Fabege is one of Sweden's biggest property companies. We own, develop and manage commercial properties in Stockholm, which is Sweden's largest growth region.

Fabege Annual report 2024

Fabege
Annual Report 2024

About Fabege

Sustainability

Directors' Report

Financial reporting

Other information

The statutory annual accounts are on pages 49–122. The audited Sustainability Report is on pages 78–95. The official Annual Report is prepared in Swedish in ESEF format and is available on the company's website. This is a PDF version and is available in Swedish and English. The Swedish version is the prevailing version.

This is Fabege

Fabege is one of Sweden's largest property companies. We own, develop and manage commercial properties in Stockholm, which is Sweden's biggest growth region.

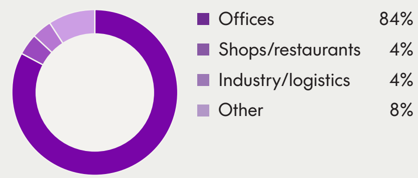
Our areas of focus in Stockholm are:
- Stockholm inner city
- Solna (Arenastaden/Haga Norra and Solna Business Park)
- Hammarby Sjöstad
- Flemingsberg

Find out more on pages 11–14

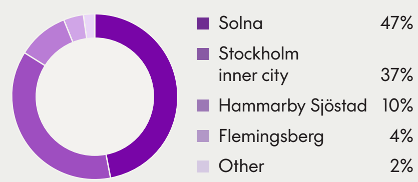
Sustainability is a priority and we are actively engaged in reducing our carbon footprint, improving energy efficiency and contributing to the development of local communities and the areas between buildings. All our investment properties and projects are environmentally certified to BREEAM-SE or BREEAM In-Use standard.

Find out more on pages 26–46

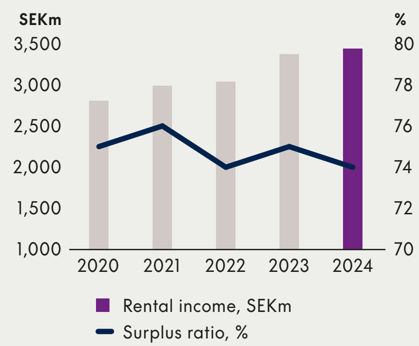
Rental value by category



Property value by area



Rental income and surplus ratio



Vision

The success factor for a new era

We will be a supportive partner that puts people front and centre. Our innovative, responsible and flexible ethos enables companies, locations and our city to develop.

Mission

Turning vision into reality

We help people and companies thrive and achieve their goals.
We bring places to life. No dream is too big or too small for us.

Properties **100**	Rental value (SEKbn) **4.2**
Property value (SEKbn) **78.9**	Lettable area, (000 sqm) **1,300**
Environmentally certified investment properties (area) **100%**	

The year in brief

Our highest result ever in GRESB

With a rating of 95 in property management and 98 in project development out of a possible 100, Fabege has received the highest rating, five stars, and is ranked number one in offices, listed companies in Northern Europe and number two in the categories offices in Europe and listed companies in Europe.

Tegelterassen ready for launch

Fabege is being given the opportunity to create a new office project on Västra Kungsholmen, under the name Tegelterrassen. With the local development plan gaining legal force, the development of 36,000 sqm of office space is ready for launch. The project will start when at least one anchor tenant has signed a contract.

First project in Flemingsberg completed

The Royal Dramatic Theatre (Dramaten) and the Royal Swedish Opera (Kungliga Operan) moved into new premises in Flemingsberg, representing a milestone in the development of the district. The 12,000-sqm building houses workshops, studios and rehearsal rooms. It is environmentally certified to BREEAM-SE standard, Very Good.

Residential development in Haga Norra

We launched the next phase of the Haga Norra residential development in Solna. The project comprises a total of 288 apartments, including 160 tenant-owned apartments, 50 owner-occupied apartments and 78 rental apartments that will be certified according to the Nordic Ecolabel. The first apartments are expected to be occupied in spring 2025.

New office space in Haga Norra

The 27,000-sqm Ackordet 1 project has been completed and the first customers have moved in. The property is environmentally certified to BREEAM-SE standard at the highest level of Outstanding, which is very rare to achieve. The entire facade is made of recycled brick. The biggest tenants are JM and Coor.

70 kWh/sqm
Specific energy

Energy-efficient property management

We met our ambitious target of average energy consumption of 70 kWh/sqm Atemp. As a result of dedicated effort and cooperation in optimising operations during the year, we succeeded in reducing operating costs in relation to our budget, despite a long and cold winter in 2023/2024.

Key performance indicators

	2024	2023
Equity, SEK per share	122	125
EPRA NRV, SEK per share	148	150
Total return on properties, %	1.7	–6.2
Surplus ratio, %	74	75
Equity/assets ratio, %	46	47
Loan-to-value ratio, %	43	42
Debt ratio, times	14.1	13.5
Interest coverage ratio, times	2.5	2.5

Rental income
(SEKm)
3,438
2023: 3,366

Net asset value/share
(EPRA NRV/share) (SEK/share)
148
2023: 150

Profit/loss from property management
(SEKm)
1,345
2023: 1,458

Proportion of green financing
(%)
99
2023: 100

2024 was a tough year

now lets look ahead to 2025

2024 is behind us now, and we're well into 2025. This means we're halfway through the 2020s, and closer to 1 January 2030 than 1 January 2020. There aren't that many positive things to say about the 2020s, but we can look forward to 2030 and capitalise on the opportunities out there, while creating new ones.

There was considerable uncertainty about the state of the world as we entered 2024. Many of those uncertainties remain of course, but we do know a bit more about the situation, particularly in the US and Germany.

I consider myself a born optimist. I have a friend who claims that an optimist gets it right more often than not, lives longer and has much more fun along the way. And if I look at Fabege, I am definitely an optimist. 2024 was a tough year in many ways, and 2025 will doubtless also be challenging, at least initially. But in the long term, I envisage positive development. It is important to say that in my world, the macro perspective should never be an excuse for not working with the micro perspective on a day-to-day basis. And from my and Fabege's micro perspective, I can see that Stockholm is continuing on its journey as a key hub for knowledge companies and entrepreneurship of every kind. Sometimes, development has to literally take a breather and gather strength to take on the next stage. But with all the conditions and fundamental strengths of Stockholm as the capital of Sweden, I don't see that as a problem in the long term. There are clearly challenges, particularly in terms of infrastructure and the need for improved commuting services. It's not something we can or should ignore, but our key message is simple: we believe in Stockholm, and we believe in offices. Now and going forward.

Why Fabege

1 We believe in Stockholm

2 We believe in offices

3 We believe in our locations and the potential of our project portfolio

Customer front and centre

In 2024, net lettings totalled SEK –108m, which was disappointing. We had too many significant lease terminations, and we failed to attract new tenants to offset this. We are

Message from the CEO cont.

"The most important success factor for us, as always, is good premises in prime locations."

now fully focused on filling the vacancies we have in the portfolio. Our goal is to achieve 95 per cent occupancy over the next few years.

The most important success factor for us, as always, is good premises in prime locations, but we also need to be confident and flexible as landlords, and our local property management setup is definitely a strength here. We need to make sure existing tenants and customers are happy and remain with us, while attracting new tenants to fill the vacancies. Rent levels are generally in line with the market, but office employment has been weak, both during the pandemic and the recession, and it is the number of office workers that drives demand for space. Online Teams meetings are here to stay, travel habits have changed and the ability to work more flexibly has increased. The list of changes in behaviour is long. So how should the office look and function in order to be optimal? Well we need to be an effective discussion partner to appeal to existing and new tenants and be able to offer flexible offerings and concepts. It's also worth remembering that although employees might have the option to work from home one day a week, that still means they're in the office 80 per cent of the time.

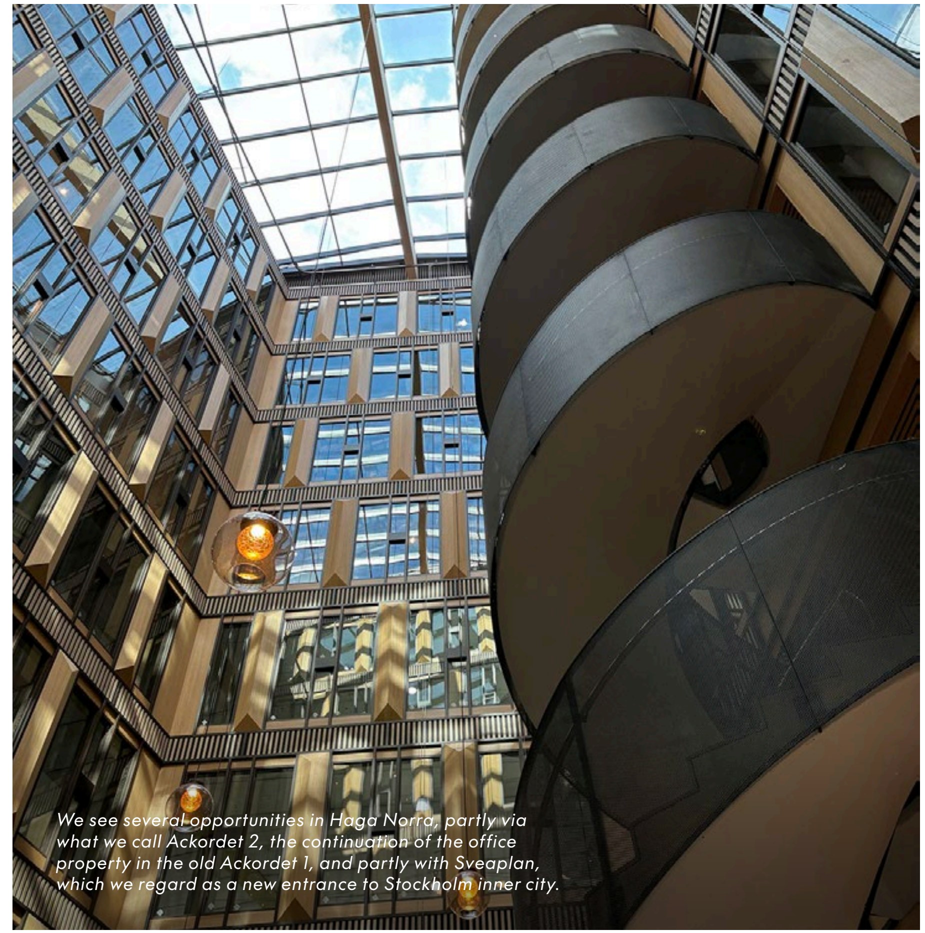
'Good' costs

Beyond that, strict cost control, particularly in projects, is vital for us, and something that we are constantly working on. Our aim is to have 'good' costs, i.e costs that in the long run strengthen our revenues and profits. Then it's very much a matter of making savings where we can. A good example of this in day-to-day operations is energy savings. In 2024, despite a cold winter and a hot summer, we reduced our energy consumption to 70.2 kWh per sqm, compared with our target of 71 kWh, saving SEK 6m in running costs in the fourth quarter of 2024 alone.

Projects with potential

Looking ahead, we must continue to work hard, invest in lettings and endeavour to further strengthen the brands in our areas, both in terms of content and profile, and to ensure that they are relevant at all times. 2025 is also the year in which we will be finalising all ongoing projects, which then enter the property management phase, giving us additional revenue of approximately SEK 350m in 2026 and beyond. The largest projects due for completion are Alfa Laval in Flemingsberg and Saab in Solna Strand. The goal is to be able to present new exciting projects in 2025, even if wedon't initially intend to start any such projects purely on speculation. All the projects we are looking at involve utilising land that we already own and develop.

During the year, new steps were taken in the planning processes for Kungsholmen, where after 14 years we have finally completed the plans for the Paradisen properties, as well as in Solna Business Park, where the Yrket area with housing and Parkhuset have gained legal force. In Arenastaden, we are focusing on the Kairo and Farao neighbourhoods and the opportunities there in the form of 185 homes and around 77,000 sqm of office space in one of Arenastaden's best locations. In addition to these, we have also identified several opportunities in Haga Norra in the near future with Ackordet 2 and at Sveaplan, which we regard as a new entrance to Stockholm inner city. Furthermore, Solna Business Park can form a cluster that brings together companies operating in our primary Swedish industries. And it's also at this site, and in Haga Norra, that we're focusing the activities of our associated company, Birger Bostad. We bought the company in order to gain control and influence over the development of tenant-owner apartments in our districts.



We see several opportunities in Haga Norra, partly via what we call Ackordet 2, the continuation of the office property in the old Ackordet 1, and partly with Sveaplan, which we regard as a new entrance to Stockholm inner city.

Message from the CEO cont.

"2025 is an exciting new year in our journey. We are in a great position to meet the challenges and opportunities ahead. I would like to extend my sincere thanks to all our customers, partners and staff who have contributed to this."

We have a total of around 700,000 sqm of commercial development rights and 570,000 sqm of residential development rights.

Transaction market back on track
The transaction market has once again bounced back. I don't mean to imply that there is some kind of bonanza going on, but the trend is healthy. The old adage that quality matters – good properties attract good buyers at good prices – holds true. At the start of 2025, we were able to announce the sale of the Ynglingen property in Östermalm, a deal that we've been working on for quite some time and which has now been finalised. Owning, improving and selling are always key, and we should see the sale as part of our continued focus on our selected neighbourhoods.

Fabege and capital
When it comes to our ability to refinance our bond maturities and secure access to capital, I am confident. Our strategy is to always have access to multiple sources of financing, and bond market conditions gradually improved during the year. At year-end, Moody's affirmed our Baa2 rating, but changed the outlook from negative to stable. We are experiencing a high level of confidence from the market, which is also confirmed by the issues we've made on the capital market, as we increased the outstanding bond volume by just over SEK 2bn to SEK 11.6bn in 2024. Banks continue to be important partners for us, and we have established good contacts over many years. Our financing cost gradually declined during the year as interest rates fell and margins came back down. By the end of the year, our average interest rate was back below 3 per cent. (Find out more on page 52).

Long-term growth and value creation
Everything we do should contribute to long-term value creation and generate a good return for our shareholders. We can do this by increasing profit from property management and creating value in two dimensions – in earnings per share and in total return. We do this by completing our projects, reducing our vacancies, continuing to work on realising the considerable potential of our development rights portfolio, creating new opportunities in our areas, and sustainable and efficient customer-oriented property management. And then there are also value-creating acquisitions and divestments.

Fabege's earnings from property management have not grown in recent years, but they have held up despite the sharp rise in interest rates.

Top marks from GRESB
Our aim is to continually be at the forefront of sustainability efforts. In 2024, we achieved an impressive 95 points in the Global Real Estate Sustainability Benchmark (GRESB), which is our best result to date. This means that we are now ranked number 1 in offices for listed companies in Northern Europe, and number 2 in the categories of offices Europe and listed companies in Europe, a fantastic acknowledgement of a job well done. Our share has also been awarded the Nasdaq Green Equity Designation, which is associated with strict requirements, but which also boosts our profile among investors. (Find out more on page 22)

We will be at the forefront, partly because we help reduce environmental impact via lower carbon dioxide emissions, for example, but in particular because our investments in energy savings and alternative energy sources save money. At the same time, proactive sustainability efforts are increasingly important, especially for our customers, who are demanding similar efforts from their landlords. We must respond to that.

The thriving city
I am proud of our investments in the Reuse Hub and the Sustainability House. For me, it goes without saying that we should reuse what's left over from a rebuild or renovation, and that's exactly what we're doing. But sustainability is more than just recycling and energy savings. It's also about helping create safe and pleasant neighbourhoods and cities. At Fabege, we do this by contributing to the thriving city, offering safe, stimulating and attractive areas. That's why we work alongside municipalities, organisations and associations. TalangAkademin, which helps people enter the labour market, the Läxhjälpen Foundation, which supports secondary school students, the Stockholm City Mission and various sports clubs are just some of them. Then there's the Urban Services initiative, which involves coordinating transport and waste management. I'm proud of all that too, and it contributes to better business and profitability. (Find out more on page 30)

Our core values, known internally as SPEAK, are Fast, Informal, Entrepreneurial, Business-minded and Customer-focused, and they apply to every aspect of our operations. And that's important, because everything we can and want to do now and in the future is based on having smart, committed and creative employees who live up to SPEAK. That's why I'm delighted that we're included in Great Place To Work's list of Sweden's best workplaces (Find out more on page 35). And I am pleased to see that, following improvements over the past few years, we have now achieved a Trust Index of 88. This bodes well for the future.

2025 is an exciting new year in our journey. We are in a great position to be able to meet the challenges ahead and capitalise on the opportunities we identify, creating value for shareholders. We believe in Stockholm, and we believe in offices. We also believe in our position in Stockholm and our neighbourhoods, with good existing stock, great public transport links and good development opportunities. I would like to extend my sincere thanks to all our customers, partners and staff who have contributed to this.

In connection with the publication of the annual accounts, I announced my intention to retire, or as a friend put it, 'step aside', by the end of 2025. I still find it very enjoyable and inspiring to work with Fabege and all its customers, employees, partners and shareholders, but I'll be 66 this spring and feel it's time to hand over the reins and free up my time a bit. As I said at the beginning, the first half of the 2020s has involved a lot of challenges, but despite this Fabege has continued to develop and is in a strong position for the future.

Now the main focus is on 2025!

Stefan Dahlbo, CEO of Fabege

Strategy for sustainable growth

Our aim is to grow sustainably, without jeopardising our strong financial position

Value-adding investments in new projects

Generate growth in both revenue and property values. Considerable value potential by working with our development rights portfolio on our own land.

Cost effectiveness

Cost-efficient property management and projects generate growth in net operating income and property values.

Customer-centred property management

High occupancy rates and positive net lettings create growth both in terms of revenue and property values. Modern properties in attractive locations combined with in-house operation and management guarantee a high occupancy rate over time.

Targets that guide our business

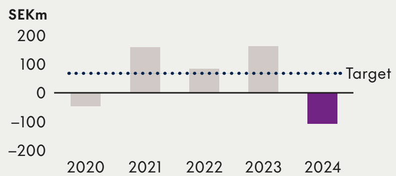
Our goal is to give our shareholders a total return that is the best among listed property companies, and to contribute to the sustainable development of Stockholm.

We follow a number of strategic objectives and key performance indicators that guide our activities.

Net lettings

Target
SEK 80m per year

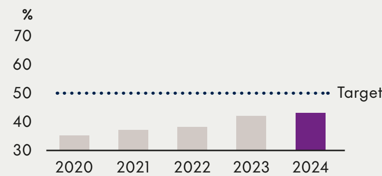
Outcome 2024
SEK −108 m



Loan-to-value ratio

Target
Loan-to-value ratio of max 50%.

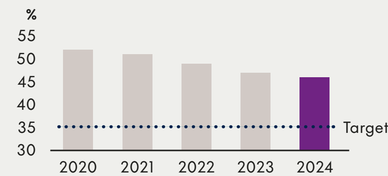
Outcome 2024
43 %



Equity/assets ratio

Target
Minimum 35%.

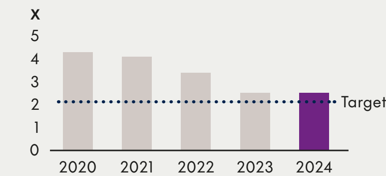
Outcome 2024
46 %



Interest coverage ratio

Target
Minimum 2.2x.

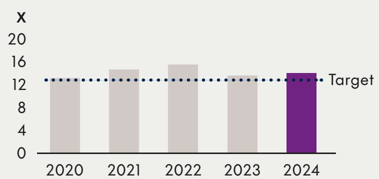
Outcome 2024
2.5 x



Debt ratio

Target
Maximum 13.0x.

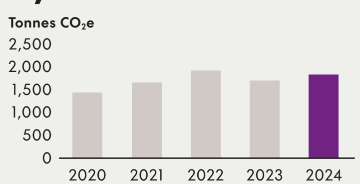
Outcome 2024
14.1 x



Carbon neutral property management (Scopes 1 and 2) by 2030

Target
Carbon neutral property management (Scopes 1 and 2) by 2030.

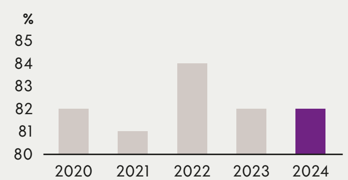
Result 2024 (tonnes CO_2e)
1,835



Environmental certification, proportion of total space

Target
All new-builds to be certified to BREEAM-SE standard, *Excellent*, and all investment properties to be environmentally certified to BREEAM In-Use standard, *Very good*.

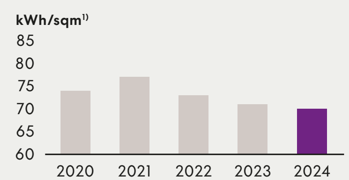
Outcome 2024
82 %



Energy performance of our buildings, kWh/sqm[1]

Target
Energy efficiency with an average target of less than 70 kWh/sqm Atemp by 2025.

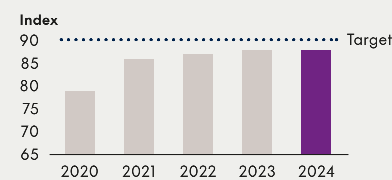
Outcome 2024
70 kWh/sqm[1]



Satisfied employees (GPTW)

Target
We aim to be one of Sweden's best workplaces according to Great Place To Work, with a long-term Trust Index target of 90.

Outcome 2024
88 index score



[1] Sqm Atemp. Atemp is the total internal area for each floor, loft and basement that is heated to more than 10°C.

Stockholm's property market

The significance of location in each submarket is becoming increasingly important.

Market situation in 2024
Stockholm's office market in 2024 was challenging. Rent increases of almost 20 per cent over the past two years, driven by indexation and a recession, have made customers cautious, and decision-making processes have been drawn out. Many companies have not reviewed their office needs since the pandemic, creating both risks and opportunities.

Employment and vacancies
Employment in Stockholm's office-intensive industries increased steadily until 2023, with growth of almost three per cent annually over the previous ten years. However, the labour market has weakened over the past two years, leading to a slight decline in office employment. The forecast is continued low employment growth in 2025. The number of office workers is an important factor affecting demand for offices.

