240		2,882

Parent Company

Condensed income statement

	2024	2023	2023
SEKm	Jan-Sep	Jan-Sep	Jan-Dec
Income	335	343	443
Expenses	-461	-436	-449
Net financial items	1,668	618	512
Share in profit of associated companies	-	-	0
Changes in value, fixed-income derivatives	-444	-115	-1,003
Changes in value, equities	-	-1	-8
Appropriation	-	-	196
Profit/loss before tax	1,098	409	-309
Current tax	-	0	-
Deferred tax	130	66	169
Profit/loss for the period	1,228	475	-140

Condensed balance sheet

	2024	2023	2023
SEKm	Sep 30	Sep 30	31 Dec
Investments in Group companies	13,400	13,400	13,400
Other non-current assets	50,224	49,798	47,244
<i>of which, receivables from Group companies</i>	<i>49,616</i>	<i>48,158</i>	<i>46,299</i>
Current assets	80	90	472
Cash and cash equivalents	1	0	1
Total assets	63,705	63,288	61,117
Shareholders' equity	12,171	12,124	11,509
Provisions	132	366	220
Non-current liabilities	46,275	44,838	42,591
<i>of which, liabilities to Group companies</i>	<i>17,189</i>	<i>16,082</i>	<i>16,702</i>
Current liabilities	5,127	5,960	6,797
Total equity and liabilities	63,705	63,288	61,117

Notes

NOTE 1 DERIVATIVES

Derivatives are measured at fair value as Level 2 assets in the the balance sheet.. The derivatives portfolio is measured at the present value of future cash flows. Changes in value are recognised in profit or loss. Changes in value are recognised for accounting purposes and have no impact on cash flow. At maturity, the market value of derivative instruments is always zero. The valuation assumptions have not changed significantly compared with the most recent annual report.

NOTE 2 CONTINGENT LIABILITIES

On the balance sheet date, contingent liabilities comprised guarantees and commitments in favour of associated companies and subsidiaries of SEK 484m (490) and other 0 (0).

NOTE 3 EU TAXONOMY

Percentage of activities eligible for the taxonomy

Key ratios	Total, SEKm	Activities eligible for the taxonomy, %	Activities not eligible for the taxonomy, %
Revenue	2,577	100	58
Operating expenditure	121	100	43
Capital expenditure	1,732	100	23

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

CCM 7.1 Construction of new buildings

CCM 7.7 Acquisition and ownership of buildings

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

Recognition of turnover:

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

Recognition of operating expenditure:

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

Recognition of capital expenditure:

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

Percentage of activities aligned with the taxonomy

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

According to Fabege's assessment, 58 per cent of its turnover, 43 per cent of its operating expenditure and 23 per cent of its capital expenditure are aligned with the taxonomy, based on fulfilment of objective 1 (CCM), including the DNSH criteria. The outcome is based on rolling 12-month outcomes up to and including Q3 2024 for primary energy figures. The reason for the percentage of capital expenditure that is green being reported as low is that Fabege has chosen to make a conservative assessment of ongoing new construction projects and interpret that they are covered by all DNSH requirements in 7.1. These are reported as non-compliant with the taxonomy, as interpretations of the DNSH requirements and documentation of this to demonstrate compliance are not yet fully in place. Fabege believes that, in the long term, at least part of the capital expenditure will be classified as being aligned with the taxonomy.

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

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

This is Fabege

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

We are one of the largest property owners in Stockholm and have a clear strategy for our property holdings, with a portfolio grouped into clusters. The Group also includes Birger Bostad, which is a property development company focused on residential and public-services property. The large number of residential development rights that we hold means that together we have a great opportunity to create mixed-use developments in our city districts. The concentration of our properties in well-contained clusters ensures greater customer proximity and, when coupled with Fabège's thorough knowledge of the market, creates a solid foundation for efficient property management and high occupancy rates. On 30 September 2024, Fabège owned 100 properties with a total rental value of SEK 4.1bn, lettable floor space of 1.3m sqm and a carrying amount of SEK 78.2bn, of which improvement and project properties accounted for SEK 14.1bn. The value of development properties in Birger Bostad totalled SEK 0.7bn.