The vacancy rate in the Stockholm office market as a whole increased from 6 per cent to 13 per cent at year-end. Vacancy rates rose in all submarkets, with the Central Business District (CBD) experiencing the lowest rates[1]. We are also seeing a difference of 4–6 per cent in vacancy rates between the A segment and the B segment within each submarket. The overall vacancy rate for our portfolio in total is 12 per cent, with the lowest vacancy rate in the CBD and the highest in Solna Business Park.

The general return to the office and increasing occupancy rates are positive developments for us, while the trend of reducing office space per employee has continued. Modern offices in the CBD are now between 8–10 sqm/employee compared with 10–15 sqm/employee 5–6 years ago. Office design, with greater demands for flexibility and functionality, therefore remains of paramount importance, as many employers are keen to attract employees back to the shared workplace.

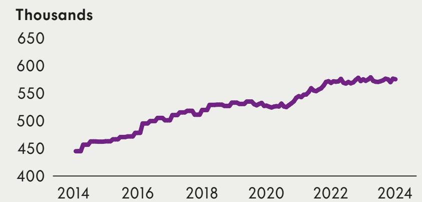
Limited new office space
Growth in new office space in the Stockholm area has been relatively stable in recent years. The experience of the 1990s has led to few speculative projects being launched in Stockholm. A number of office premises have been converted into hotels or residential units and disappeared from the market. New construction generally shows a high occupancy rate from the outset. We see no risk of an oversupply of new office space in the coming years.

Rental trend
Despite increased vacancies, rent levels have been stable; we are even seeing a slight increase in attractive locations in Stockholm inner city and the CBD, with several examples of record levels in the CBD of over SEK 10,000 per sqm.

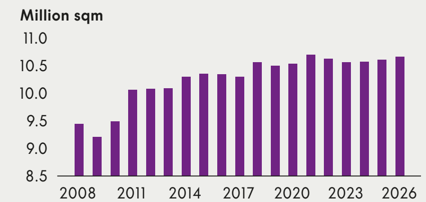
We expect rent levels to remain stable in 2025. Companies have started to focus on the total cost per employee rather than price per sqm. Quality is increasingly important, and many customers are prepared to pay for modern offices in good locations. For most companies, rent is a small aspect of the total cost per employee.

[1] Central Business District.

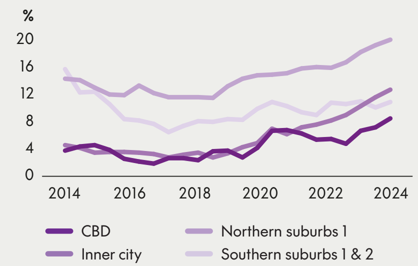
Number of office workers in Stockholm County



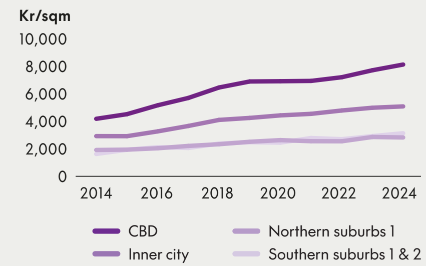
Office portfolio[1]



Vacancies in the past 10 years



Rental prices over the past 10 years



Significant competitors

AMF Fastigheter, Atrium Ljungberg, Hufvudstaden, Humlegården, Skanska and Vasakronan.

[1] Stockholm, Inner City, Northern suburbs 1, Southern suburbs 1+2 (incl. forecast)

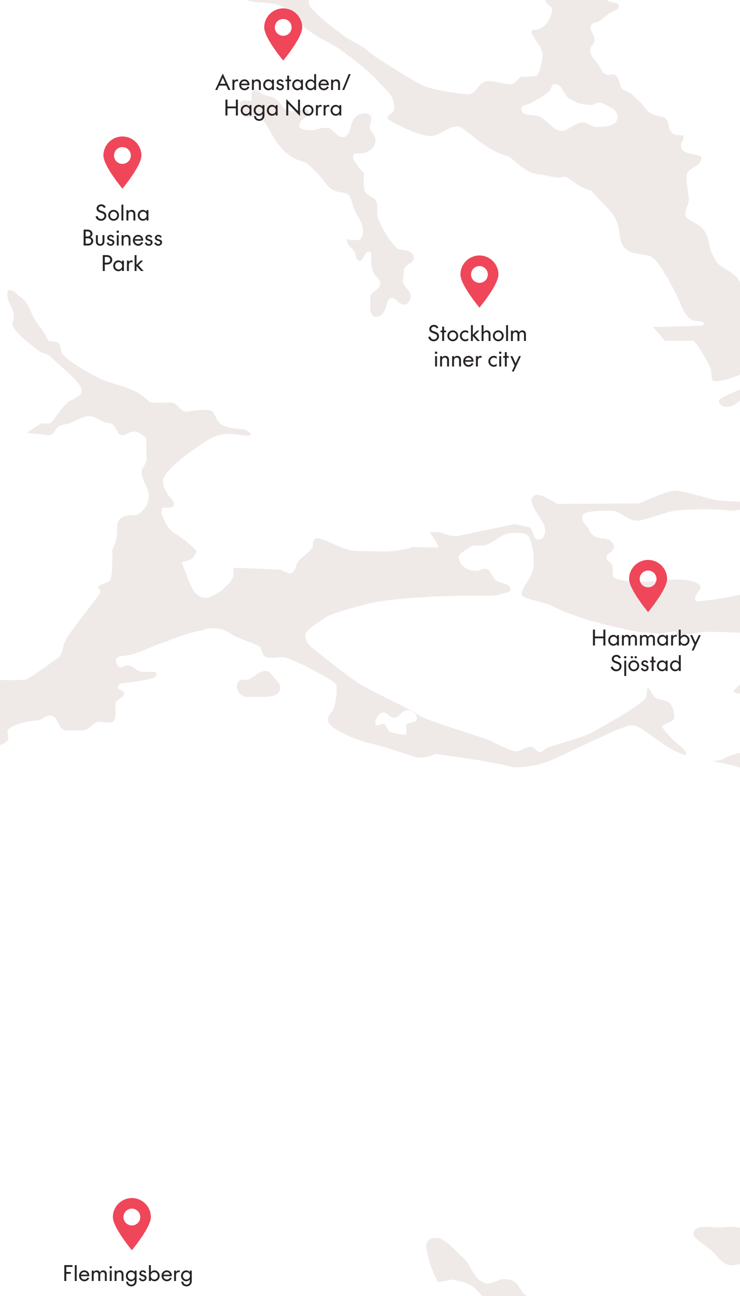
Source: Citymark

Our districts

Our property portfolio connects Stockholm from Arenastaden in the north to Flemingsberg in the south, and all our districts are, and will be important hubs for rail and other public transport.

Our substantial offering in these strategically selected districts enables our customers to be part of the entire regional labour market, reducing commuting time and improving quality of life for their employees.

We are actively engaged in helping strengthen the attractiveness and brands of neighbourhoods.



Solna

Property value	SEK 37.3bn
No. of properties	51
Lettable area	699,000 sqm

Stockholm inner city

Property value	SEK 29.4bn
No. of properties	26
Lettable area	313,000 sqm

Hammarby Sjöstad

Property value	SEK 7.9bn
No. of properties	10
Lettable area	139,000 sqm

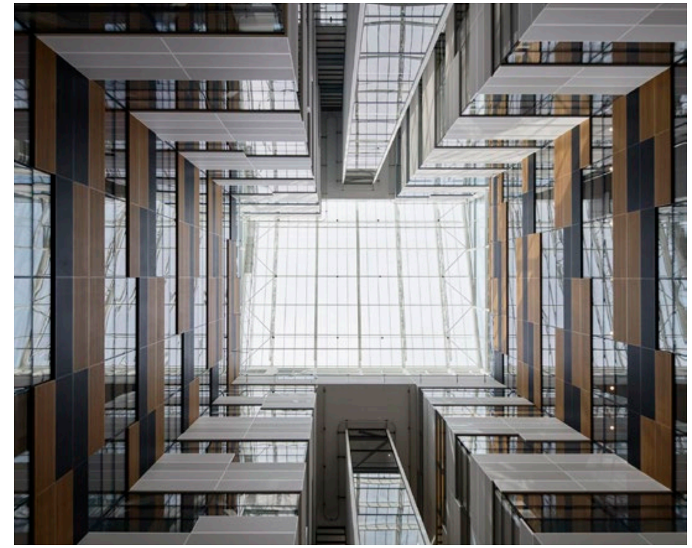
Flemingsberg

Property value	SEK 3.3bn
No. of properties	9
Lettable area	80,000 sqm

Our districts cont.

Oskar Sköld
Market Area Manager
Stockholm inner city

Henrik Egnell
Market Area Manager
Arenastaden/Haga Norra



Stockholm inner city

With our Stockholm focus, it is natural for us to be part of the property market in the city centre. Stockholm's inner city is dominated by long-term stable owners such as insurance companies, pension funds and state-owned companies. Rent levels are high and remained stable in 2024. This gives us the advantage of being able to offer premises in the CBD as well as in prime locations further outside the city.

Most of our inner-city properties are modern offices and shops in areas around Kungsgatan and Drottninggatan, but we also own properties in Hagastaden and on Västra Kungsholmen.
The refurbishment of the Wenner-Gren Center is an exciting new project due to begin in 2025.

Property value (SEKbn)	29.4
No. of properties	26
Lettable area (000 sqm)	313

Arenastaden/Haga Norra

Arenastaden has become one of Stockholm's most dynamic districts, home to both the Strawberry Arena football stadium and the largest shopping centre in the Nordic region, Mall of Scandinavia. The district is the location of the head offices of Telia, Vattenfall, ICA, Tieto Evry and SEB, which has its largest office here. There is already a well-established public transport network, and in 2028 it will be even better with the new underground.

In Haga Norra, we completed our first office project of 26,000 sqm in 2024 and started the development of 288 apartments that will be ready for occupation in 2025–2026.

Property value (SEKbn)	24.0
No. of properties	31
Lettable area (000 sqm)	390

Our districts cont.

Susanna Elvsén
Market Area Manager
Solna Business Park

Per Tyrén
Market Area Manager
Hammarby Sjöstad

Solna Business Park

We are the largest property owner in Solna Business Park. This gives us a good opportunity to be a driving force in the development of the district, and to realise our vision for the area of doubling the amount of office space and developing more housing.

An already great office area is being transformed into a modern urban environment with a growing range of restaurants and services in a dynamic mix of businesses and government agencies. Office tenants in the area include Coop, Orkla, Miele, CGI, Bosch, Veidekke and HSB.

Solna Business Park is close to the underground railway, light railway and commuter trains, which gives the district a significant competitive advantage compared with many other districts.

Property value (SEKbn)	8.8
No. of properties	10
Lettable area (000 sqm)	212

Hammarby Sjöstad

Hammarby Sjöstad is close to both the city centre and nature. Its range of services on a par with the inner city, its stunning waterfront location and good transport links all make for an attractive district. The combination of brand new buildings and refurbished older industrial buildings gives a modern, dynamic feel. Our customers here include the Swedish Environmental Protection Agency, the Swedish Institute, Firefly and Toca Boca.

Getting from the city centre to Hammarby Sjöstad is already quick and easy, and the district will receive an added boost from the arrival of the new underground in 2030.

Property value (SEKbn)	7.9
No. of properties	10
Lettable area (000 sqm)	139

Our districts cont.

Therese Friedman
Market Area Manager
Flemingsberg

Flemingsberg

Flemingsberg is relatively a new neighbourhood for us, and something of a blank canvas, but it is an important part of the continued development of the Stockholm region. The district has excellent public transport connections, with both regional and commuter trains.

With a growing business cluster, expanded services and more housing, the area has great opportunities to even out the regional imbalance that exists between the northern and southern parts of Stockholm.

Flemingsberg is already home to almost 18,000 residents and is Sweden's eighth largest campus, with five colleges and universities and Karolinska University Hospital providing healthcare and conducting research.

2024 saw the opening of the Royal Dramatic Theatre and the Royal Swedish Opera's studios, and the construction of Alfa Laval's office and laboratory is progressing with occupancy scheduled for spring 2025.

Property value (SEKbn)	3.3
No. of properties	9
Lettable area (000 sqm)	80

Flexible solutions to make our customers' lives easier

Customers are looking for greater opportunities to reduce or increase space as needed, without having to change offices. Growing demand for flexibility is at the heart of our c/o Fabege concepts, which allow us to quickly adapt access to premises and services

- NOW c/o Fabege is move-in ready office space.
- CoW c/o Fabege is coworking with flexible workplaces, private desk or private office.
- WAW c/o Fabege is exclusive to our customers and provides access to workplaces around Stockholm.
- VOV c/o Fabege offers dog day care to our tenants.
- Rum c/o Fabege offers full or half-day bookings for meeting rooms accommodating up to 30 people.

Birger Bostad

We pursue residential development in our neighbourhoods via our wholly owned subsidiary Birger Bostad. Residential development enables us to further enhance neighbourhoods, giving us better opportunities to create value.

The emphasis is currently on developing our homes in Solna and Haga Norra.

Construction starts for several housing projects have been postponed over the past year, due to a weaker economy and persistently high interest rates. However, this does not mean that they have been put on hold indefinitely. In 2024, we launched the next phase in Haga Norra, with 288 apartments scheduled for occupancy in 2025/2026.

Our focus on our neighbourhoods has proven to be an advantage. We are close to our projects and are therefore able to maintain effective cost control. One trend we are seeing is that the homes being built today have efficient spaces, are well planned and keep costs down. We have seen healthy demand for the completed apartments in our priority neighbourhoods.

Fredrik Alvarsson
CEO, Birger Bostad

"We have seen healthy demand for the completed apartments in our priority neighbourhoods."

Ongoing projects	5
Residential units in production	288
Residential development rights (sqm)	573,300

1) Refers to all of Fabege AB.

Architectural rendering of Haga Norra.

Our property management

Property management is at the heart of our business. We are currently landlord to approximately 700 companies, government agencies and organisations, and more than 100,000 people spend time in our buildings every day.

Our management organisation is decentralised, with offices in each district and an in-house staff team, including operations personnel and technicians. We believe it's important to be where the customer is; we eat at the same restaurants and go to the same gyms; in short, we walk the same streets and see the same things as our customers. Being close to the customer gives us a considerable insight into their business and their needs. This allows us to provide attractive, sustainable offices, and satisfy growing demand for flexibility

Dedicated teams
Each local office has a dedicated team for the customer and the property. Decisions are taken locally, and an efficient decision-making structure enables us to respond quickly. Our property management teams work closely with our in-house technical operations staff, who meet customers on a daily basis. Our aim is to be responsive and work in partnership with our customers.

New concepts with the customer front and centre
We are constantly developing our offerings to create added value for our customers.

Demand for flexibility is at the centre of our c/o Fabege concepts, which enable the customer to move in immediately to a ready-made premises. The concept accounts for a very small portion of sales, but it adds value and is an important component of our overall offering.

Flexibility high on the agenda
The office market has traditionally been characterised by long leases and been relatively sluggish. In recent years, elements of greater flexibility have increased, leading to shorter leases or the option to terminate all or part of the lease early. Significant customers are still signing long-term leases, especially when they are investing heavily in the premises. Many customers are looking for greater opportunities to reduce or increase their space as required without having to change offices, so we try as far as possible to make general tenant customisations and offer shareable offices. Our average lease term is 4.8 years.

What our customers say
We monitor our work with customers and carry out Customer Satisfaction (CSI) surveys every two years to help us improve. Our target is an overall customer satisfaction rating of 80, and in the 2023 survey we achieved 81. An index of 81 is a high figure in the property sector. An impressive 95 per cent stated that they would be likely to recommend us as a landlord, while 88 per cent said that we would be the first point of contact when considering a change of premises.

Fabege's lease portfolio in brief

700
Approximately 700 customers

4.8
Average lease term

4.5%
Rental development in existing portfolio

88%
Occupancy rate in investment property portfolio.

Planning process in Sweden

A local development plan is a map featuring regulations that state what the land may be used for and how the buildings should look within the planning area. We actively engage with municipalities to produce local development plans in a process that takes an average of four years.

1. Planning decision

For an area that requires a new, or amendments to a local development plan, an application must be made to the municipality to determine whether or not planning work can begin.

2. Potential programme

Before the planning work is initiated, the municipality decides whether a programme might be required to describe appropriate infrastructure needs and consequences of a new local development plan. There is an initial programme consultation with all interested parties at the programme stage. Any comments that are submitted then form the basis of the formal plan proposal that is drawn up ahead of the next consultation.

3. Consultation for local development plan

The formal plan proposal is drawn up by the municipality in cooperation with the property owner. An initial plan proposal is then sent out to the relevant parties and authorities for their views. Following the consultation period, the proposal is adjusted and all comments received are recorded in a consultation report. The relevant board makes a decision regarding the final plan proposal.

4. Local development plan review

Once the consultation has been concluded, the proposal is released and the relevant parties have at least two weeks in which to examine and submit comments regarding the plan. Once again, potential adjustments are made to the proposal in response to comments received. Any views and comments received are compiled in a review report. Following this, the local development plan is approved by the relevant board.

5. Adoption

Following approval, the plan then goes on to the local government council (or delegated political authority) for adoption.

6. Appeal

The municipality's decision regarding the local development plan can be appealed at the Land and Environment Court within three weeks, provided the party launching the appeal is directly affected by the proposal and submitted comments in writing during the review period.

7. Legal approval

If the local development plan is not appealed, or if the appeal is rejected, the plan gains legal approval and can be implemented.

8. Construction start

Once the local development plan has gained legal approval, and planning permission and a decision regarding a start date have been obtained from the municipality, construction can begin.

Our projects

We are constantly identifying new opportunities in our portfolio to create entirely new development rights for housing and offices, which further increase the future potential of the company.

We are one of the largest office developers in Stockholm. By 2025, we will complete a total of 128,000 sqm of office space with a rental value of SEK 350m. In 2024, we carried out roughly 150 small projects to satisfy our customers' varying needs. Projects can include adaptations before a customer moves in, changes for existing customers, or initiatives to boost the value of a property.

Customisations

Knowing that we can adapt the premises to changing needs gives our customers peace of mind and lays the ground for a high retention rate. Customisations often coincide with lease renegotiations. In 2025, we plan to start work on a project involving replacing the facade of the listed Wenner-Gren Center building (Ormträsket 10), which was built in 1964. We have relocated existing customers within our portfolio, and in some cases we have already signed new leases for when the property re-opens in 2027.

The choices we make during the construction process help to cost-effectively reduce our climate impact, for example in terms of energy efficiency, preserving and reusing materials, comparing different design solutions and optimising use of materials.

Developer

In larger projects, we take on the role of developer as we carefully select building contractors to ensure they are aligned with our high standards of quality and competence. We ensure contractors comply with our Code of Conduct via our rigorous procurement process.

Extensive development rights portfolio

Our development rights allow for numerous different development projects and property types. Areas with sites for new construction in the near future are mainly in Arenastaden and Solna Business Park. In the longer term, there will also be significant opportunities in Flemingsberg. In total, our commercial development rights in our strategic core areas amounted to around 706,000 sqm and 573,000 residential development rights on our own land. Our development rights portfolio will allow us to continue producing offices in our core areas for the next decade. But we will not be launching any speculative projects in the near future. We often aim to achieve an occupancy rate of around 50 per cent before starting any new project.

Farao and Kairo
Arenastaden

- Approx. 77,000 sqm of offices
- 185 residential units
- Demolition and infrastructure investments to start in 2025

Parkhuset/Yrket
Solna Business Park

- Approx. 22,000 sqm of offices
- Approx. 325 residential units
- Preschool and retail premises

Tegelterrassen
Västra Kungsholmen

- Approx. 36,000 sqm of offices

Interview with Fabege's CFO

In early 2024, the investor market was concerned about financing, access to capital and rising interest rates. The financial market shifted in favour of the property sector during the year, and today the question marks are more about the rental market and the processes surrounding renegotiations and new leases. Åsa Bergström reflects on a year marked by financing, customer focus, sustainability and cost control.


Åsa Bergström, CFO

2024 has presented continued challenges for many property companies. What have Fabege's priorities been in order to maintain its focus on long-term, sustainable growth?

Fabege's primary focus in 2024 was lettings and costs. We took on more resources in our lettings team early on in the year, both to retain existing customers as far as possible and to find new customers to reduce the vacancy rate in our portfolio.

The situation as regards our operating environment also caused us to maintain our focus on costs. We often talk about good and bad costs, with good costs being those that also contribute to revenue. I believe our day-to-day management is highly efficient. It has been more difficult to contain costs in construction projects, partly because of the sharp rise in the cost of materials in recent years. Prioritisation and greater efficiency in project procurement processes have become increasingly important to make the calculations add up.

Despite a weak market, several companies like Fabege have shown financial strength. Do you think there has been too much market distrust of property companies?

My feeling is that this mistrust of the property sector was largely about a few companies taking on excessive risk in their growth journey. Confidence has now been restored in companies like Fabege that have shown more restraint. Financing conditions also saw a significant improvement in 2024, at a much faster rate than I had expected at the beginning of the year. We are very comfortable with our loan-to-value ratio, which now stands at 43 per cent.

Banks have been there for us throughout. The capital market is also an option now, offering excellent terms. Meanwhile, the Riksbank's policy rate cuts have had a positive impact on the property sector, which is a major borrower. Companies in need of capital and refinancing have been able to issue bonds, sell properties or raise new loans, which has boosted confidence in the sector as a whole.

What have you done to secure long-term financing?

We are careful to protect our good relationships with the banks. Bank financing is in fact the basis of our financing, and we want to be a good and important customer for our banks. Bank financing proved valuable during the period when the capital market was either unavailable or only offering sky-high prices. Now the capital market is working well again, which I think is good for both us and the banks. I might add that the same banks that put their balance sheets on the line for us also get the business when it comes to capital market transactions and derivatives.

How much of the loan portfolio needs to be renegotiated in the short term, and is a higher interest rate on the cards?

We aim to achieve a good spread, with even maturities over both quarters and years. The objective is to have access to unutilised credit facilities at all times in order to cover maturities for one year. We have been actively working on the fixed income portfolio to reduce interest

Interview with Fabege's CFO cont.

"We are financially strong. During the year, our main focus has shifted from financing to customers, lettings and vacancies."

costs. As old and cheap derivatives expire, the cost of the variable portion of the portfolio decreases. Combined with the fact that we are refinancing at lower margins, this confirms my belief that we will be able to keep the average interest rate roughly in line with current levels.

What proportion of bank loans and bonds do you have, and have you changed your view on the split?

Bank loans form our base, and we value our relationships with the banks. Bank loans currently account for around 60 per cent. In the short term, we can continue to grow with a little more capital market funding, provided the interest rate levels we have now remain the same. I think that 60/40 either way provides a good balance.

Although the financial risk has declined overall, the economy remains weak, which has led to increased vacancies in the Stockholm area. How has Fabege been affected?

The entire Stockholm office market has been affected. This is reflected in generally higher vacancy rates and the fact that processes with customers tend to take a long time. Many companies are focusing on making more efficient use of space, which sometimes leads to vacancies. We have also seen increased vacancies in our portfolio, but with our offer of modern, flexible offices in prime locations, we are in a good position to be able to fill them. Our existing customer base of large, stable companies also ensures stability.

What is your investment strategy? Are you cutting back on planned investments, or are your plans still in place? When will the next project start in Flemingsberg?

We are continually investing in our existing portfolio, for example in tenant customisations and energy efficiency projects. Our major ongoing new construction and refurbishment projects will be completed in 2025. We have no plans at present to start any new speculative construction projects, but if we attract a customer, we are ready to launch the next project.

In Flemingsberg, we finalised the Operan and Dramaten project during the year. And the Alfa Laval project will be completed in the spring. There are no new investment decisions on the horizon, but work is continuing on the planning process to enable future construction starts. Our best estimate at the moment is a potential construction start in 2026.

Is there a risk that further property value write-downs will be required, given the scarcity of transactions that validate the valuations made?

We have written down property values by around 15 per cent since they peaked in the third quarter of 2022. The decline in property values has now come to a halt in our most attractive areas, and even seen a slight increase. Barring any other unforeseen events, I think write-downs are at an end, and we can see stable or slightly higher property values in our markets looking ahead.

What will it take for the transaction market to recover?

I believe improved access to financing and lower market interest rates will help boost activity in the transaction market. However, office ownership in Stockholm is still dominated by institutional capital that invests for the long term. Generally speaking there aren't many sellers, and definitely none who feel under pressure to sell.

Do you think the worst is over and that the more favourable interest rate environment will boost interest in property shares, or what further signals are needed?

We are noting an increase in confidence in the sector overall. Inflation and interest rates have come down; what we now need is some positive economic signals for things to pick up.

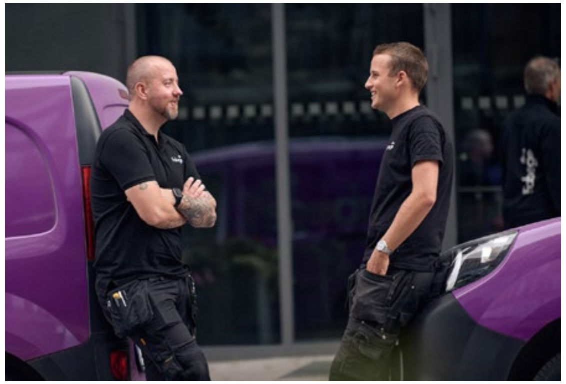
Do you think the company is ending the year in a stronger position, and if so, in what way? What will be the main drivers in the property market in 2025?

Yes, I firmly believe that. We've shown that we are strong and in control of our finances and balance sheet. We also have a high profile and are at the forefront of sustainability issues; for example we've had the lowest energy consumption per sqm in the industry for many years now. We have a sustainability-certified property portfolio. We are working to reduce our carbon footprint, partly by reusing materials in our projects. We also actively engage with the communities in our neighbourhoods. Looking ahead, these are issues that I believe will gain significance.

Other than that, given the current economic climate, our focus is obviously on customers and lettings. We will look after our existing customers and make sure their needs are met. And we have the capacity to invest in projects for new customers. Fabege has great potential for continued value creation.

Investing in Fabege

We are one of Sweden's biggest property companies. We own, develop and manage commercial properties in Stockholm, which is Sweden's largest growth region.



We believe in Stockholm and commercial property

- Our activities are geographically concentrated in the Stockholm area.
- We own commercial properties in attractive locations with good transport links.
- We are urban developers, which means developing housing and life between the buildings.

Growth should be stable and sustained over time

- We have a long history of successful property management and development. Over time, we have become one of Sweden's largest property companies.
- We have grown via a two-pronged approach, showing caution in challenging times and proactively investing during more favourable periods.
- Both our existing properties and our extensive portfolio of development rights have the potential to generate considerable value – when the time is right.

Shareholder value through business acumen and customer focus

- We create long-term, sustainable growth in earnings from property management, customer satisfaction and dividend capacity through efficient management and development of existing properties and development rights.

Sustainability is at the heart of everything we do

- We value sustainable business practices both economically and ecologically.
- All investment properties and projects are sustainability certified.
- Our loan portfolio is classified as green and our share has received the Nasdaq Green Equity Designation.

Share information

Fabege's shares are listed on the Nasdaq Stockholm and included in the Large-Cap segment. Fabege had a total of 43,827 known shareholders at 31 December 2024, including 59.4 per cent Swedish ownership. The 12 largest shareholders control 51.2 per cent of the capital in the company.

Dividend policy
We aim to pay a dividend to our 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, on an enduring basis, to at least 50 per cent of the profit from ongoing property management and the gains realised on the sale of properties after tax.

Dividend 2024
The Board proposes to the AGM a dividend of SEK 2.00 per share, to be paid quarterly on four occasions in the amount of SEK 0.50 per share on each occasion.

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. No repurchases were carried out during the year. The company held 16,206,048 treasury shares on 31 December. The holding represents 4.9 per cent of the total number of registered shares. The average price of the treasury stock is SEK 120.23 per share.

Shares and share capital
Share capital at year-end totalled SEK 5,097m (5,097), represented by 330,783,144 shares. All shares carry the same voting rights and entitle the holder to the same share of the company's capital. The quotient value is SEK 15.41/share.

Fabege – a green share
To meet Nasdaq's criteria for its Green Equity Designation, at least 50 per cent of turnover (OpEx) and 50 per cent of investments (CapEx) must be considered to be green, while less than 5 per cent of turnover can be linked to fossil fuels. At the time of application, a qualitative assessment of the company's compliance with the Nasdaq Green Equity Principles is carried out.

Fabege was rated by S&P Global Ratings in 2024. The results show that 87 per cent of rental income, 77 per cent of operating costs and 78 per cent of investments at Fabege are classified as green, and that Fabege does not generate any turnover from fossil fuels.

Largest shareholders

Largest shareholders[1], 31/12/2024	Number of shares	Share of capital, %	Share of votes, %
Backahill AB	52,608,718	15.90	16.72
Geveran Trading Co	43,890,594	13.27	13.95
Vanguard	10,817,527	3.27	3.44
BlackRock	10,389,135	3.14	3.30
Länsförsäkringar	8,322,044	2.52	2.65
Nordea Funds	7,414,848	2.24	2.36
Folksam	7,322,708	2.21	2.33
E.N.A City Aktiebolag	7,200,000	2.18	2.29
Norges Bank	5,836,669	1.76	1.86
APG Asset Management	5,381,723	1.63	1.71
Handelsbanken Fonder	5,376,817	1.63	1.71
AFA Försäkring	4,868,553	1.47	1.55
Total 12 largest shareholders	**169,429,336**	**51.22**	**53.87**
Total number of shares outstanding	**314,577,096**	**95.10**	**100**
Treasury shares	16,206,048	4.90	–
Total number of registered shares	**330,783,144**	**100**	**100**

[1] Monitor av Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar, Finansinspektionen and Nasdaq.

Share history

Year		Number of shares	Total number of shares	Share capital, SEK	Quotient value
2018	Split 2:1	165,391,572	330,783,144	5,097,368,249	15.41
2011–2017		–	165,391,572	5,097,368,249	30.82
2010	Cancellation of repurchased shares	–3,929,400	165,391,572	5,097,368,249	30.82
2009	Conversion of debenture loan	9,418	169,320,972	5,096,558,087	30.10
2008	Conversion of debenture loan	3,306	169,311,554	5,096,274,606	30.10
	Cancellation of repurchased shares	–9,150,673	169,308,248		
2007	Split 2:1	89,223,081	178,458,921	5,086,079,249	28.50
	Conversion of debenture loan	25,763			
	Klövern AB redemption offer	–5,948,205			
	Cancellation of repurchased shares	–5,441,100			
2006	Conversion of debenture loan	62,435	100,599,382	5,029,969,100	50
	New share issue in connection with purchase of Tornet AB	4,381,376			
2005	Conversion of debenture loan	3,176	96,155,571	4,807,778,550	50

Fabege
Sustainability 2024

Contents

Fabege's sustainability work

"We are at the forefront with our sustainability efforts and I usually say that sustainability is a collaborative effort. In 2024, we achieved the challenging energy target of 70 kWh/sqm, thereby proving that our dedicated teamwork is successful, efficient and profitable."

Mia Häggström, Head of Sustainability

I see several business benefits in being at the forefront regarding sustainability efforts. The aim here of course is to be relevant and competitive in the short and long term, in other words creating sustainable customer value, efficiency and flexibility, but also minimising risk. Since the early 2000s, Fabege has had a strong focus on energy efficiency and has been an industry leader in this area in recent years. In 2024, as a result of digitalisation initiatives and solid work, we achieved the challenging energy target of 70 kWh/sqm Atemp on average. So, when new EU legislation, such as the EED and EPBD, comes into force, we will be very well positioned.

In 2024, we prepared for the new sustainability reporting framework. We carried out a double materiality analysis and a gap analysis for the ESRS reporting standard. However, we are now waiting for the European Commission's Omnibus proposal.

The main focus during the year continued to be our role in the climate transition and pursuing social sustainability efforts. We shall have a sustainable value proposition that enables value creation for our stakeholders and contributes to positive development in society. With boldness and determination, we are working to make the best possible contribution to creating appealing cities that attract both people and businesses. This involves managing and developing sustainable buildings, premises and services which in turn lead to increased growth.

Our reuse efforts continued to receive a lot of attention this year, and in our everyday work we place great emphasis on resource efficiency and circularity. Since being opened in 2023, we have had around 1,300 visitors to Fabege's reuse office "Sweden's most stylish office 2023" and the reuse hub in Solna Business Park. There we share our working methods and our reuse strategy.

The practical development of districts and urban areas is based on social roadmaps focusing on urban life, reasons to visit and strong identities, which we create together with our partners. The work combines physical site-building with the creation of site-based relationships, with a particular focus on safety and wellbeing, employment, health and culture. Via collaboration and partnerships, we can contribute to alliances such as TalangAkademin, which encourages an inclusive labour market in which everyone is welcome. During the year, we once again achieved very good results with regard to upper secondary school entry qualifications via the educational foundation Läxhjälpen in Flemingsberg. We have a long-term perspective to social sustainability work and the commitments we have initiated, because this approach provides a greater opportunity to contribute to positive change in society that benefits our districts.

Looking ahead, the overall sustainability strategy remains steady. We work every day on value creation and effective sustainability work that can provide a foundation for successful growth. We continue to work with our customers and partners to improve resource efficiency, circular design, sustainable flexible solutions and pleasant, safe urban areas.

Sustainability through the year

GRESB
REAL ESTATE
sector leader 2024

Fabege – top sustainable property company in the Nordics

GRESB (Global Real Estate Sustainability Benchmark) produces an annual ranking of the property sector from a sustainability perspective. In the 2024 survey, we rose to 95 points out of 100, ranking us highest in the Office sector among listed real estate companies in northern Europe.

70 kWh/sqm
Specific energy

Energy-efficient property management

We have worked systematically on energy issues for over 20 years, with excellent results continuing to be achieved. For 2024, energy use was 70 kWh per square metre, which is in line with our long-term target of below 70 kWh per square metre Atemp on average by 2025.

Flemingsberg Block Party 2024

Together with Huddinge Municipality and Södertörn University, as well as local organisations, Fabege invited people to a festival filled with music, art and dance. The festival was held on 24–25 May 2024 under the Regulator Bridge, on the site that will form the new centre of Flemingsberg.

Reuse project – SEK Svensk Elstandard

In August, SEK Svensk Elstandard (SEK) moved to Solna Business Park. In conjunction with the move, SEK defined requirements for the office and training facilities, stating that they had to be built in the most sustainable way possible. The share of reused materials and products was as high as 43 per cent.

We are at the forefront of our industry, owing to our proactive and bold strategic decisions. We have ambitious goals for 2030, and by continuing to adopt forward-looking measures, we are confident we will achieve them.

Our ambitious journey

- We have been supporting the UN Global Compact since 2010
- Science Based Targets initiative (SBTi) validated already in 2020
- First with BREEAM-SE and BREEAM In-Use certification for all investment properties
- For many years, we have had the lowest energy use in the industry
- 100 per cent electric service vehicles as early as 2017
- 95 per cent reduction in climate impact since 2002[1]
- First Swedish property company to achieve 100 per cent green financing
- First in the Nordic region to take out taxonomy-adapted loan
- Green leases launched 2011
- Green share on Nasdaq since 2023
- Consistently highly ranked by GRESB

[1] Reduced carbon dioxide emissions (Scopes 1 & 2) from around 40,000 to 1,835 tonnes CO_2e from 2002 to 2024.

[2] sqm Atemp. Atemp is the total internal area for each floor, loft and basement that is heated to more than 10°C.

[3] Proportion of reused construction material of total amount of construction material supplied in 76 projects that have undergone a carbon footprint calculation.

During 2024, we...

- Conducted a double materiality analysis (DMA) in accordance with ESRS
- Energy consumption of 70 kWh/sqm[2]
- Maintained 100 per cent environmental certification
- Achieved a circularity index of 6 per cent[3]

Targets for 2025

- 20 per cent reduction in carbon footprint per square metre of GFA compared with 2018 (Scope 3)
- Measures from results of climate resilience analyses implemented at all properties

Targets for 2030

- 50 per cent reduction in carbon footprint per square metre of GFA compared with 2018 (Scope 3)
- Carbon neutral property management (Scopes 1 and 2)

Responsibility through the value chain

Sustainability has long been integrated into our business model and overall strategy. Through collaboration and powerful implementation, we can future-proof our assets and find new ways to increase the attractiveness of, and wellbeing in and around our properties, with the smallest possible carbon footprint.

1. Construction

The biggest environmental impact at this stage is in the production of building materials. Cement and steel production releases a lot of CO_2 and affects ecosystems and water supplies. Our indirect and direct impact is minimised via circular material flows, and by choosing materials with a lower carbon footprint. Socially, we counteract a potentially negative impact through our supplier audits, which look at safe working conditions and human rights.

2. Use

Operating energy for premises accounts for a large part of Sweden's climate impact. We are reducing our direct impact through energy efficiency, locally produced renewable energy and a fossil-free fleet of service vehicles. Together with the customers, we can minimise the need for renovation and retain the existing structure/floor plan/fittings in order to increase resource efficiency and reduce climate emissions. The premises are the customers' physical working environment, and are where we can directly and indirectly influence, for example, health, mobility and energy usage.

3. Urban development

Our buildings are part of the physical and social environment of the city. We strive to make the best possible contribution to creating appealing cities that attract both businesses and people. By actively working with other stakeholders, we can indirectly contribute to a safe and pleasant urban environment and a balanced energy system. Through our urban development, we influence the development of society, where our commitment extends beyond buildings to include the location, the facilities, the environment and the people.

4. End-of-life and reuse

At the end of a building's life, the demolition and handling of building components have an environmental impact. We strive to minimise our direct impact by means of making inventories, as well as dismantling, relocating or reconditioning and reassembling, and reusing and recycling building components/materials. Working with circularity index, conservation index and reused building components/materials within projects or from other projects is a particular area of focus.

Our focus areas

Based on the 17 UN Sustainable Development Goals (SDGs) and through continuous dialogue with our stakeholders, we have defined the most material issues for our business based on our impact on the environment and society. Our work has an impact on all the SDGs, but we recognise that there are strong synergies between the various goals. That is why we are putting a greater focus on the six goals that are most significant for our business: goals 3, 7, 9, 10, 11 and 12. Activities linked to the goals are now integrated into our business processes.

	Districts	Properties	Employees	Supply chain	Financing	Customers
Material topics	– Energy system – Living conditions in the local community – Equal opportunities – Education – Meaningful leisure time – Safety	– Energy use – Greenhouse gas emissions – Waste	– Good health – Security – Diversity and gender equality – Greenhouse gas emissions	– Review of supplier sustainability, including environment and human rights.	– Green financing	– Good health – Security – Indoor environment – Energy use – Greenhouse gas emissions
Agenda 2030						
Examples of targets and activities	– Sustainability programme for each district project. – Focus on social sustainability in the development of the district environment. – Site cooperation with other stake-holders. – 100% renewable energy purchased.	– Carbon neutral property management (Scopes 1 and 2) and halving of indirect emissions (Scope 3) per GFA by 2030. – 100% environmentally certified proper-ty portfolio. – Energy performance below 70 kWh per square metre Atemp by 2025. – Circularity index 20% for renovations.	– Low sickness absence. – Confidence rating >90%. – Health and safety training for managers and staff.	– 100% sustainability screening of framework agreement suppliers. – Systems for monitoring compliance with the Code of Conduct. – Safeguarding human rights and the environment via workplace inspections during projects.	– 100% green financing. – Sustainability-linked loans and bonds.	– 100% green leases. – CSI rating of at least 80. – Over 150 in-depth customer dialogues. – Health-certified workplaces.

Business ethics

Material topics
– Anti-corruption
– Tax

Examples of objectives and activities
– Annual training in our Code of Conduct.
– All framework agreement suppliers and contractors sign our Supplier Code of Conduct.
– Whistleblower function, which can be used by external and internal parties anonymously to report suspicions of unethical conduct.
– Transparent and open accounts of the Group's total tax burden.

Focus area Districts

We strive to make the best possible contribution to creating sustainable and appealing cities and neighbourhoods that attract both people and businesses.

Strategic initiatives in districts
Through our sustainability efforts, we contribute to a sustainable Stockholm in which we develop and manage districts, properties and premises. Our approach is rooted in a holistic perspective to strengthen our districts as experience-based meeting places, where the primary focus is on health, convenience, safety and comfort. By influencing everything from the choice of building materials and energy use to sustainable travel, we can also help reduce our carbon footprint. A vibrant centre creates good conditions for business. Our work in the districts is conducted using local urban life strategies, into which social sustainability plans are also integrated. We develop a strategic/sustainability plan specific to each city district and an action plan that is updated each year. We focus mainly on the outdoor environment, service elements and ground floor content, infrastructure and mobility, safety and security.

To ensure long-term value growth in our districts, we have linked social sustainability to business operations, and we conduct social site analyses and draft a social roadmap. Our focus is on dialogue and collaboration, physical urban planning and social engagement.

The aim is to achieve safety and comfort, employment, health and wellbeing and accessible housing. Most of our engagements are aimed at children and young people.

We promote sustainable travel
A considerable proportion of our customers currently opt to use public transport, and our district choices are also determined by proximity to public transport and good infrastructure.

We work with the CERO process tool (www.cero.nu), which aims to reduce the carbon footprint from travel to and from our properties. According to the latest travel habits survey among Solna Business Park employees, as many as 91 per cent travel sustainably to and from their workplace. In Arenastaden, the corresponding result is around 80 per cent. Together with companies in Arenastaden, the municipality, Keolis and MTR, we have a network that has now developed a new plan of action to increase the proportion of sustain-

In brief

Material topics

- Energy system
- Living conditions in the local community
- Equal opportunities
- Education
- Meaningful leisure time
- Safety

Target

- Contribute towards keeping global warming under 1.5 degrees
- Focus on environment, climate and social sustainability as we develop the physical environment for life in our districts
- Make a difference in the districts in which we operate and focus on children and young people

Focus area Districts cont.

able travel. The planned measures include the continued roll-out of locations for charging electric vehicles, improved cycle paths, new and/or improved public transport connections and an extended range of sharing services for electric cars, electric mopeds and electric bikes, as well as a new metro station.

We have seen an increased demand for both parking spaces and charging points for electric cars. We are continually installing new stations for charging electric vehicles both at properties and in street environments to make it easier for our customers' employees to travel more sustainably. In 2024, we expanded the number of sites and can now offer 2,400 charging points.

We are also driving the development of mobility hubs offering sharing services for cars and bikes, as well as dry cleaning, food deliveries and similar services.

Fabege's role in the energy system

Optimised energy systems are a priority for society in general and a fundamental prerequisite for enabling our districts to contribute to achieving a reduced carbon footprint. As property owners and managers, we can help reduce the load on electricity grids while society continues to become increasingly electrified. Fabege is now a prosumer, as we both consume and produce electricity, and actively contribute to the energy system. In this regard, we move the system boundaries outside the buildings and choose to see the buildings as an integral part of local energy systems.

Optimising of the power output has been a priority for us for many years, partly from a cost perspective and also in terms of our goal of reducing our carbon footprint. We work actively with our properties and also with our energy suppliers to find models and features to enable flexibility regarding heating, cooling and electricity.

> Future-proofing the electricity supply is an important matter for society as a whole
>
> Society is becoming increasingly electrified, and this places growing and greater demands on the electricity grid. There is therefore a need to ensure electricity generation capacity as well as demand flexibility to avoid power shortages, and to ensure that investments in the electricity system are used efficiently.

Socially sustainable property ownership

Our work with social sustainability focuses on people, both inside and between the buildings. We want to create places in which people want to have their businesses, create experiences and live. Managing and developing life between the buildings creates the conditions for attractive locations and satisfied customers.

Safety in our districts

Our structured safety and security work aims to increase the feeling of safety in our urban areas. Our properties have networked security alarms, fire alarms and cameras. A 24/7 operations centre allows us to receive and respond to fault reports and alarms at all times.

The design of the physical environment has a major impact on how we perceive our immediate surroundings. A well-managed area that enables activities and where there are plenty of people around during both the day and the evening feels safe. We therefore want to create the conditions for a good and mixed offer of workplaces, residential units, services, culture and recreation in our districts. Public transport and the decoration of public spaces are also on our agenda.