Business concept

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

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

BUSINESS MODEL

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

STRATEGY FOR GROWTH

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

VALUE DRIVERS

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

THE STOCKHOLM MARKET

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

Changing demand

New technology and new working methods are fuelling demand for flexible and space-efficient premises in prime locations. Peripheral services and effective communication links in the form of public transport are in increasing demand, as are environmentally-certified offices and green leases.

Economic trends

The property market is impacted by trends in both the Swedish and the global economy. Demand for premises is closely linked to GDP growth and companies' need for premises. Changes in market interest rates affect required rates of return.

Sustainable urban development

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

Business model

PROPERTY MANAGEMENT

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

PROPERTY DEVELOPMENT

High-quality property improvement is the second key cornerstone of our business. Fabège has long-standing experience in the management of extensive property improvement projects, and endeavours to attract long-term tenants for properties that have not yet been fully developed and can be redesigned based on customers' specific requirements.

TRANSACTIONS

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

Definitions

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

ACTUAL DEFERRED TAX

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

CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

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

DEBT/EQUITY RATIO

Interest-bearing liabilities divided by shareholders' equity.

DEBT RATIO

Interest-bearing liabilities divided by rolling twelve-month gross earnings less central administration costs.

DEVELOPMENT PROPERTIES*

Development properties are held for the purpose of developing and disposing of housing, including rental and tenant-owner apartments and public-services property.

EARNINGS PER SHARE

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

EPRA EPS

Profit from property with deduction for nominal tax attributable to the management result, divided by the average number of shares. Taxable management profit refers to management profit with deductions for e.g. a tax-deductible depreciation and conversions.

EPRA NDV – NET DISPOSAL VALUE

Equity according to the balance sheet with reversal of goodwill according to the balance sheet. Withdrawal of decided, unpaid dividend.

EPRA NRV – NET REINVESTMENT VALUE

Equity according to the balance sheet with return of interest derivatives and deferred tax according to the balance sheet. Withdrawal of decided, unpaid dividend.

EPRA NTA – NET TANGIBLE ASSETS

Equity according to the balance sheet with return of interest derivatives, goodwill and deferred tax according to the balance sheet. Adjusted for actual deferred tax instead of nominal deferred tax. Withdrawal of decided, unpaid dividend.

EPRA VACANCY RATE

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

EQUITY/ASSETS RATIO

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

EQUITY PER SHARE

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

FINANCIAL OCCUPANCY RATE*

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

IDENTICAL PORTFOLIO*

The properties that were not classified as project properties and that Fabege owned during the entire accounting period and during the corresponding accounting period of the previous year.

INTEREST COVERAGE RATIO

Ratio of gross earnings, including ground rent less central administration costs, to net interest items (interest expenses less interest income).

INVESTMENT PROPERTIES*

Properties that are being actively managed on an ongoing basis.

LAND AND PROJECT PROPERTIES*

Land and development properties, and properties undergoing new construction/complete redevelopment.

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.

LIKE-FOR-LIKE*

The properties owned by Fabege throughout the financial period and during the corresponding financial period in the previous year.

NET LETTINGS*

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

RENTAL VALUE*

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

RETENTION RATE*

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

RETURN ON EQUITY

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

RETURN ON INVESTED CAPITAL IN THE PROJECT PORTFOLIO*

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

RETURN, SHARE

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

SURPLUS RATIO*

Net operating income divided by rental income.

TOTAL RETURN ON PROPERTIES

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

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

CALENDAR

06/02/2025	Year-end Report 2024
16/04/2025	Interim Report Jan–Mar 2025
23/04/2025	Annual General Meeting 2025
07/07/2025	Interim Report Jan–Jun 2025
21/10/2025	Interim Report Jan–Sep 2025
05/02/2026	Year-end Report 2025

PRESS RELEASES DURING THE THIRD QUARTER 2024

05/07/2024 Interim Report Jan–Jun 2024

FOLLOW US ONLINE, WWW.FABEGE.SE/EN

There will also be a web presentation on the Group's website, in which Stefan Dahlbo and Åsa Bergström present the report, on 22 October 2024.

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