We also work with lighting and mixed lighting because this has an impact on how a place or an area is perceived. Good lighting creates atmosphere, safety and makes it easier to find your way around.

The aim is for all our districts to be characterised by and designed according to three principles:

1. Attractive street environments that enhance the sense of community, belonging and safety.
2. A thriving district in the evenings and on weekends as well.
3. Varied and playful lighting and lighting design.

Cultural elements in everyday life

Our initiative, 'Life between the buildings', gives culture a place in urban streetscapes through public art, involving the creative talents of both established artists and local school children. At the Street Gallery in Solna Business Park, for example, up-and-coming artists can exhibit their work in an open-air studio that creates unexpected elements in the street environment.

Now that the Royal Opera and Royal Dramatic Theatre's studios in Flemingsberg have opened, we will work together with schools in the area. The Royal Opera and Royal Dramatic Theatre, in collaboration with Fabege and Huddinge Municipality, are offering all primary school children the opportunity to learn more about theatre, opera, ballet and classical music, and to try out these art forms for themselves.

Flemingsberg's new food paradise – Billmans restaurant contributes to well-being and sustainable food experiences in everyday life

A healthy city for everyone

We want to help ensure that everyone living in our districts has the conditions for good health and wellbeing. The districts should encourage activity and, in addition to building cycle paths and planning footpaths, we want to enable gyms and fitness centres to get estab-

Focus area Districts cont.

Some of the local initiatives

lished. We also create squares and other meeting places, as well as areas of greenery, that can contribute to improved public health and a more attractive urban space with less car traffic. An example of inclusive street environments that promote diversity and encourage physical movement is the Pep Parks concept. These are activity parks designed for all ages and that have been developed as part of a collaboration between Fabege, Generation Pep and the City of Solna.

The emergence of Flemingsberg as a business cluster in which knowledge and creativity meet is important for achieving a regional balance between southern and northern Stockholm. Within the framework of BID Flemingsberg (Business Improvement District), we are working to create better conditions for children and young people to be active in their leisure time free of charge via, for example, sport and dance. The BID also supports the development of sporting and cultural associations, as such activities have previously been very limited in the area. In addition, the BID is also keen to develop the area to create a more attractive and safer environment for residents.

Cooperation at the local level

Successful collaboration enables us to create brand new opportunities for ourselves and our customers. Cooperation between businesses, municipalities, education establishments, clubs, cultural life and citizens is of paramount importance. We want to make a difference in our districts and contribute to positive societal development through partnerships.

To help more children with their schooling in Flemingsberg, we have been the main sponsor of the educational foundation Läxhjälpen since 2021. The aim is to help more pupils in Flemingsberg achieve upper secondary school entrance qualifications and forge personal contacts with university students. In the 2023/2024 academic year, more than 80 per cent of the 30 Läxhjälp (Homework help) students achieved entry qualifications for upper secondary school.

Since 2020 we have been involved in collaboration with TalangAkademin to create more internships and jobs. Via a social clause in our framework agreements, some 30 suppliers have so far signed up and several have taken on trainees.

Through Samverkan i Huddinge (BID Flemingsberg), we identify and implement measures within specific geographical areas with the aim of:

- Increasing attractiveness and safety.
- Enabling more job opportunities.
- Helping increase the number of people eligible for post-secondary education and training.
- Strengthening the work with democratic values.
- Facilitating good networking through cultural and sporting activities.

Focus area Properties

Our aim is to create pleasant working environments that make our customers want to come to the office. We have ambitious targets for reducing our climate impact and energy consumption in both our investment properties and in construction projects relating to commercial premises and housing.

Climate front and centre
We have defined clear climate and energy targets and are already well on our way to achieving these. We strive to work closely with industry, partners and customers to identify the most effective solutions and promote innovation in everything from material selection and reuse, to electrification and energy efficiency.

All the properties in our portfolio must be environmentally certified; we are aiming for carbon neutral property management and to cut our carbon footprint by half in our construction projects. Our work in this regard is based on our climate transition strategy, and we are working in a goal-oriented way and with a long-term approach to reduce our climate impact and reduce energy use. This covers everything from resource optimisation and climate-smart material choices to environmental certification of buildings.

Climate adaptation and lower energy usage are two of our most important sustainability issues. According to the Swedish Environmental Protection Agency, homes and premises account for more than a third of Sweden's total end-use energy consumption. This, combined with a strained energy market, has led us to intensify our work on energy efficiency, with a particular focus on digitalisation and our internal processes in order to work smarter and more data-driven. We have signed Fossil Free Sweden's roadmaps for both the heating sector and the construction and civil engineering sector.

We environmentally certify all investment properties according to BREEAM In-Use with the ambition of achieving Very Good, and new construction projects according to BREEAM-SE with the goal of achieving Excellent.

Kvarter 1 in Arenastaden's Haga Norra district has been given several awards for its low energy use and CO_2 footprint, and in 2024 it was also named Facade of the Year by the industry association Mur & Putsföretagen. The property is certified to the highest BREEAM rating of Outstanding and is currently Sweden's largest office project built using reused bricks.

In brief

Material topics

- Energy use
- Greenhouse gas emissions
- Waste

Target

- Health and environmentally certified premises, buildings and districts that offer customers good opportunities to make sustainable choices
- Our property management (Scopes 1 and 2) will be carbon neutral by 2030, measured in CO_2e
- by 2030, we will have cut emissions from new construction by half compared with 2018
- Energy performance below 70 kWh per square metre Atemp by 2025

Focus area Properties cont.

“Energy efficiency has long been one of our key issues and we are proud to have reduced energy consumption from 166 kWh/sqm (2010) to 70 kWh/sqm (2024)."

The path to carbon neutral property management
Our ultimate long-term goal is for Fabege’s property management to be carbon neutral by 2030, as measured in tonnes CO_2e. 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. All the electricity we buy is renewable electricity from wind sources. 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.

Our greenhouse gas emissions mainly arise from property management and project development. To reduce our climate impact, we are working on making energy efficiency improvements, increasing the share of renewable energy and reducing our carbon footprint throughout the value chain. We want to be at the forefront with our sustainability efforts, and inspire our own business, as well as our customers and industry colleagues.

To limit the climate impact of our management, we focus on reducing direct and indirect emissions (Scope 1 and Scope 2). The targets and roadmap that we have established to support the Paris Agreement via the Science Based Targets initiative (SBTi) form the backbone of Fabege’s work on climate issues.

Energy efficiency improvements in our business operations
Our long-term energy target of an average specific energy consumption of 70 kWh per square metre Atemp lasted until 2024.

Our 2024 outcome measured as a primary energy rating was 67 kWh per square metre Atemp and our specific energy use was 70 kWh per square metre Atemp. This means that we have achieved our ambitious target and that our average energy performance is below new build requirements. This is despite the fact that most of our property portfolio is over 30 years old.

We take a holistic approach to energy in our buildings, projects and districts through high environmental standards regarding energy procurement and demand management using digitalisation, which plays an important role in our efforts to reduce energy usage. We monitor and analyse energy usage on an hourly basis to identify deviations in performance and power consumption at an early stage, and develop features for smarter data-driven control and monitoring of our

Our climate emissions broken down according to Greenhouse Gas Protocol (GHG Protocol)

Upstream
Scope 3
Other indirect emissions in the value chain

Upstream
Scope 2
Indirect emissions from in-house processes (purchased energy)

Fabege
Scope 1
Direct emissions from in-house processes

Downstream
Scope 3
Other indirect emissions in the value chain

Upstream Scope 3 – Emissions from purchase of goods and services
- Building materials and fuel/energy consumption at our construction sites
- Transport to and from our construction sites and properties
- Our commuting and business trips
- Waste management

Scope 2 – Use of purchased energy
- District heating
- District cooling
- Property electricity

Scope 1 – Combustion in own vehicles, plants and properties
- Leakage of refrigerants
- Own and leased vehicles

Downstream Scope 3 – Emissions related to customers’ use of premises
- Tenants’ own lectricity contracts
- Tenants’ and suppliers’ waste and commuting

Focus area Properties cont.

Ambitious climate targets

The Science Based Targets initiative (SBTi) goal is to halve Scope 1 and 2 emissions by 2030 at the latest, with a base year of 2018, and a commitment to measure and reduce our Scope 3 emissions.

Our own climate targets go beyond the above SBTi targets. We are aiming to achieve climate-neutral property management by 2030, with a halving of Scope 3 per GFA and a reduction in Scopes 1 and 2 of at least 90 per cent.

SCIENCE BASED TARGETS

Our targets for circularity and reuse

In 2024, we worked towards achieving a Circularity Index of 20 per cent for redevelopments. The target means that at least 20 per cent of the building materials supplied to a project should be either reused materials, or materials with recycled and/or renewable content.

In the long term, the target is higher; 50 per cent of materials in redevelopment projects should be circular by 2030.

50%

buildings. Furthermore, extensive checks are conducted at building and company level via our energy follow-up system that scans and processes all recorded consumption values.

Reducing the carbon footprint of construction projects

The transition plan for project development includes defined targets for the reduction of other indirect emissions per GFA (Scope 3). New construction and major refurbishments completed after 2030 will have a 50 per cent lower carbon footprint compared with Fabege's 2018 baseline year. During the year, we worked in accordance with the first intermediate goal as part of our 2030 commitment:

- Planning permission before 2025, 20 per cent lower carbon footprint
- Planning permission 2025–2027, 35 per cent lower carbon footprint
- Planning permission from 2027, 50 per cent lower carbon footprint

To reduce our CO_2 footprint in our construction projects, we have established guidelines that go beyond the legal requirement for climate declarations. Both new construction and redevelopments are to be calculated, and more life cycle stages and building components are covered by the calculation. Our CO_2 calculations should be aligned with EU taxonomy criteria and also fulfil BREEAM criteria. We aim to reduce the need to refurbish and rebuild by preserving existing structures, and have set a target for construction projects to halve their CO_2 footprint per square metre by 2030 compared to 2018.

Circularity and reuse

The climate impact from the production of building materials is high, which is why we are working to make greater use of materials that can be reused. To reduce our environmental impact in both the short and long term, we ensure at an early stage in our projects that the right materials are chosen and the right methods are used. Our objective is for 100 per cent of our building materials to be environmentally safe in accordance with Byggvarubedömningen (Building Material Assessment). We are also affiliated with the roadmap for the building and construction sector and the Klimatarena Stockholm platform to help accelerate the climate transition in Stockholm. We also participate in the Centre for Circular Building, which is an arena in which industry operators meet and collaborate on reuse and circular material flows in construction, demolition and property management.

It is important for us to create the conditions for circular material flows, ensuring there are opportunities for disassembly, reuse and recycling. We try to choose the right materials and use the right assembly methods, and to reuse materials from our conversions. We take stock of opportunities for reuse in the majority of our vacated premises and buildings due to be vacated.

The development plans for Haga Norra also include a number of large-scale projects working with reclaimed bricks. Kvarter 1 won Facade of the Year 2024, with the reused brickwork, comprising 355,790 bricks, adorning the facade being a successful example of recycling, both in terms of design and sustainability.

Only 'Good Environmental Choice' district heating is used in our properties in Solna, and for Stockholm inner city and Flemingsberg we buy carbon neutral heating. We work closely with our tenants to support them in reducing energy use, including via green leases; see page 42 for further details.

In 2022, we developed a reuse strategy that describes our reuse efforts and defined a new target, the Circularity Index, with the goal ensuring 20 per cent of the materials used in a redevelopment project are circular. The strategy describes our objectives for reuse, as well as procedures and working methods for achieving these objectives. Our reuse strategy includes our full-scale reuse hub in Solna Business Park. The aim is to create a functioning reuse market and reduce climate emissions. In the long term, our aim is that redevelopment projects completed by 2030 will have a circularity index of at least 50 per cent.

Water consumption target

Our target is to reduce our water consumption by 2 per cent each year. In addition to easing the strain on Earth's resources, lower water

Our environmental certifications for quality assurance

BREEAM

The British environmental certification system BREEAM is the most widely used of the international systems in Europe. The system encompasses project management, the building's energy use, indoor climate conditions, water consumption and waste management, as well as land use and the building's impact on the surrounding area. BREEAM-SE has been developed to allow new-builds to be certified according to Swedish regulations, while BREEAM In-Use is used for existing buildings.

FITWEL

The Fitwel international certification scheme differs from other certification schemes by focusing on human wellbeing in the building. The certification aims to increase social sustainability and gender equality, wellbeing, physical activity and safety, and reduce sickness and absenteeism. The system is designed to be applied to all buildings regardless of budget, building size or age.

CITYLAB ACTION

Citylab Action is an advisory forum for sharing knowledge of sustainable urban development, organised by Sweden Green Building Council (SGBC). Commitments and effect targets are established by SGBC, while project goals and measures are specific to each individual project. Those who want to certify their sustainability work must also satisfy a set of certification requirements.

SVANENMÄRKNING (NORDIC SWAN ECOLABEL)

An environmental certification scheme for new construction of apartment buildings, single family homes, preschools and retirement homes. A Swan-certified building means that it has low energy consumption, a good indoor environment, sustainable material choices, no hazardous chemicals and that the construction process has the minimal environmental impact. An application for a separate basic licence was initiated in 2024.

Focus area Properties cont.

"The recycling hub in Solna Business Park is a catalyst that enables increased reuse in our operations."

consumption also means preparing our business for a future of declining water tables and reduced availability of fresh water. The outcome for 2024 was 356 litres per square metre, which is 2 per cent lower than in 2023.

Managing climate risks
Alongside our efforts to reduce our carbon footprint, we manage the physical risks that come with climate change. We have therefore conducted climate risk analyses on all investment properties. The analysis identified increased precipitation and flooding as one of the greatest potential future risks. We also have system support to visualise and analyse how much of our portfolio is exposed to climate risks, both acute and chronic, and for conducting our own vulnerability analysis. In the case of management, as well as ongoing and future redevelopment, we ensure that the necessary measures are taken to address climate risks.

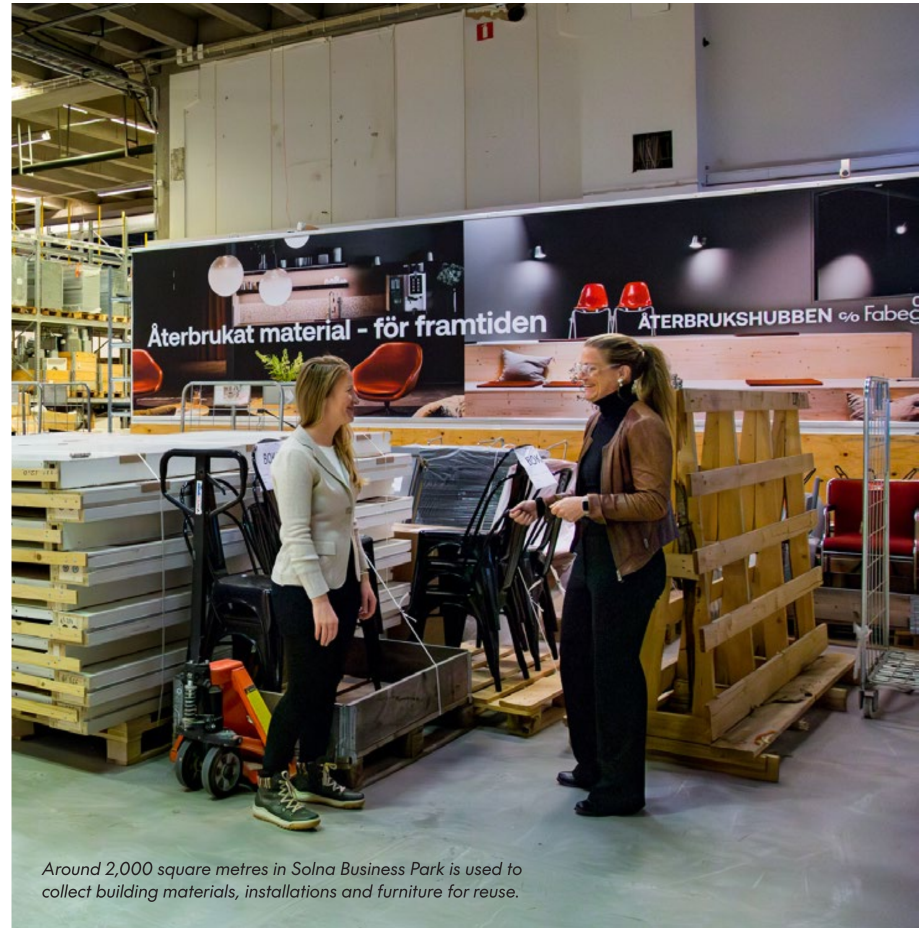
Management of waste
For our part, waste is generated partly in connection with construction projects and tenant customisations, and partly through the waste generated by tenants and ourselves in our operations. The latter is calculated using data from our main waste contractors and based on quantity, type and weight. We currently have access to statistics for 61 of our properties; a small number fall outside our statistics because our customers have the option of choosing a waste contractor other than the one we recommend. We strive for efficient use of resources and encourage all customers to separate their waste into at least five fractions.

We define requirements for waste management and material recycling rates in all projects. Properties that are certified to BREEAM standard are also subject to special rules regarding areas such as recycling and waste management.

Smart buildings for increased wellbeing
Digital technology encourages new behaviours and automation. Working with digital solutions gives us access to data in real time, making it easier to optimise energy consumption. Connected buildings also create an opportunity to develop properties that are customised to actual usage, and that put people front and centre. These tools allow us to visualise the indoor climate and develop premises with health and wellbeing in mind. They make it easier for us to see how our properties are used and receive prompt information about faults, improve security in the buildings and thus manage them more proactively. All our properties are connected to a digital fibre network that enables integration with the smart city, contributing to a more sustainable and efficient use of resources.

Health in our buildings
A healthy and sustainable work environment is not just about the physical environment, including lighting, noise levels, ventilation and furnishings. Psychosocial factors are equally important for the wellbeing and performance of employees, and in particular for them to want to return to the office.

Our contribution mainly involves making it easier for our customers to make the right choices, such as by placing attractive stairwells centrally to encourage people to take the stairs instead of the lift. Or by offering additional services, exercise opportunities and cultural activities in or around our buildings. Another example is our work with customers regarding health-certified workplaces. This is a strategic initiative that aims to prepare properties for customer requirements relating to health certification. We use Fitwel certification, and our own head office is an example of a property that is Fitwel certified.



Around 2,000 square metres in Solna Business Park is used to collect building materials, installations and furniture for reuse.

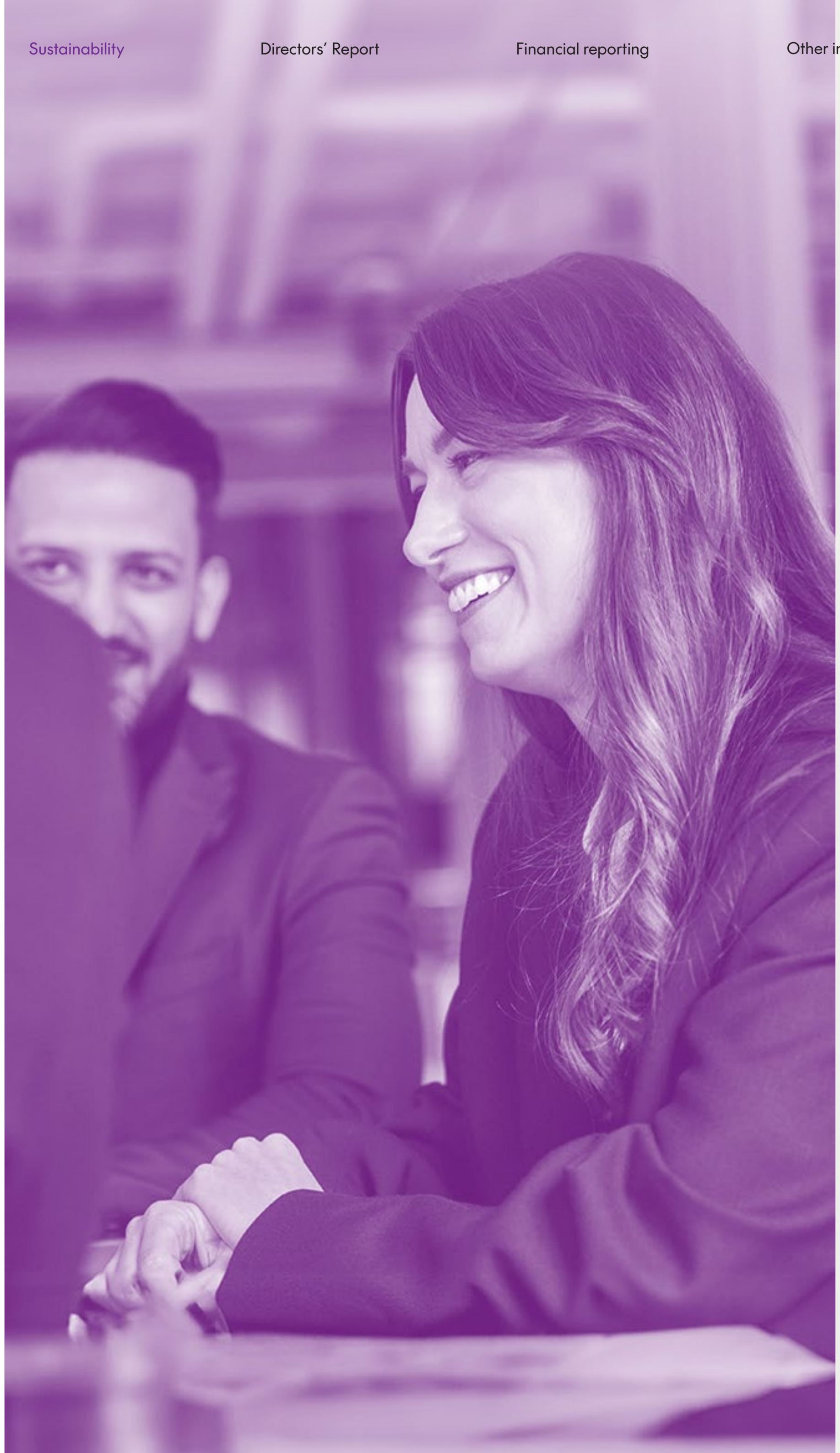
Focus area Employees

A committed and motivated workforce is a key success factor and we want to be an attractive place to work. Organisations with a strong identity often perform better than others. We therefore invest time and effort in developing our values, corporate culture and our people, all of whom are key to our success.

Our shared core values, known internally as SPEAK, have created a strong corporate culture that is reflected throughout our entire business. These values are Fast, Informal, Entrepreneurial, Business-minded and Customer-focused. By acknowledging and supporting each individual employee and their unique capabilities, together we can create a solid team, where we are the clear choice for talented and motivated individuals in the property sector. We are actively engaged in boosting our appeal as an employer, with the aim of being one of Sweden's most popular workplaces.

Employee survey
An important tool for identifying what we need to develop further and improve is the Great Place To Work employee survey that we conduct every year. Our target for 2024 was to achieve a Trust Index score of 88, which was indeed achieved. Our long-term objective is a Trust Index score of 90. The results of the employee survey are the basis of purposeful, organised efforts in which each department identifies its focus areas and specific challenges. Actions and activities based on the results are then integrated into plans and objectives for the coming year. Based on the results of the 2023 survey, in 2024 we worked with Developmental Leadership (DL), which is a recognised leadership model that emphasises the importance of developing and empowering employees' abilities and potential. Instead of just giving instructions and defining requirements, the developmental leadership style focuses on helping employees to take responsibility for achieving defined goals. All our managers have undergone this training and the process of implementing it in various parts of the organisation is ongoing.

Employee wellbeing
We take a comprehensive approach to the sustainable employee and health and safety issues. We should have not just a safe working environment; our employees should also feel that they have a sustainable working life. We offer all employees regular health checks, implement wellness programmes and create opportunities for physical activity near our



In brief

Material topics

- Good health
- Security
- Diversity and equality
- Greenhouse gas emissions

Target

- Offer employees a sustainable working life
- Achieve a minimum Trust Index score of 90 in the Great Place To Work survey

Focus area Employees cont.

"Our employees should feel that they have a balanced and sustainable working life."

offices. We make a conscious effort to reduce work-related stress, and all managers are expected to maintain regular dialogue with their employees with regard to ensuring a good work-life balance.

Safe workplace

Our working environment must be safe and free from the risk of our employees, or those who work for us, being injured or falling ill at work. The starting point for a safe workplace is our systematic health and safety management, which includes risk assessments based on completed investigations, including safety inspections, reporting of anomalies and performance appraisals. These assessments are evaluated and prioritised, and action plans established to manage any risks identified.

All our employees have undergone basic health and safety training, and new recruits are offered the same opportunity. Managers and health and safety representatives have participated in in-depth training programmes. For different areas of occupational health and safety, such as safety regarding hazardous activities, there are established procedures and specific training programmes. For example, training and the use of recommended protective equipment are required for working at height and other tasks that involve a risk of falling. The same rules and procedures apply to agency workers as to our own staff.

On our intranet, all employees can report risk observations and incidents, which are then reviewed by the responsible manager and followed up by the occupational health and safety committee. An analysis is always carried out to examine the cause and consider how to avoid a recurrence in the future. Extensive evaluation work is continually ongoing to improve our health and safety efforts. Occupational injuries are reported to the Swedish Work Environment Authority in accordance with the Work Environment Act.

Our occupational health and safety committee collaborates, follows up and acts as a sounding board in the development of health and safety issues.

SPEAK – a shared set of values

Our core values and value keywords are a given for all of us in everything we do, all the time. Our values-driven corporate culture benefits both our work and our business.

We are curious and believe that the best way to influence the future is to help create it. This means that we also need to be responsive and flexible to customers and partners and adapt our work to the specific circumstances.

We have no prestige in having to manage and do everything ourselves; instead we ask each other for help and advice when necessary. We work together across branches and, when necessary, we bring in specialised expertise. We work on a win-win basis, taking responsibility and keeping our promises.

Employees in focus

Health and wellbeing

We want to increase our employees' knowledge within a broad spectrum of health issues to promote long-term wellbeing and motivation, which creates commitment and a sense of belonging.

- Work environment
- Physical activity
- Relationships
- Rest and recovery

Corporate culture

The contribution of each and every employee is important for the company as a whole. We are a team operating according to shared guidelines and clear frameworks for success. We call this SPEAK and we invest joint time and effort in our professional development and our core values.

Our core values SPEAK:

- Fast
- Informal
- Entrepreneurial
- Business-minded
- Customer-focused

Leadership

Our leadership is aimed at developing our employees to enable them to meet current and future challenges in the optimum way.

→ Committed and motivated employees → Good performances

Focus area Employees cont.

"With committed and motivated employees, we want to create one of Sweden's most appreciated workplaces."

Continuous skills development
Offering our staff individual skills development is important. This is partly to ensure that our employees have the right conditions to perform well in their work, and partly to make us an attractive employer. All Fabege employees have individual target and development plans that are regularly followed up via annual performance appraisals, based on the organisation's goals and the employee's role.

Continuous skills development is also a prerequisite for achieving success regarding our access to the required skills over time. Our technical operations are an important function within the company. This is the function with the highest number of vacancies in general and a category of profession in which the industry as a whole has challenges recruiting.

We are on the board of the Real Estate Industry Education Board (Fastighetsbranschens Utbildningsnämnd), where we work together to attract more people to the industry and ensure the availability of relevant and cost-effective skills development initiatives that are of high quality. Issues in this regard include how to attract more women to the technical professions in the sector, or how to successfully source skills from neighbouring sectors and then train them appropriately.

Great Place To Work

Every year we conduct Great Place To Work's survey to find out what our employees think of us as an employer. Our target was to reach Trust Index 88, and we achieved that.

Great Place To Work.

88 index score

Our views on equal value
Our fundamental view is that all people are of equal value and all employees are to have the same opportunities, rights and obligations. No-one at our company should be discriminated against on the basis of sex, gender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age.

We have an overarching gender equality goal that seeks to achieve an even gender balance at all levels within the company.

The contribution of employees to achieving climate targets
All our offices are environmentally certified according to BREEAM In-Use. The head office has also had Fitwel accreditation since 2022. Find out more about Fitwel on page 33. Employees' impact on Fabege's total climate emissions is relatively minor, but the goal is still fossil-free business travel. This is to contribute to Fabege's goal of carbon-neutral property management, because transport is the sector in Sweden with the highest fossil emissions and the greatest use of fossil energy sources. We have reduced the amount of business travel in recent years and encourage sustainable travel. The service vehicles used by Fabege have been electric since 2017, and our company car policy only allows low-emissions vehicles.


Every employee is important for our development; together we are Fabege.

Our profit-sharing fund
Every single employee is important for our development. All employees are covered by our profit-sharing fund, and the amount allocated is the same for everyone. Allocations are made in the form of Fabege shares based on a number of set targets. The shares are tied up for a period of five years after allocation, and amount to a maximum of two price base amounts per employee and year. As the yield requirement for 2024 was not achieved, no allocation was made to the profit-sharing fund.

Focus area
Supply chain

Our suppliers are important partners, as a sustainable supply chain is essential for creating long-term profitability, reducing our risks and boosting our brand. The aim is to conduct sustainability screening on all partners with whom we have framework agreements.

We endeavour to operate according to the principles of responsible business conduct, to reduce our carbon footprint and safeguard human rights at all levels. We support several international guidelines, such as the UN's core human rights documents, the ILO's fundamental principles and rights at work, and the UN Global Compact's ten principles on human rights, labour law, environment and anti-corruption for global responsibility. These guidelines are included in our Supplier Code of Conduct, which we expect our suppliers with framework contracts to comply with in all areas of their work.

Reducing emissions with regard to materials, transport, construction energy and waste is one of our top priorities in our supply chain. Climate emissions generated indirectly on both sides of the value chain are referred to as Scope 3 emissions under the Greenhouse Gas Protocol (GHG Protocol), and make up the vast majority of our total emissions.

Systematic work with suppliers
Since 2013, we have conducted sustainability audits of selected strategic partners, with the aim of ensuring that all suppliers with which we have framework agreements, as well as major project suppliers, sign the Supplier Code of Conduct and undergo an audit. In 2024, we reached a level of 96 per cent.

In addition, we classify our categories of supplier in terms of risk and carry out extended background checks on suppliers where our risk assessment deems this is necessary. These checks are carried out before the agreement is signed. We maintain a continual dialogue with our suppliers and support their efforts to improve their procedures. Any deficiencies identified through our audits will lead to the companies concerned drawing up an action plan for subsequent implementation. If there is no improvement, we may discontinue the relationship.

In our tender request documentation, we encourage our contracted suppliers to take on trainees from TalangAkademin during the contract period. Some 30 suppliers have

In brief

Material topics

- Good health
- Security
- Human rights
- Environmental and climate impact

Target

- 100% of our suppliers with framework agreements shall sign our Supplier Code of Conduct and be audited on the basis of the code, policies and international conventions

Focus area Supply chain cont.

signed up so far, and several have taken on trainees. Find out more about our social sustainability plans on pages 29–30.

In order to ensure delivery quality, we also conduct regular inspections of suppliers that are deemed to be particularly significant to our customers' experience of day-to-day services. We believe it is important that we quickly identify any contractual breaches and continually improve quality.

Safety when working with contractors

A safe and secure workplace free from corruption and inequality, where risks are prevented and minimised, is a human right and a challenge for the entire construction industry. Staff ledgers allow us access to statistics regarding employment conditions for everyone working on major projects, which we can then follow up.

Risk analyses and inventories are carried out at each stage of the construction process and these must also be followed up. This is currently the main responsibility of the contractor. There are construction health and safety coordinators at the workplaces, 'BasP' and 'BasU', who are responsible for safety throughout the entire project.

It is the contractors who have the employer's responsibility and ultimate responsibility for health and safety during construction projects, and this is regulated in our agreements. We cooperate well with contractors and we take an active role in preventing incidents. Over the past year, we have increased our resources to continuously check that all safety procedures are followed and that risks in the workplace are minimised. This is achieved via systematic health and safety work, involving digital and physical safety inspections during which faults and failings must be rectified and documented in our database.

To ensure everyone on a building site understands and is aware of risks, images are displayed of hazardous tasks, along with information in different languages. The contractor's safety officer makes sure the project is implemented safely, but also represents construction workers in ensuring all risks are highlighted and that working conditions are good. We always follow up any deviations with contractors and those affected.

We encourage our suppliers and their employees to report identified risks and also draw attention to our whistleblower function, which can be used by all external parties.

In the event of an incident or near-accident at building sites, an analysis is always carried out to determine the cause and how to avoid a recurrence of the incident. This analysis is sent to the Swedish Work Environment Authority for follow-up and documentation.

Accidents and incidents

The most common accidents on construction sites are cuts, falls from low heights and minor trips. When more serious accidents occur, they often involve falls or tripping.

UN Global Compact

Fabege has been supporting the UN Global Compact since 2010.

THE GLOBAL COMPACT
WE SUPPORT

Process for management and monitoring of suppliers

1
Procurements/enquiries

All suppliers submitting tenders for contracts undergo a sustainability audit. A questionnaire must be completed based on our Supplier Code of Conduct, which covers the environment, business ethics, working conditions, human rights and occupational health and safety. The requirements also apply to any subcontractors that are engaged.

2
Upon signing the contract

The Supplier Code of Conduct is an appendix to our contracts, which are signed by all partners.

3
Deviation management

It is possible to contact the contract manager to report deviations. There is also a whistleblower service for both external and internal parties.

4
During contract term

All contract suppliers are subject to a sustainability audit. The audit may not be more than four years old. The audits can either be carried out internally or using independent auditors.

5
Results of the sustainability screening/audit:

No remarks: Cooperation continues.

Minor remarks: A joint action plan is drawn up.

Significant remarks: The cooperation is terminated and a new procurement process initiated, unless acceptable explanations can be presented.

The person in charge of the category oversees the process, which is implemented by category teams comprising representatives from the business.

Cross-sector cooperation for a sustainable construction sector

The property sector is in agreement that a sustainable construction industry is not just a competition issue but also something that benefits all stakeholders. We have been working with colleagues in our sector to develop a digital tool for reviewing the property sector's supplier categories. The aim is to avoid duplication for suppliers by making sure they do not answer similar questions in connection with procurements from different property companies, and to enable more suppliers to be audited. This will allow the industry to set a new standard. We have teamed up with eight property companies with large office property portfolios in the Stockholm region to develop collective supplier requirements in the area of sustainability. We have started categorising the responses so that there is harmonisation with ESRS reporting.

Focus area Financing

Our green financing is a natural extension of the sustainability efforts that are conducted throughout the organisation. All our capital providers, including banks and capital markets, offer green financing of environmentally-certified properties.

Target of 100 per cent green financing
The strategy for our financing is defined in our green financing framework, with the aim of reaching 100 per cent green financing. The framework is continuously refined and the most recent update, carried out in 2022, means that the framework is now based on the Green Bond Principles, adapted to the EU taxonomy and linked to our ambition of contributing to the Agenda 2030 goals by halving CO_2 emissions by 2030. The framework also includes our green commercial paper programme, which we use to issue green commercial paper that is to be used to finance assets approved according to the framework. The backup facility for the commercial paper programme is also linked to the framework, and is therefore green. We also have a green MTN (Medium Term Notes) programme, which was established in 2016; this includes specific sustainability and environmental conditions. And the allocation policy that we have put together means that investors with sustainable strategies are prioritised in bond issues.

S&P (formerly Cicero), an independent analysis institute, has reviewed our green framework. Based on this, it has issued a Second Opinion with ratings of 'medium green' for the green terms and conditions, and 'excellent' regarding governance.

Reporting pursuant to the EU Taxonomy Regulation
The proportion of our operations that is environmentally sustainable according to the EU Taxonomy Regulation is reported via three financial ratios, which indicate the percentage of turnover, operating expenditure and capital expenditure that is taxonomy-aligned.

According to our analysis, the economic activities covered by the taxonomy include our new construction projects, major renovations and the properties under our management. We carry out both construction (via building contractors) and management of buildings, which means that the absolute majority of the business falls within the scope of the taxonomy. Since 2021, we have continued to develop our activities to align with the taxonomy as it is a prerequisite for green financing.

In brief

Material topics

– Green financing

Target

– Our financing shall be 100% sustainable and green

Focus area Financing cont.

"Our sustainable property portfolio underpins the 100% green financing target."

With regard to new builds, we estimate that in normal cases we are compliant with all the objectives except Objective five, which is about preventing and combatting pollution, partly due to insufficient clarification and interpretation of the criteria, and partly because the sector is not sufficiently mature. However, in specific projects, there may also be challenges in achieving objectives other than Objective five, normally because the project was developed before the taxonomy requirements were introduced.

We demonstrate that we make a substantial contribution to one of the six environmental objectives of the Taxonomy Regulation, Objective one: Climate Change Mitigation (CCM), as this is the objective that is most relevant to our business. The activities in which most of our operations are described are CCM 7.7 Acquisition and ownership of buildings and CCM 7.1 Construction of new buildings, but other activities may also be relevant to a lesser extent. The other five environmental objectives come under the Do No Significant Harm (DNSH) criteria for our business. For capital expenditure, Fabege could contribute to Objectives two and four, but all significant capital expenditure is covered by Objective one and Fabege therefore only reports according to Objective one. We also meet the taxonomy's requirements for Minimum Safeguards related to human rights, anti-corruption, transparency regarding tax burdens and fair competition.

The requirements of the EU taxonomy are highly consistent with our sustainability work. We therefore believe that we satisfy the taxonomy's requirements; see the model on the right.

For further information, see our full taxonomy reporting on pages 88–92

Fabege's green financing work

99 per cent green financing
Green financing offers better conditions, and therefore lower costs, both with banks and on the capital market, as well as access to more financing options. Our green financing was supplemented in June 2021 by a loan adapted to the EU taxonomy and aligned with the taxonomy's green financing criteria. Our goal is to achieve 100 per cent green financing. In 2024, our green financing was 99 per cent.

Work related to the EU taxonomy
We continued with our climate resilience analyses in 2024, work that began in 2021 in several of our districts. It involves assessing future physical climate risks and what climate adaptations we should make to reduce these long-term risks.

A key point in the taxonomy is energy-efficient buildings; this is an area in which we are at the forefront and continuously strive to be even better.

Our average Primary Energy Demand (PED) is 67 kWh per square metre Atemp. An impressive 68 per cent of the area in our portfolio that we manage has a result for 2024 that is within the top 15 per cent energy performance (the definition in the Swedish Property Owners Association's survey shows that the top 15 per cent in office buildings in Sweden corresponds to buildings with a primary energy rating below 80 kWh per square metre Atemp).

Percentage aligned with the EU taxonomy 2024
For 2024, we estimate that 65 per cent of turnover, 55 per cent of operating expenditure (OpEx) and 38 per cent of capital expenditure (CapEx) is aligned with the EU taxonomy and Objective one, and can therefore be classified as environmentally sustainable.

For further information, see our full taxonomy reporting on pages 88–92


Mathildatorget, Haga Norra.

Green share on Nasdaq

Since November 2023, Fabege has been listed as a green share, known as Green Equity Designation.

"Fabege has focused on sustainability and reducing our carbon footprint for many years. For us, Nasdaq's classification of Fabege as a green share is important, as it makes it easier for investors to make conscious and sustainable choices."

Åsa Bergström
Vice President and Chief Financial Officer

Alignment with EU taxonomy requirements

1 We make a substantial contribution to environmental Objective one: Climate change mitigation.

2 For the other five environmental objectives, we meet the Do No Significant Harm (DNSH) criteria.

3 We fulfil the taxonomy's requirements on minimum safeguards.

KPI	Total, SEKm	Eligible for the taxonomy, %	Not eligible for the taxonomy, %	Percentage aligned with taxonomy 2024, %	Percentage aligned with taxonomy 2023, %
Turnover	3,671	100	0	65	66
OpEx	158	100	0	55	53
CapEx	2,393	99	1	38	23

Focus area Customers

Good relationships and cooperation with our customers is a prerequisite for creating sustainable offices, services and urban environments. Continuous dialogue with our 700 customers provides the basis for long-term cooperation and the development of our districts.

Agreements with our customers set the framework
The basis for our strategic work with our customers is our green leases. It is now standard practice to sign green leases, and the Swedish Property Federation's green appendix is a standardised appendix for reducing the environmental impact of premises and reducing energy usage. It means that both parties agree on a joint environmental agenda for the premises through the efficient use of resources and sustainable property management. For example, leases may include measures to maintain or improve the BREEAM rating of the building, energy optimisation and indoor environment measures, as well as requirements regarding choice of materials and waste sorting.

We have also prepared guidance on what customers might consider when making tenant adaptations that have a climate-mitigation effect to improve the sustainability performance of the project, and help raise or maintain the property's environmental certification level. In 2024, 98 per cent of total newly signed space above ground pertained to green leases.

Customer front and centre
We have a presence in our customers' day-to-day lives through our own offices in all our districts, and our own staff, whether for property management or operations. This enables us to maintain a close dialogue with our customers, which creates continuity and trust and helps us respond quickly to various requests and ensure that we offer a safe and good indoor environment. Our service reporting system also alerts us if something needs to be dealt with or repaired, and we can quickly eliminate any risk of damage. Every year or every other year we conduct a more in-depth customer meeting that gives us an even better understanding of our customers' needs.

We also have regular breakfast meetings with our customers in each district. It is a very popular activity for exchanging information and providing updates on the latest news in our neighbourhoods. We conducted 150 dialogues with our customers in 2024. To follow up on these, we carry out CSI (Customer Satisfaction Index) surveys every two years. Our target is an overall customer satisfaction rat-

In brief

Material topics

- Good health
- Security
- Indoor environment
- Energy use
- Greenhouse gas emissions

Target

- Customer Satisfaction Index (CSI), 2023: 81% (target: 80%)
- Green leases, proportion newly-signed space, 2024: 96% (long-term target: 100%)
- Green leases, proportion of total space, 2024: 91% (long-term target: 100%)

Focus area Customers cont.

ing of 80, and in the 2023 survey we achieved 81. An impressive 95 per cent stated that they would be likely to recommend us as a landlord, and 88 per cent said that we would be the first point of contact regarding a change of premises.

The role of customers in the climate transition
The climate transition is something that needs to be done together with our customers. We produce a climate impact assessment for tenant adaptations, which we share with the customer to decide how we can act together to contribute to the climate transition. In recent years, we have seen a trend towards customers wanting more flexibility. We have therefore developed several flexible solutions to make our customers' lives easier. See more on page 14. Our flexible offerings make a positive contribution to the climate transition by focusing on resource efficiency, reuse and scalability. We see an increased interest in reuse and climate-smart material choices in particular. It is important to take into account aesthetics, sustainability and functionality for reused offices as well, so cooperation with the customer is of fundamental importance.

Our work together with our customers also includes reducing energy consumption, sustainable travel, waste recycling and reducing traffic in our districts.

Collaboration for long-term sustainability
Maintaining good, close relationships with our customers is essential in enabling us to be part of strengthening their competitiveness as employers by creating sustainable urban environments for residents, professionals and visitors alike. Key tools include measures to improve safety, Fitwel and BREEAM certifications, along with various local partnerships. The sustainability network in Arenastaden is one such collaboration. We have been working together here with ten or so major companies on an action plan linked to travel habits, to contribute to the climate goal of halving greenhouse gas emissions by 2030. Another example is our collaboration with 'Unga Operan', one of the Royal Swedish Opera's three artistic pillars, which creates opportunities for children and young people to practise culture in schools in Flemingsberg. The project is aimed at four primary schools with classes from reception to year 3. The activities may include mime, drama, music or creative projects.

Service reports and comments

It is important for us to receive feedback on how we manage our work. Everyone who has submitted a service report is invited to comment on our response. The feedback is provided digitally by simply pressing the symbol that best describes the experience. If a tenant is unhappy with our response, a new case is automatically opened and we follow up to find out what went wrong and how we could have done things differently. The comments received so far have led to a number of improvements. Some 95 per cent of our customers are currently satisfied with the way we respond to a service report; our target is 100 per cent.

Open day at Unga Operan (Young Opera) in Flemingsberg.

Photo: The Royal Swedish Opera/Markus Gårder

Focus area
Business ethics

Sound business ethics, continuous dialogue and responsiveness are fundamental to our relationships with both employees and customers, as well as suppliers and lenders. Working responsibly is essential to long-term profitability, and contributes to the sustainable development of society in our districts.

Our sustainability work is integrated into the organisation and follows our governance, responsibility and monitoring framework. Our commitment to responsible business conduct is well established among the Board of Directors, Executive Management Team and the rest of the workforce. Our commitments permeate all our operations, business relationships and our conduct towards our other stakeholders.

We have developed processes and methods to ensure that we document and follow up how we interact with our employees, customers, citizens in our districts, and other stakeholders. Find out more under Districts on pages 28–30, and Customers on pages 42–43.

Code of Conduct forms the basis

Our Code of Conduct forms the basis for the conduct of all our employees. All managers with staff responsibility shall ensure that our Code of Conduct is known and complied with in their respective department or sphere of responsibility. The Board of Directors and Executive Management Team are specifically responsible for promoting the application of the Code of Conduct.

All employees shall complete regular training on our Code of Conduct and the industry's code against corruption. In 2024, we updated our Code of Conduct and made clarifications regarding our position on human rights, labour conditions, the environment, business ethics and communication. The next step is for all employees to do a new sign off on the updated code.

Other policies and guidelines

In addition to the Code of Conduct, our tax policy, inside information policy, anti-corruption guidelines and whistleblower policy provide an important framework for our governance and monitoring. See pages 80–81 for governance and monitoring. Our ambition is for our operations to be characterised by strict business ethics and responsibility, as well as sustainable and fair competition, and our whistleblower function is an important monitoring tool.

We are compliant with Swedish law. The

In brief

Material topics

- Anti-corruption
- Tax

Target

- Annual training of employees on the Code of Conduct: 100%

Focus area Business ethics cont.

"Our whistleblower function is an important tool for ensuring high business ethics and responsibility as well as sustainable and fair competition."

same applies to generally acceptable business practice and international human rights, labour and environmental standards in accordance with the Global Compact and the ILO's fundamental conventions on human rights at work. Our Ethics Council supports our daily work, with representatives from different departments holding regular meetings. The Council, which reports to the Executive Management Team, is responsible for leading and driving work on ethical issues and monitoring relevant external issues.

Reporting of incidents and whistleblowing
We are keen for both our own employees and all external stakeholders to feel confident in their ability to intercept potential irregularities in the organisation, either via dialogue or via anonymous reporting systems. Our employees are kept updated about governing policies and guidelines via the intranet, information briefings and regular newsletters.

It is the responsibility of the company management to inform the employees concerned of their responsibility to maintain good internal control in accordance with AFS 2023:1 Systematic work environment management (investigation, risk assessment, measures and follow up). We offer a whistleblower service to facilitate incident reporting, and it is available both internally and externally. The service is important in reducing risks and promoting strong business ethics, thereby maintaining customer and public confidence in our business. The report itself and any subsequent dialogue are anonymised if the person wishes. All reports are immediately followed up by a working group consisting of our Director of Human Resources, Head of Sustainability and Corporate Lawyer, which is responsible for ensuring appropriate action is taken. Nobody who submits a report shall be discriminated against or suffer repercussions. No incidents were reported via the whistleblower service in 2024.

Responsibility regarding tax management
We want to take responsibility for sustainable societal development, and this includes contributing to society by paying taxes. We conduct all our business in Sweden; all our employees are employed by Swedish companies and we pay 100 per cent of our tax expense in Sweden. Our tax policy provides guidelines on the company's tax management. It states that, for example, we will follow all the relevant laws and regulations in the area of taxation, and that where regulations are unclear, we will act transparently and exercise caution. We will engage in tax management based on ethical, legal and professional principles and will abstain entirely from aggressive or advanced tax avoidance. We do not engage in political lobbying on tax legislation. Our tax policy is available in full on our website.

Framework

- Code of Conduct
- Policy for whistleblower function
- Tax policy
- Inside information policy
- Anti-corruption guidelines
- Sponsorship policy

Corporate culture

The contribution of each and every employee is important for the company as a whole. We are a team operating according to shared guidelines and clear frameworks for success. We call this SPEAK and we invest joint time and effort in our professional development and our core values.

Find out more about SPEAK on page 36

Sustainability targets

We work systematically with sustainability issues to boost our competitive edge and create value growth.

Mia Häggström, Head of Sustainability

Districts

Target	2024
100% energy from renewable sources (Proportion of renewable energy, %)	90

Properties

Target	2024
Energy performance below 70 kWh/sqm Atemp 2025 (Specific energy consumption, kWh/sqm Atemp)	70
2.5 kWh/sqm Atemp 2030 (Energy produced from solar panels, kWh/sqm Atemp)	1.8
90% recycling of waste (Material and energy recovery, %)	96
Reduce water consumption per sqm Atemp by 2% per year (Reduction in water use, %)	2
100% investment properties (excl. future improvement properties) are to be environmentally certified to BREEAM In-Use standard with ambition level 'Very Good' (Proportion of environmentally certified properties (62 properties), %)	100
100% of new-builds shall be environmentally certified according to BREEAM-SE with ambition level 'Excellent' (Proportion of environmentally certified new production, %)	100
100% environmentally certified vehicles (Proportion of environmentally certified service vehicles and company cars, %)	100
Carbon-neutral property management by 2030 (Carbon dioxide emissions direct emissions (Scopes 1 and 2), tonnes CO_2e)	1,835
Indirect climate emissions to be halved per GFA by 2030 compared to 2018. (Reduction of indirect emissions (Scope 3), %)	–32

Sustainability targets cont.

Employees

Target	2024
GPTW Trust Index of at least 90 (Satisfied employees, GPTW Trust Index)	88
More than 95% of employees should want to recommend Fabege as an employer	93
Maintain low level of sickness absence at <3%, aided by regular medical check-ups and continued health and fitness programmes	3.43
Aim is to achieve even gender balance in the management (% women)	50
Aim is to achieve even gender balance among managers (% women)	38
Aim is to achieve even gender balance among employees (% women)	38

Supply chain

Target	2024
100% sustainability audited and approved framework agreement suppliers	96

Financing

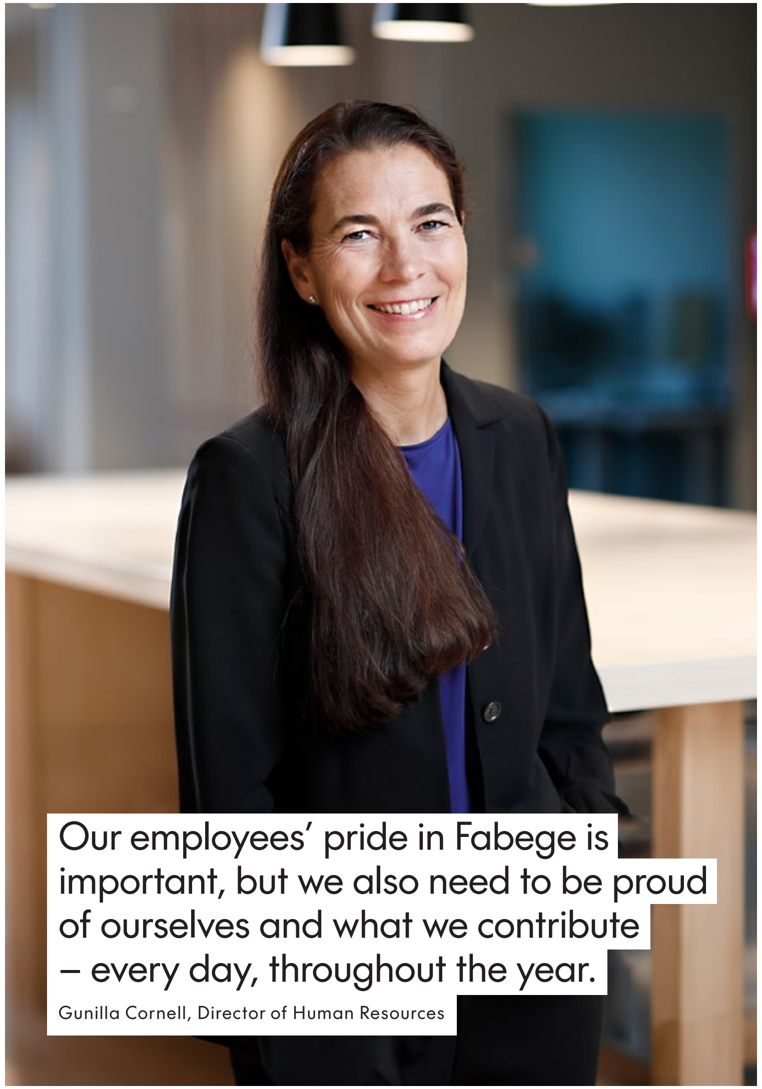
Target	2024
100% green financing	99

Customers

Target	2024
Customer Satisfaction Index (CSI) at least 80[1]	–
100% green leases[2] of newly signed space	98
100% green leases[2] of total space	92

Business ethics

Target	2024
100% of employees to receive annual training about our Code of Conduct[3]	0



Our employees' pride in Fabege is important, but we also need to be proud of ourselves and what we contribute – every day, throughout the year.

Gunilla Cornell, Director of Human Resources

[1] Customer Satisfaction Index surveys are conducted every two years. [2] Area above ground, excluding residential units. [3] In 2024, no training was carried out as the Code of Conduct was being updated.

Fabege
Directors' Report 2024

Directors' Report

Corporate Governance Report

Sustainability notes

Operational earnings

The Board of Directors and Chief Executive Officer of Fabege AB (publ), company registration number 556049-1523, hereby present the 2024 Annual Report for the Group and Parent Company.

The business
Fabege is one of Sweden's largest property companies. We develop attractive and sustainable districts, with a primary focus on commercial properties within a limited number of well-located submarkets in the Stockholm region. The Group also includes Birger Bostad, which is a property development company focused on residential 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 districts. The concentration of our properties in well-contained clusters ensures greater customer proximity and, when coupled with Fabege's thorough knowledge of the market, creates a solid foundation for efficient property management and high occupancy rates.

The transactions and investments made in 2024 continued to reflect our focus on the prioritised submarkets of Stockholm inner city, Solna, Hammarby Sjöstad and Flemingsberg. At 31 December 2024, we owned 100 properties with a combined rental value of SEK 4.2bn, a lettable area of 1.3 million sqm and a carrying amount of SEK 78.9bn (78.1), of which improvement and project properties accounted for SEK 14.1bn (14.3). Offices represented 84 per cent of the rental value. The financial occupancy rate for the portfolio as a whole was 88 per cent (91).

The Stockholm market generally continues to have stable rent levels, but with generally rising vacancies. During the period, 134 (155) new leases were signed with a combined rental value of SEK 184m (382), with 98 per cent (96) of the space being connected to green leases. Lease terminations amounted to SEK –292m (–217). Net lettings amounted to SEK –108m (165). Leases worth SEK 329m (340) were extended on unchanged terms. Leases totalling SEK 86m (151) were renegotiated, with an average decline in rental value of –5 per cent (–3). The retention rate during the year was 57 per cent (69).

Business concept
We own, develop and manage in particular commercial properties in a number of well-located submarkets in the Stockholm region. We create value through property management, property development and transactions, and we want to be a supportive partner that puts people front and centre and helps companies, places and our city to progress.

Responsible business conduct
We have prepared a sustainability report according to the Global Reporting Initiative (GRI). The Sustainability Report has been prepared to meet sustainability reporting requirements in accordance with Chapter 6 of the Annual Accounts Act and the extent to which our turnover, operating costs and investments are covered by the EU taxonomy. The Sustainability Report is published in full on pages 24–47 and 78–96. Our efforts to pursue operations sustainably and responsibly are a success factor that permeates the business and involves our employees in various ways. Our focus is on sustainable urban development, energy and the environment, responsible relationships with stakeholders and our operating environment, satisfied customers and health and safety, health, job satisfaction and professional development opportunities for our employees. As an urban developer, it is important for us to take responsibility for ensuring that our property portfolio is managed, and our investments made in a way that is sustainable in the long term. Making sure a mix of offices,

Property-related KPIs

	2024	2023	2022
No. of properties	100	100	102
Lettable area, 000 sqm	1,271	1,246	1,290
Financial occupancy rate, %	88	91	89
Rental value, SEKm	4,172	3,872	3,724
Net lettings, SEKm	–108	165	86
Surplus ratio, %	74	75	74

Our property management strategy

Property Management
Low risk – stable cash flow

Finding the right premises to match a customer's specific requirements and ensuring they are happy with both the premises and the surrounding area is a cornerstone of our business model. This is accomplished through long-term work and based on close dialogue with the customer, building mutual trust and loyalty.

Property Development
Creating value – increasing quality in the portfolio

Property development and new production is the second key cornerstone of our business. Our objective is to attract long-term tenants to properties that have not yet been fully developed, which are then redesigned based on the customer's specific requirements.

Transactions
Financing projects – increasing the potential in the portfolio

Property transactions are also a cornerstone and a natural element of our business model. The company continuously analyses its property portfolio to take advantage of opportunities to increase value growth, both through acquisitions and sales.

Operational earnings cont.

residential units, services and recreation areas are built close to good public transport connections makes for vibrant and safe environments. A strong environmental focus means, for example, that the properties are environmentally certified, customers are always offered green leases and Fabege has high ambitions as regards reducing energy use and our overall carbon footprint. Satisfied employees are a key factor for our success, and we have a high confidence rating. It is essential to uphold a healthy corporate culture and ethically sound conduct, and to respect human rights. We monitor our suppliers to ensure they are acting in accordance with our Code of Conduct.

EU taxonomy
Fabege's reporting in accordance with the EU taxonomy is detailed on pages 88–92.

Acquisitions and sales
During the second quarter, part of the Kvinten 1 property, Haga Norra, with a value of SEK 348m, 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 developable property.

Investments in existing properties and ongoing projects
The aim 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. In 2024, decisions were made about major project investments with regard to facade replacement and the upgrading of installations at Ormträsket 10 (Wenner-Gren centre), Sveaplan and investment for adaptation of Nationalarenan 8 in Arenastaden to increase the number of tenants. Furthermore, it was decided to demolish the existing buildings on the properties Farao, 15, 16, 17 and Kairo 1, Arenastaden. This is to enable the development of 77,000 sqm of offices and 15,000 sqm of housing.

During the second quarter, the project for the Royal Swedish Opera and Royal Dramatic Theatre at the Regulatorn 4 property in Flemingsberg was completed. The tenants took possession as planned on 1 June 2024. 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. Furthermore, the redevelopment of part of Regulatorn 3, Flemingsberg, known as the Billman building, was completed. The Ackordet 1 project property, in Haga Norra, is partially completed and the first tenants have moved into their premises. The project is progressing with adaptations for the tenants that are due to take up occupancy in the first quarter of 2025. The same applies to the Påsen 1 project in Hammarby Sjöstad, where tenants are gradually moving in. The new construction of Separatorn 1, Fleminsberg is proceeding according to plan. Alfa Laval will take possession of the premises in April 2025. The redevelopment of Nöten 4, Solna Strand, is also proceeding according to plan, with Saab scheduled to occupy the premises in November 2025.

The aggregated project volume of the major ongoing new builds amounted to approximately SEK 4.2bn at year-end, with a lettable area of 128,000 sqm. The occupancy rate for the project properties was 87 per cent at year-end. Investments in the property portfolio for the year amounted to SEK 2,376m (3,101), including SEK 1,606m (2,094) pertaining to investments in project and improvement properties. Capital invested in the investment property portfolio amounted to SEK 770m (1,007), and primarily related to tenant customisations.

Two projects were completed during the year by Birger Bostad. The current project volume of approximately SEK 1 bn, including land acquisition, relates to the new construction of 288 apartments in Haga Norra. The project is progressing as planned, with completion of the first 23 apartments in March 2025.

Income and net operating income
Rental income increased to SEK 3,438m (3,366) and net operating income amounted to SEK 2,553m (2,524). Occupancy in completed projects was offset by reduced income relating to divested properties, net SEK –78m. In a like-for-like portfolio, income increased by SEK 139m, corresponding to approximately 4.5 per cent (11), which was mainly attributable to the index increase that came into effect at year-end. Income includes non-recurring items of SEK 12m. The property costs amounted to SEK –885m (–853). Property costs included a provision for rental losses relating to Convendum of SEK 29m. Net operating income on a like-for-like basis rose by approximately 4.9 per cent (14). The surplus ratio was 74 per cent (75).

Earnings from residential development
Revenue from residential development totalled SEK 233m (553). Residential development costs amounted to SEK –254m (–549), of which administrative costs accounted for SEK –29m (–26). Gross earnings therefore totalled SEK –21m (4). Income is recognised in connection with phased occupancy or upon completion. Two projects were completed and finalised during the year. One project was sold. In addition, the value of developable properties was written down by SEK –73m, which was mainly attributable to a couple of individual project opportunities.

Central administration
Central administration costs amounted to SEK –93m (–97).

Net financial items
Net interest items amounted to SEK –962m (–962). The average interest rate at 31 December 2024 was 2.98 per cent (3.13). Ground rent amounted to SEK –41m (–45).

Earnings from associated companies
The share in profit of associated companies amounted to SEK –91m (34), of which SEK –102m (–80) related to Arenabolaget and SEK 11m (103) related to the JV project in Haga Norra.

Changes in value, 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 55 per cent of the portfolio was valued independently in the fourth 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 year was SEK 78.9bn (78.1). Unrealised changes in value totalled SEK –1,218m (–7,831). As in the previous quarter, the average yield requirement was 4.54 per cent (4.43). Realised value changes of SEK 3m related to additional earnings from the transaction with Nrep in 2023.

Tax
The tax income/expense for the year amounted to SEK –124m (1,862) and related to deferred tax. The amount included SEK 67m attributable to the upward revision of value of previously unrecognised tax loss carryforwards. 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.

Current tax
Tax loss carryforwards, which are expected to reduce the tax expense in future years, are estimated at SEK 2.5bn (3.2), of which 1.5bn (2.0) was recognised at valuation. Payment of income tax can also be delayed through tax depreciation of the properties. In the case of a direct sale of property, profit for tax purposes, defined as the difference between the selling price and the tax residual value of the property, is realised. If the sale is made in the form of a company, this effect can be reduced. It is generally expected that current tax will remain low over the next few years.

Operational earnings cont.

Deferred tax liability/tax asset
On 31 December 2024, the difference between the book and tax residual values of our properties was approximately SEK 49.3bn (49.4). Net deferred tax liabilities amounted to SEK 8.4bn (8.3).

Deferred tax

SEKm	2024	2023
Tax loss carryforwards	–309	–410
Difference between book and tax values in respect of properties	8,632	8,596
Derivatives	112	141
Miscellaneous	–11	–22
Net debt, deferred tax	**8,424**	**8,305**

Tax paid

SEKm	2024	2023
Income tax	0	0
Property tax	258	274
VAT	11	12
Stamp duty	1	77
Energy tax	23	21
Total	**293**	**385**

Segment reporting
The Property Management segment generated net operating income of SEK 2,423m (2,363), representing a surplus ratio of 77 per cent (79). The occupancy rate was 88 per cent (91). The profit from property management amounted to SEK 1,438m (1,454). Unrealised changes in the value of properties amounted to SEK –1,217m (–6,228).

The Property Improvement segment generated net operating income of SEK 140m (126), resulting in a surplus ratio of 57 per cent (56). The profit from property management amounted to SEK 46m (29). Unrealised changes in the value of properties amounted to SEK –155m (–731).

In the Projects segment, unrealised changes in value of SEK 169m (–852) were recognised.

The Residential segment generated gross earnings of SEK –15m (24). Earnings from property management amounted to SEK –23m (33). Impairment losses on developable properties amounted to SEK –73m (–). Unrealised changes in value totalled SEK –15m (–20). Further information about the breakdown by segment is provided in the segment report under Note 5 on page 111.

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

Properties
Recognised property value relates to our investment property portfolio, including project and land properties. At year-end, the total property value amounted to SEK 78.9bn (78.1).

Developable properties
The carrying amount refers to ongoing projects managed by the company itself and developable 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. The value at year-end totalled SEK 754m (519), SEK 550m (201) of which relates to ongoing construction and SEK 204m (318) to future development.

Financial position and net asset value
Shareholders' equity amounted to SEK 38,445m (39,244) at the end of the period, and the equity/assets ratio was 46 per cent (47). Approved but unpaid dividends of SEK 141m have reduced shareholders' equity. Equity per share attributable to Parent Company shareholders totalled SEK 122 (125). EPRA NRV amounted to SEK 148 per share (150).

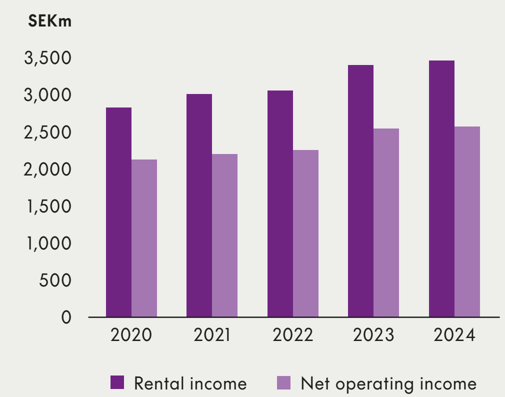
Cash flow
Cash flow from operating activities before changes in working capital amounted to SEK 1,352m (1,316). Changes in working capital had an impact on cash flow of SEK 283m (254). Investing activities had an impact of SEK –2,461m (–332) on cash flow, while cash flow from financing activities amounted to SEK 805m (–1,240). In investing activities, cash flow is driven by possible property transactions and projects. Cash and cash equivalents declined by a total of SEK –21m (2) during the year.

Parent Company
Sales amounted to SEK 428m (443) and earnings before tax amounted to SEK 1,383m (–309). Net financial items include dividends from subsidiaries of SEK 1,750m (750). Net investments in property, equipment and shares totalled SEK 2m (6).

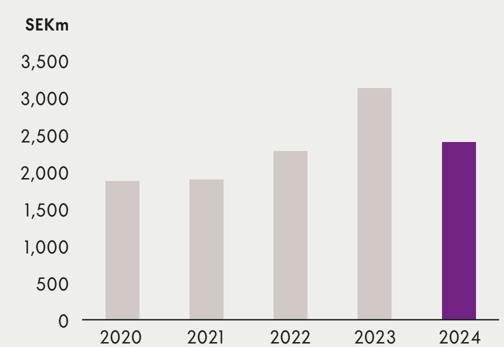
A separate description of the work of the Board of Directors is provided in the Corporate Governance Report on pages 66–77.

Human resources
The average number of employees in the Group during the year was 209 (217), including 76 women (82). The average number of employees is calculated at an individual level and corresponds to the number of full-time positions. At year-end, the number of employees was 229 (228), including 77 (83) women. Of the total number of employees, 211 (206) were employed by the Parent Company and 18 (22) by the wholly owned subsidiary Birger Bostad. See Note 6 on pages 112–113 for further details. See also Note 6 for information about guidelines on remuneration of senior executives.

Rental income and net operating income



Investments



Financing

Financial targets at 31/12/2024

	Target	Outcome
Equity/assets ratio, %	>35	46
Interest coverage ratio, times	>2.2	2.5
Loan-to-value ratio, %	Max 50	43
Debt ratio, times	Max 13.0	14.1

Capital structure
We manage our capital with the aim of generating the best long-term return for shareholders among property companies listed on Nasdaq Stockholm.

Financing 2024
Financing conditions, both in terms of banking and capital markets, improved significantly during the year. We aim to be an active participant in the bond market and, as a result of improved conditions, our activity on the capital market increased during the year. Bank facilities are regularly refinanced well in advance, normally 12 months before maturity. During the year, some reallocations were made with repayments and new borrowings.

Overall, financing via the banking market decreased by SEK 2.2bn, and via the capital market it increased by just over SEK 3.6bn.

The commercial paper market continued to function well. At year-end, outstanding commercial paper amounted to SEK 3.2bn (1.7) and bonds totalled SEK 12.3bn (10.3). As previously, we guarantee access to unutilised credit facilities to cover all outstanding commercial paper at any given time. Including the backup facility for the commercial paper programme, undrawn credit facilities at year-end amounted to SEK 6.0bn (7.0). Net financial items included other financial expenses of SEK 36m (37), 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 93m (63) relating to project properties was capitalised.

Financing at 31/12/2024

	2024	2023
Interest-bearing liabilities, SEKm	34,400	32,982
of which outstanding MTN, SEKm	11,610	9,570
of which outstanding SFF, SEKm	738	764
of which outstanding commercial paper, SEKm	3,215	1,655
Undrawn committed credit facilities, SEKm	5,960	6,960
Fixed-term maturity, years	3.5	4.1
Fixed-rate period, years	1.8	2.1
Fixed-rate period, portion of portfolio, %	52	60
Derivatives market value, SEKm	543	686
Average interest expenses incl. committed credit facilities, %	2.98	3.13
Average interest expenses excl. committed credit facilities, %	2.89	3.04
Unpledged assets, %	41.3	40.6
Loan-to-value ratio, %	43	42

Green financing at 31/12/2024

	Credit lines	Outstanding loans and bonds
Green MTN bonds, SEKm	11,610	11,610
Green bonds via SFF, SEKm	738	738
Green commercial paper, SEKm	3,215	3,215
Green loans, other, SEKm	24,382	18,422
Total green financing, SEKm	**39,945**	**33,985**
Proportion of green financing, %	99	99
Total available green borrowing facility, SEKm	**46,494**	
of which unrestricted available green borrowing facility, SEKm	14,754	

Debt management
The main task of Fabege's debt management activities is to ensure that the company continually maintains a stable, well-balanced and cost-efficient financial structure through borrowing from banks and capital markets. We strive to achieve a balance between different forms of financing on both the capital and banking markets, with long-term relationships with the major lenders having high priority. We have chosen to have a significant proportion of our borrowing in the form of bank financing and want to continue to nurture our long-term relationships with the Nordic banks.

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

Interest-bearing liabilities
Access to long-term and stable financing is crucial to the pursuit of a sustainable business in the long term. We therefore value lasting and trusting relationships with our creditors. Our lenders include the major Nordic banks and investors on the Swedish capital market. Credit agreements with the banks to a certain extent enable the company to borrow funds as needed within a predetermined framework and terms. Our objective is to refinance bank loans well in advance, at least one year prior to maturity. The company also endeavours to attain maturities that are as long as possible, at a reasonable cost. The average fixed-term maturity at year-end was 3.5 years (4.1).

Sustainable financing
We want to ensure we have a responsible approach to business in all aspects. We consider this to be a prerequi-

Financing cont.

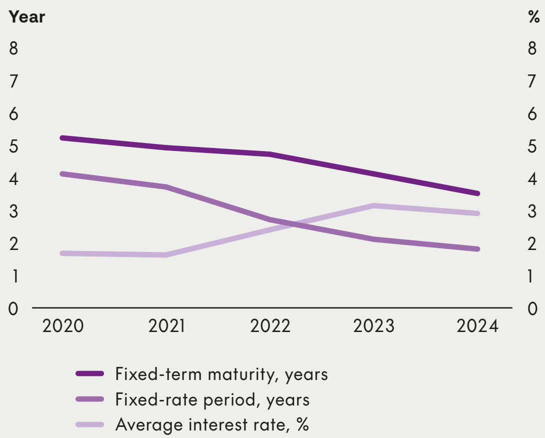
site for achieving long-term profitability. This affects our ability to attract customers and also skilled staff, the value of our properties and the level of pride among our employees, our ability to handle future climate change and also the assessment of us by both analysts and equity and bond investors. Green financing is a natural extension of the sustainability efforts that are conducted throughout the organisation. It provides us with more responsible financing, a broader investor base and trusting relationships with our capital providers.

All our capital providers, including banks and capital markets, offer green financing through the financing of environmentally-certified properties. Green financing offers us better conditions both with banks and on the capital market, along with access to more sources of financing. At year-end, 99 per cent (100) of outstanding loans and lines of credit were green.

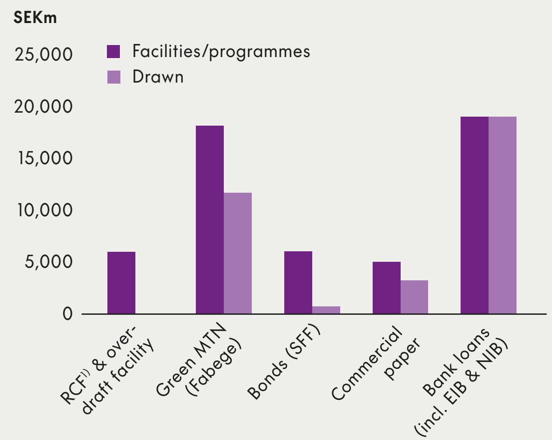
Fabege's green financing framework was updated in June 2022. The framework has been designed to give Fabege broad opportunities for green financing and is based on third party-certified properties and ambitious energy consumption targets. It is based on the Green Bond Principles, adapted to the EU taxonomy and linked to Fabege's ambition to contribute to the goals of Agenda 2030. The independent rating agency S&P (previously CICERO) has issued a second opinion, with ratings of 'medium green' for the green terms and conditions, and 'excellent' for governance. Our MTN programme, commercial paper programme and a back-up facility for both are linked to the framework. The MTN programme framework amounts to SEK 18,000m and the framework for the commercial paper programme is SEK 5,000m.

Reports are sent to investors each quarter, as well as in a more comprehensive form annually. Find out more and access links to prospectuses, frameworks, second opinions, feedback etc. at fabege.se/en/about-fabege/investors/financing.

Financing

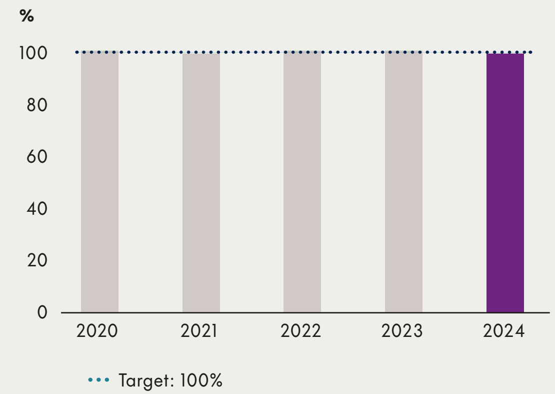


Breakdown of sources of financing

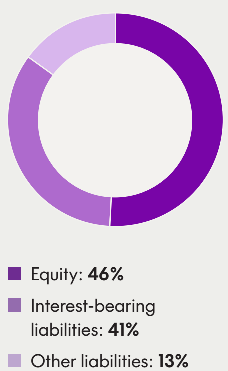


1) Revolving Credit Facility.

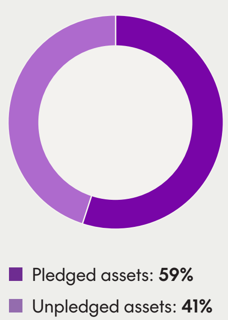
Green financing



Supply of capital



Breakdown of collateral



Loan maturity structure, 31 Dec 2024, SEKm

	Credit agreements	External bank	External capital market
Commercial paper programme	3,215	–	3,215
< 1 year	4,184	–	2,674
1–2 years	13,565	4,991	4,624
2–3 years	6,850	2,500	3,850
3–4 years	4,725	3,725	1,000
4–5 years	1,280	1,080	200
5–10 years	6,541	6,541	–
Total	**40,360**	**18,837**	**15,563**

Interest rate maturity structure (incl. derivatives), at 31 Dec 2024

	Amount, SEKm	Average interest rate, %	Share, %
< 1 year*	18,975	4.32	55
1–2 years	3,100	0.93	9
2–3 years	3,250	1.04	9
3–4 years	3,276	1.57	10
4–5 years	2,600	1.09	8
5–6 years	1,400	1.15	4
6–7 years	1,300	1.15	4
7–8 years	500	0.81	1
8–9 years	0	0.00	0
Total	**34,400**	**2.89**	**100**

Financing cont.

Collateral

Our borrowings have traditionally been primarily secured via mortgage deeds on properties, and to some extent shares in property-owning subsidiaries as well. Borrowing on the capital market via our MTN programme and commercial paper programme is unsecured, which means that some properties are unencumbered. The proportion of unencumbered property at year-end was 41 per cent (41) of the total property value.

Covenants

Our obligation concerning covenants is similar in the various credit agreements and stipulates, in addition to being listed on a stock market, an equity/assets ratio of at least 25 per cent and an interest coverage ratio of at least 1.5x. The loan-to-value ratio does not constitute a covenant at the Group level, but limits the borrowing scope at the property level. At the property level, the maximum possible loan-to-value ratio usually amounts to between 60 and 70 per cent, depending on the type of property and the financing.

Fixed-rate period

The fixed-rate period is mainly set using interest rate swaps. At year-end, the average fixed-rate period was 1.8 years (2.1) excluding callable derivatives. The adjusted fixed-rate period including callable derivatives amounted to 2.6 years (3.1). Fixed interest through fixed loans totalled SEK 2.4bn (3.2) at year-end. The derivatives portfolio consisted of traditional interest rate swaps totalling SEK 15.6bn (16.6) and callable swaps totalling SEK 7bn (6). The traditional swaps mature in 2032 and carry fixed annual interest of between 0.11 and 2.18 per cent. The callable swaps have a maturity of up to ten years and a fixed annual interest rate of between 1.82 and 2.50 per cent, but can be cancelled by the bank every third month. The derivatives portfolio is measured at market value and the change in value is recognised in profit or loss. At year-end, the recognised surplus value of the portfolio was SEK 543m (686). The change in value is of an accounting nature and has no impact on the company's cash flow. At maturity, the market value of derivative instruments is always zero. Find out more about fixed-income derivatives and their valuation under Note 3 on pages 106–110.

Shares and share capital

Our share capital at year-end was SEK 5,097m (5,097), represented by 330,783,144 shares (330,783,144). All shares carry the same voting rights and entitle the holder to the same share of the company's capital. The quotient value is SEK 15.41 per share. The following indirect or direct shareholdings in the company represent one tenth or more of the votes for all shares in the company:

Holdings, 31/12/2024

	Share of votes, %
Backahill AB	16.7
Geveran Trading Co	13.9

Through Fabege's profit-sharing fund and the Wihlborg profit-sharing fund, at year-end the employees of Fabege owned a total of 1,362,057 shares, representing a stake of 0.41 per cent (0.42) in the company.

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. Fabege's treasury shareholding amounted to 16,206,048 at year-end. Repurchases were made at an average price of SEK 120.23 per share. The holding represents 4.89 per cent of the total number of registered shares. No repurchases were carried out in 2024.

Finance policy

Financing operations are governed by the company's finance policy, which is established by the Board of Directors. The primary task of financial management is to ensure that the company maintains stable, well-balanced and cost-efficient financing at all times. The fixed-rate period must take account of the circumstances at any given time. Potential currency exposures must be minimised. The finance policy also states the counterparties that the company is permitted to deploy while governing the authority and delegation of responsibility for the organisation.

Liquidity

Liquidity varies significantly over the year for a property company, as rent payments are made quarterly while running costs are relatively evenly allocated over time. Since the type of revolving credit facility that we use can be utilised as needed, it is extremely well adapted to operations and enables the avoidance of surplus liquidity.

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.

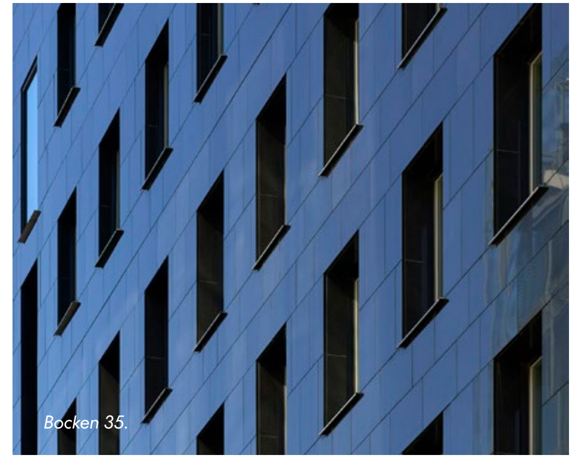
Outlook for 2025

The office rental market in Stockholm weakened during the year. Global concerns and a weaker economy are giving rise to increased uncertainty in the rental market. Letting processes are taking time, as companies consider their options. We note that activity on the rental market in Stockholm has been more cautious, but with continued stable rent levels. Lettings continue to be made at good levels but the index-linked increases in the last two years have limited the future potential for renegotiations. Vacancies have generally seen a slight increase during the year.

Access to capital market financing has improved significantly, with good access to capital and lower margins. Market interest rates have fallen in line with the Riksbank's cuts in the policy rate and are expected to continue to fall in 2025. Approximately 52 per cent of Fabege's loan portfolio is fixed, which provides good predictability for the next few years.

Rising interest rates in recent years have impacted yield requirements in property valuations. The Riksbank's cuts in the policy rate during the year led to a reversal in the second half of 2024. Yield requirements, which have increased since the second half of 2022, have stabilised and even decreased slightly in the most central parts of Stockholm. Completed transactions in Fabege's submarkets confirm that the decline in values has levelled out and that long-term investors are willing to pay well for quality in Stockholm.

Fabege enjoys a consistently strong financial position. We have created good investment opportunities in our


Bocken 35.

Financing cont.

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. Fabege'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.

Proposal for the Distribution of Profits

The following amount is at the disposal of the AGM:

SEK	
Retained earnings	2,679,493,810
Profit/loss for the year	1,412,380,614
Total	**4,091,874,425**

The Board of Directors and the Chief Executive Officer propose that the amount be allocated as follows:

SEK	
A dividend of SEK 2.00 per share to the shareholders	629,154,192
To be carried forward	3,462,720,233
Total	**4,091,874,425**

The dividend amount is based on the total number of shares outstanding at 31 December 2024, i.e. 314,577,096 shares. The total dividend amount is subject to alteration up to and including the record date, depending on share buybacks.

Statement of the Board of Directors on the proposed dividend and grounds

Our Group equity has been calculated in compliance with IFRS reporting standards and IFRIC interpretation statements as adopted by the EU, and Swedish law through the application of Recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups, of the Swedish Sustainability and Financial Reporting Board. The Parent Company's equity has been calculated in accordance with Swedish law, applying recommendation RFR 2 from the Swedish Sustainability and Financial Reporting Board (Supplementary Accounting for Legal Entities). The Board of Directors has established that the company will have full coverage for its restricted equity after the proposed dividend. The Board of Directors considers that the proposed dividend is defensible based on the criteria contained in the second and third paragraphs of Section 3 of Chapter 17 of the Swedish Companies Act (nature, scope and risks of the business, consolidation requirements, liquidity and other financial circumstances). The Board would like to make the following comments pertaining thereto:

Nature, scope and risks of the business

The Board estimates that the company's and the Group's equity after the proposed dividend will be sufficient in view of the nature and scope of the business and the associated risks. In drawing up its proposal, the Board has taken account of the company's and Group's equity/assets ratio, historical and budgeted performance, investment plans and the general economic environment.

Consolidation requirements

The Board of Directors has made a general assessment of the company's and the Group's financial position and ability to meet their obligations. The proposed dividend constitutes 5.1 per cent of the Parent Company's equity and 1.6 per cent of consolidated equity. The stated target for the Group's capital structure is a minimum equity/assets ratio of 35 per cent, and the Group will be able to maintain an interest coverage ratio of at least 2.2 even after the proposed dividend. In view of the current situation on the property market, the company and the Group have a good equity/assets ratio. In light of this, the Board considers that the company and the Group are in a good position to take advantage of future business opportunities and withstand any losses that may be incurred. Planned investments have been taken into account in the proposed dividend payment. Nor will the dividend have any significant impact on the company's or the Group's ability to make further commercially motivated investments in accordance with the adopted plans. In the Parent Company, some assets and liabilities have been measured at fair value in accordance with Chapter 4, Section 14 of the Swedish Annual Accounts Act. The impact of this valuation which affected equity in the Parent Company by SEK 414m (527) has been taken into account.


Norrtälje 24, central Stockholm.

Liquidity

The proposed dividend will not affect the company's and the Group's ability to meet payment obligations in a timely manner. The company and the Group have good access to liquidity reserves in the form of short- and long-term credit. Agreed credit lines can be drawn at short notice, which means that the company and the Group are well prepared to manage variations in liquidity and any unexpected events.

Other financial circumstances

The Board of Directors has assessed all other known circumstances that may be significant for the company's and the Group's financial position and that have not been addressed in the above. No circumstance has been discovered in the course of the assessment that would cast doubt on the defensibility of the proposed dividend stated above.

Risks and opportunities

We operate mainly on the commercial property market in Stockholm and are affected by the performance of the Swedish economy, in particular the services sector. Our risk exposure is limited and, to the extent possible, controlled in respect of properties, tenants, lease terms, financing terms and business partners. Risks and uncertainties relating to cash flow from operations relate primarily to changes in rents, vacancies and interest rates. Changes in the value of the property portfolio represent another uncertainty, as does access to financing. We endeavour to be a sustainable and responsible company, which means managing risks associated with such issues as climate impact, environmental impact, ethical conduct and human rights. In today's digitalised world, cyber threats and the risk of data leaks are also factors that we need to acknowledge and manage. Fabege follows social developments and we are at the forefront when it comes to harnessing digitalisation and technological developments, particularly in terms of managing and monitoring property operations. Overall responsibility for our risk management rests with the Board of Directors, while operative work has been delegated to the CEO and management. Risk management is integrated into day-to-day operations and firmly established in Fabege's various processes. To follow is a description of our view on, and management of a selection of significant risks that, if properly managed, also represent opportunities.

Categorisation of risks

Market and transactions

	Likelihood	Consequence
Rental income – customer bad debts	Low	Low
Rental income – vacancy rate	Medium	Medium
Rental income – rent levels	Medium	Low
The office of the future	Medium	Medium
Geographic concentration	Low	Low
Property expenses	Medium	Medium
Properties' operation and function	Low	Low
Projects – schedules and costs	Medium	Medium
Projects – unleased project space	Low	Low
Planning processes	Medium	Low
Residential development	Medium	Medium
Property values	Medium	High
Property acquisitions	Low	Low
Property sales	Low	Low

Financial

	Likelihood	Consequence
Liquidity and refinancing risk	Medium	Medium
Interest rate risk and valuation of fixed-income derivatives	Medium	Medium

Environment

	Likelihood	Consequence
Contamination and environmental damage	Low	Low
Climate change	Medium	Low
Greenhouse gas emissions	Medium	Low

Tax

	Likelihood	Consequence
Tax laws	Medium	Medium
Sustainable tax management	Low	Low

Ethics and anti-corruption

	Likelihood	Consequence
Fraud, bribery, unethical conduct	Low	Low

Employees

	Likelihood	Consequence
Workforce planning	Low	Low
Dependency on key individuals	Medium	Low

Social conditions and respect for human rights

	Likelihood	Consequence
Unacceptable working conditions, violations	Low	Medium

Communication and cyber security

	Likelihood	Consequence
Data leaks, stock market regulation breaches	Low	Medium
Media, brand	Low	Medium
Information security, infringement	Medium	Medium
System support availability	Low	Medium

Low Medium High

Risks and opportunities cont.

Market and transactions

Rental income and property expenses

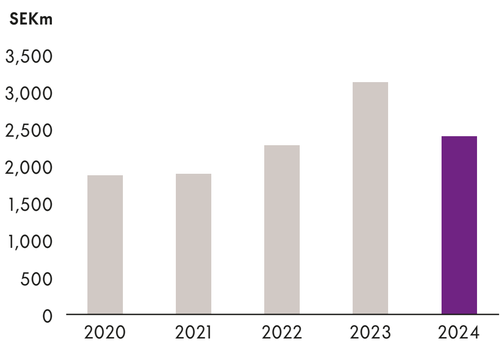
With modern properties in prime locations, the risk of structural vacancies in our property portfolio is low. Vacancies that arise affect cash flow in the period it takes to re-let and potentially renovate vacant premises. The office rental market in Stockholm weakened during the year.

Global concerns and a weaker economy are giving rise to increased uncertainty in the rental market. Letting processes are taking time, as companies consider their options. The risk of rent losses is also greater in light of the economic downturn. In 2024, the vacancy rate deteriorated and net lettings were negative. However, rental income increased during the year, mainly due to the index and completed project properties, and is expected to grow over the next few years with indexation and completion of project properties.

Sensitivity analysis, cash flow and earnings

	Change, %	Effect, SEKm
Rental income, total	±1	34.4
Rent level, commercial income	±1	33
Financial occupancy rate	±1	36.3
Property expenses	±1	–8.6

Investments



Risk	Assessment	Impact and management of risk, commentary 2024
Rental income – credit risk, bad debt losses	**Likelihood:** 🟢 **Consequence:** 🟢 Customers’ ability to pay is affected by their stability and the general business climate. Under normal circumstances, the risk of cancelled payments and bad debt losses in our portfolio is low as we have stable customers and sound procedures in place. However, this risk has increased for companies in vulnerable industries that can be affected by economic downturns.	The lease portfolio is spread among many industries and companies of different sizes. The 25 largest tenants are stable companies and comprise just over 40 per cent of the total rental value. However, Convendum’s reconstruction has increased the risk. The tenants are highly solvent and rent losses are historically small. This is due in part to favourable credit ratings and in part to efficient procedures that quickly identify late payers.
Rental income – vacancy rate	**Likelihood:** 🟡 **Consequence:** 🟡 We believe the risk of structural vacancies is low. However, larger individual terminations may have a limited financial impact in the short term. Changes in vacancy rates in the portfolio could have a delayed positive or negative impact on rental income. New production of office properties and demand for office premises affect rent levels and the vacancy rate. Since the pandemic, we have seen an increase in digitalisation and working from home, and the future of the office is a topic of discussion. We believe there will continue to be a need for offices as workplaces and meeting venues in the longer term, and that modern offices in attractive locations will be in particular demand.	The risk of structural vacancies in the investment property portfolio is deemed minor considering the portfolio’s central locations, modern premises and stable customers. Fabege’s portfolio generates stable cash flow from property management operations. The premises of development properties are kept vacant during development, which negatively impacts cash flow during the period. This is done consciously to create greater value over the long term. Our vacancies are mainly in modern properties in attractive locations and no vacancies are structural; it is mainly a matter of time before the right customer is found for the right property. The occupancy rate in the investment property portfolio was 88 per cent (91) at year-end. On a like-for-like basis, rental growth totalled 4.5 per cent during the year.
Rental income – rent levels	**Likelihood:** 🟡 **Consequence:** 🟢 Market rents prevail in the Stockholm office market. The indexation in the previous two years is now fully reflected in rent levels, which have levelled off. We consider the risk of falling rent levels in central Stockholm to be low in the short term. In some submarkets, there is a risk of a slight decline in market rents. In the longer term, rent levels are affected by factors such as demand for office premises and forthcoming new production, with a medium-high risk of significant variations in rent levels.	For a number of years now, demand for offices in Stockholm has been very strong, with rising rent levels. There is now greater uncertainty about the future needs and design of office space. Since leases generally have terms of 3–5 years, changes in market rents gradually impact on rental income. Leases worth SEK 329m were also extended on unchanged terms in 2024. Leases totalling SEK 86m were also renegotiated, with an average decline in rental value of 5 per cent. The index increase of 1.6 per cent will take effect from January 2025. Our assessment is that there is now limited scope for increasing rent levels in renegotiations, and there is a risk of falling rent levels in some submarkets

🟢 Low 🟡 Medium 🔴 High

Risks and opportunities cont.

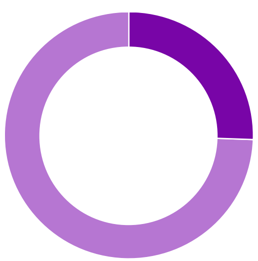
Market and transactions cont.

Lease maturity structure

Year of maturity	No. of leases	Annual rent, SEKm	%
2025	587	470	14
2026	340	646	19
2027[1]	218	529	16
2028	129	233	7
2029	68	342	10
2030+	110	970	29
Commercial	**1,452**	**3,190**	**96**
Residential contract	181	24	1
Garage and parking	601	115	3
Total	**2,234**	**3,329**	**100**

1) Of which just over SEK 134m has already been renegotiated as current leases expire.

Ten largest customers, contractual annual rent



Risk	Assessment	Impact and management of risk, commentary 2024
The office of the future	**Likelihood:** Medium **Consequence:** Medium Digital developments and opportunities to work flexibly affect demand for office workplaces in the future. While many companies want to see an increased presence in their offices, there are also companies that see a reduced need and are looking to cut back on their space. The picture today is mixed, but the trend towards more efficient use of office space continues.	We have a presence in all our areas, and we enjoy a close dialogue with our customers. Ways of working and needs are constantly changing, which affects office design. We offer both new and existing customers support in identifying their needs and finding solutions. We provide flexibility, and the opportunity to grow and downsize in attractive locations. Our turnkey offices under the NOW concept and our customers' access to flexible workplaces through our CoW and WAW concept are examples of ways in which we can offer greater flexibility.
Geographic concentration	**Likelihood:** Low **Consequence:** Low The company is affected by employment figures and trends in the Stockholm office market, because our property portfolio is concentrated to the Stockholm region. The number of people employed in office activities in Stockholm had previously grown for many years but has now levelled off and is currently not a driver of increasing demand. Given Stockholm's strong position, growth and heavily service-based industry structure, we deem the risk to be low.	Our strategy generates many benefits of scale and contributes to both an increase in net operating income and higher property values. With a focus on urban development in attractive locations, we are able to influence the appeal and supply available in the districts. We have a thorough knowledge of our submarkets and customer needs and demand.
Property expenses	**Likelihood:** Medium **Consequence:** Medium The risk of increased property costs is considered to be medium. Tax decisions, changes in market prices and seasonal variations affect our cost structure. Property tax and ground rent, where the potential to affect the size of the cost is limited, account for a large part of these expenses. Other expenses, including running costs, maintenance and tariff-based expenses such as electricity and heating depend on price levels and consumption. 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.	We work systematically to reduce our consumption of heating, electricity and water. We also conduct regular contract negotiations and procurements aimed at reducing costs. The operations organisation continuously focuses on cost effectiveness and capitalising on savings opportunities in order to create a sustainably secure cost base. A large portion of property expenses is paid for by tenants, thus reducing the company's exposure. Since the standard of the investment property portfolio is high, maintenance expenses are low. The surplus ratio in 2024 was 74 per cent
Properties' operation and function	**Likelihood:** Low **Consequence:** Low There are increasingly stringent requirements for efficient management from a customer perspective, financial perspective and in relation to environmental impact. The risk is deemed to be low for our portfolio as a whole, while for individual properties it can be high.	Our property management is customer-oriented and we have effective system support for daily follow-up in running the properties and customer fault reports. All properties are connected, and we are at the forefront when it comes to using digital technology to manage and monitor the day-to-day operations of our properties. We work with maintenance plans, environmental certifications and ambitious energy usage and waste management targets, etc.

Low Medium High

Risks and opportunities cont.

Market and transactions cont.

Urban development and projects

We run major urban development projects involving investment over a long period. This means the company is highly dependent on access to completed local development plans. We have a great deal of experience gained over many years in managing major new build and redevelopment projects. Construction costs for materials, which rose sharply in the past few years due to the pandemic and war, have stabilised but remain at a high level. Increased costs in general are largely related to individual tenant customisations, combined with higher rent or more challenging foundations conditions. With our experience and focus on letting the remaining non-leased project space, we are of the opinion that the risk of structural vacancies following completion is low.

Risk	Assessment	Impact and management of risk, commentary 2024
Schedules and costs	**Likelihood:** ● **Consequence:** ● Medium risk. Potential delays and increased costs in procurements can have significant consequences depending on the size of the projects. Risks in the project portfolio primarily pertain to risks related to scheduling and the cost level for the procurement of construction services. Due to its large project portfolio and annual investments of SEK 2–2.5bn, it is essential for us to manage these project risks optimally.	We run large new construction and redevelopment projects with the aim of achieving significant value growth. Each year, Fabege conducts project procurement processes involving significant amounts. Most project managers, who are highly experienced and skilled in project procurement, are responsible for these processes, and for running and following up large- and small-scale projects. Procurement work is performed with the support of framework programmes, framework agreements and agreement templates. Investment decisions are based on underlying calculations with yield targets for invested capital. Investment decisions relating to projects exceeding SEK 50m are made by the Board of Directors.
Unleased project space	**Likelihood:** ● **Consequence:** ● In connection with large-scale new builds, there is a risk that newly produced space will not be let. We believe the risk for structural vacancies is low, since projects are pursued in attractive locations and there are very few speculative projects.	The occupancy rate in our projects was 88 per cent at year-end. We only launch speculative projects as an exception. Requirements regarding the percentage of customers that have to sign leases prior to the start-up of a project are determined based on the conditions and estimated risk of each individual project.
Planning processes	**Likelihood:** ● **Consequence:** ● Medium risk as the planning processes are normally drawn out and can be appealed. Planning processes are time-consuming and depend on the resources available to municipalities. There is a risk of delays in opportunities to utilise development rights.	Lead times for the planning processes are lengthy, averaging at over two years. We endeavour to maintain close cooperation with the municipalities concerned. We work with our own personnel, who are highly skilled and have considerable experience of working with planning issues. The portfolio includes 706,300 square metres of wholly-owned commercial development rights, of which 38 per cent are legally binding. The portfolio also includes 573,300 square metres of wholly-owned residential development rights, of which 34 per cent are legally binding. Several local development plans gained legal force during the year, giving us the opportunity to start new projects in Solna and Västra Kungsholmen.
Residential development	**Likelihood:** ● **Consequence:** ● Any cost overruns in procurement and market pricing of apartments can have a significant impact on project performance. Risks in the residential projects are mainly related to the cost level in the procurement of materials and construction services and the market risk in the sale of apartments. The project start is on speculation as the sale of apartments normally takes place at a relatively late stage. Residential production has declined significantly, due to rising construction costs and lower prices for residential property.	A residential development project comprising 288 apartments, of which 78 are rental apartments, is currently underway in Haga Norra, with completion scheduled for 2025 and 2026. Sales for the first phases began in the autumn, with a selling rate of 62 per cent achieved by the end of the year. Residential projects currently represent a limited portion of our project development. We are currently cautious about starting new residential projects, but see good opportunities as market conditions improve.

● Low ● Medium ● High

Risks and opportunities cont.

Market and transactions cont.

Property values

As a result of low initial values for project properties and development rights, there is considerable potential for generating value through project investments. Improved cash flows will contribute to higher property values going forward. At the same time, the market's yield requirement is a factor that we cannot influence. In 2024, yield requirements in our markets stabilised and we expect property values to be stable or slightly increase over the next year.

Change in value, %	Impact on after-tax profit, SEKm	Equity/assets ratio, %	Loan-to-value ratio, %
+1	615	46.0	43.4
0	0	45.7	43.6
–1	–615	45.4	43.8

The table above shows the effect on earnings, equity/assets ratio and loan-to-value ratio of a 1 per cent change in the value of a property.

Sensitivity analysis, change in value	Adoption	Impact on value, SEKbn
Rent level	±10%	6.9
Running cost	±SEK 50/sqm	1.1
Yield requirement	±0.25%	2.5
Long-term vacancy	±2%	1.8
Weighted discount rate	±0.25%	1.6

Transactions

Transactions are a significant part of our objective of constantly developing the potential of the property portfolio. The focus is on growth, but individual properties with limited future development potential may be put up for sale. Acquisitions often relate to properties with some form of development potential through the creation of development rights, upgrading the standard, raising rent levels etc.

Risk	Assessment	Impact and management of risk, commentary 2024
Property values	**Likelihood:** Medium **Consequence:** High High risk as changes in rent levels, vacancies and yield requirements on the market can have a considerable impact on property valuations. The market price is also impacted by access to, and terms for financing.	The value of the property portfolio is affected by our leasing and customer structure, by development of the property portfolio and by other external factors that determine demand. Our property portfolio, with stable customers and modern premises in prime locations, is made up of attractive investment properties even when the economy is not performing well. The persistent advancement of project and development properties will continue to generate value growth in the portfolio. Properties are recognised at fair value and changes in value are recognised in the statement of comprehensive income. Property value is determined according to generally accepted methods. At least 25 per cent of our portfolio is independently valued at the end of each quarter. The value of the remaining properties is appraised internally based on the external valuations. Accordingly, the entire property portfolio is independently valued at least once a year. In 2024, a much larger share of the portfolio was externally valued at the end of each quarter. The combined year-end market value was SEK 78.9bn (78.1), corresponding to about SEK 69,000 per sqm (62,700). The average yield requirement in the valuation was 4.54 per cent (4.43).
Property acquisitions	**Likelihood:** Low **Consequence:** Low Medium risk for possible unknown factors such as future vacancies, environmental impact, and so on.	Property acquisitions are resolved on by the Board of Directors. Acquisitions are evaluated based on an established strategy and an assessment of opportunities to add future value to our areas. We have well-established procedures for due diligence processes.
Sales of properties	**Likelihood:** Low **Consequence:** Low Risk that properties are divested at a price that is too low.	Property sales are resolved on by the Board of Directors. Internal due diligence processes ensure that any measures required are managed. The properties are continually independently valued and we have a clear understanding of current value and potential through continued development.

Low Medium High

Risks and opportunities cont.

Financial

Financing
We have good access to financing via several different sources with both banks and the capital market. By interest-hedging 52 per cent of the loan portfolio, interest rate changes have limited impact on our borrowing costs.

Sensitivity analysis, cash flow and earnings

	Change	Effect, SEKm
Interest expenses, rolling 12 months (incl. derivatives)	±1 %-point	–88.7 / +146.8

Risk	Assessment	Impact and management of risk, commentary 2024
Liquidity and refinancing risk	**Likelihood:** ● **Consequence:** ● The liquidity risk refers to the borrowing requirement that can be covered by refinancing or new borrowing in a strained market scenario. The risk is deemed to be medium as the property industry is capital-intensive and requires a functioning capital market. Accordingly, access to financing via banks and the capital market is of considerable significance for us.	We work with a number of alternative sources of financing and seek extended fixed-term maturities and an even maturity structure. Long-term credit facilities, with fixed terms and conditions, and revolving credit facilities have been signed with lenders to reduce liquidity risk. Renegotiations are always initiated well in advance. The objective is to eliminate maturities within the next 12 months. Any issues that may arise are identified at an early stage through Fabege's long-term relationships with its capital providers, built on mutual trust. Fabege's good and long-standing relationships with the Nordic banks give us access to capital. Moody's credit rating of Baa2, stable outlook, demonstrates confidence and stable access to capital market financing over time. In 2024, the availability and pricing of capital market funding improved significantly, and we increased the share of bond funding. The average fixed-term maturity period at year-end was 3.5 years (4.1) and available undrawn facilities amounted to SEK 6.0bn (7.0).
Interest rate risk and valuation of fixed-income derivatives	**Likelihood:** ● **Consequence:** ● Interest rate risk refers to the risk that changes in market interest rates will impact our borrowing costs. Interest expenses comprise our single largest cost item. The risk is considered to be medium, as changes in market rates in the long term can have a significant impact on interest expenses. Fixed-income derivatives are measured at market value and changes in value impact profit and loss.	The fixed-rate period is based on the estimated interest rate trend, cash flow and capital structure in accordance with the company's finance policy. We use financial derivatives, primarily in the form of interest rate swaps. Bond issues at fixed rates are also used to a limited extent. New fixed-income derivatives are preferably subscribed for with long maturities, in order to spread risk and ensure cash flow in the long term. In addition, the possibility of subscribing for callable interest rate swaps is used to improve cash flow in the short term. The derivatives portfolio is valued based on external data. The fixed-rate term of the loan portfolio was about 1.8 years (2.1) at year-end, excluding callable derivatives. The adjusted fixed-rate period including callable derivatives amounted to 2.6 years (3.1).

● Low ● Medium ● High

Risks and opportunities cont.

Environment and climate

Environment and climate
The assessment is that climate change in itself does not constitute any major physical risk for us at present, in view of the location of the property portfolio. We have chosen to gradually adapt the reporting of potential physical climate risks in accordance with the EU taxonomy, and transition risks to the Task Force on Climate-related Financial Disclosures' (TCFD) recommendation. For further information on TCFD, see pages 83–84.

Risk	Assessment	Impact and management of risk, commentary 2024
Contamination and environmental damage	**Likelihood:** ● **Consequence:** ● Low risk in light of the properties' standards and locations. Under the Swedish Environmental Code, commercial businesses are responsible for any contamination or other environmental damage, and for the remediation thereof. The Swedish Environmental Code also stipulates that even if a commercial business is unable to pay for the remediation of a property, the party who owns the property is responsible. Accordingly, we could be subject to such remediation requirements. Poor management of environmental risks can affect Fabege's legislative compliance, brand and direct costs.	Sustainability certifications and environmental inventories of buildings. We deem this risk to be minor since our property portfolio primarily comprises commercial office premises. We continuously investigate and identify potential environmental risks in our property portfolio. Action plans are prepared for such risks arising. Fabege works with sustainability certification according to BREEAM and Fitwel to reduce environmental and health risks. 100 per cent of the managment portfolio is certified. Efficient management with a focus on cutting back on the use of resources reduces the risk of high costs and environmental and health impacts, and provides a good working environment for our customers. There were no incidents in 2024 resulting in material fines and no non-monetary sanctions pursuant to environmental legislation.
Climate change	**Likelihood:** ● **Consequence:** ● Medium risk. Temperature changes and precipitation may raise costs. Transition risk: Higher price for greenhouse gas emissions/higher energy costs. Climate change is expected to result in physical risks such as temperature changes, rain, wind, flooding and levels of snow that could affect properties. Some of the more severe risks include extreme weather events relating to more intense precipitation. Stormwater systems in the region have not been adapted to handle changing climate conditions, including increased annual precipitation and more intense rainfall events. Furthermore, there are regulatory risks such as enhanced requirements concerning the carbon footprint of buildings and increased reporting requirements on carbon footprint.	Several indicators in the BREEAM-SE and BREEAM In-Use certification systems include assessment criteria that aim to carry out flooding surveys and mitigate the impact of extreme weather events caused by climate change. Flooding from groundwater is prevented by changes to land gradients, embankments and pumping water from low areas. We have carried out climate risk analyses at building level in the districts of Solna Business Park, Stockholm inner city, Arenastaden and Hammarby Sjöstad. The analysis identified increased precipitation and flooding as one of the greatest potential future risks. Property and urban development ensures that the necessary measures are taken to manage identified risks, such as surface water management. In general, we work with thermal comfort to prevent increased risk of overheating. By generally minimising water consumption based on the building's actual component specifications, we also reduce water requirements during dry periods. We work with durability and resilience in the design of exposed building elements and areas of land to avoid an increased risk of material degradation and significant maintenance needs.

● Low ● Medium ● High

Risks and opportunities cont.

Environment and climate cont.

Risk	Assessment	Impact and management of risk, commentary 2024
Greenhouse gas emissions	**Likelihood:** Medium **Consequence:** Low Fabege's business operations have a negative impact on the climate through energy use and greenhouse gas emissions. – High resource utilisation during construction. – Availability and price of reused and fossil-free materials. – Power shortages and high energy prices.	To reduce our climate impact, we work with: – Implementing and enforcing Net Zero commitments and climate targets in line with the Science Based Targets initiative (SBTi). – Energy efficiency and power level reduction. – Purchasing renewable energy. – Local production of renewable energy and energy storage. – Increased focus on circularity and conservation/reuse of resources and materials. – Climate calculations and sustainability programmes for investments. – Climate requirements for large and small projects. Fabege works actively to reduce its climate impact through energy efficiency improvements, strict requirements in construction projects and actions to limit global climate change. Focusing on reducing resource use and increasing the level of conservation and reuse reduces the risk of high costs.

Tax

Tax management

Changes to tax legislation and external confidence in us as a good corporate citizen demand transparency and compliance with the relevant laws.

Risk	Assessment	Impact and management of risk, commentary 2024
Tax-legislation	**Likelihood:** Medium **Consequence:** Medium Medium risk as changes in the area of tax can have a relatively significant financial impact. Changes to tax legislation impact corporate taxation, property tax, tax on property transactions and other relevant taxes.	There are no specific proposals for changes at present, but we are monitoring developments.
Sustainable tax management	**Likelihood:** Low **Consequence:** Low Stakeholder requirements for ethical tax management have increased. The risk of errors primarily concerns brand risk. We regard this risk as low for us.	All our operations are pursued in Sweden and we pay 100 per cent of our tax expense in Sweden. Our tax policy provides guidelines on the company's tax management. The policy states that we will follow all the relevant laws and regulations in the area of taxation, and that where regulations are unclear, we will act transparently and exercise caution. We will engage in tax management based on ethical, legal and professional principles and will abstain entirely from aggressive or advanced tax avoidance.

Low Medium High

Risks and opportunities cont.

Ethics and anti-corruption

Ethics and anti-corruption
Our Code of Conduct imposes requirements regarding how our employees are expected to conduct themselves in professional relationships. Policies and guidelines provide more detailed instructions. Through agreements and a specially adapted Code of Conduct for Suppliers and business partners, we require them to undertake to comply with our zero tolerance of unethical behaviour.

Risk	Assessment	Impact and management of risk, commentary 2024
Fraud, bribery, unethical conduct	**Likelihood:** ● **Consequence:** ● The risk is deemed to be low in light of our clear guidelines, procedures and our governing Code of Conduct. The construction industry is particularly exposed. Several operators are involved in our large-scale projects, and services/products are procured through subcontractors on a number of levels. Despite making clear requirements in all procurements, it is difficult to gain an overview of long supply chains, giving rise to a risk of activities that contravene our values.	We do not accept any form of bribery, threats or unethical conduct. Ethical matters are a continual topic of internal discussion at staff meetings and conferences. We established an ethics council several years ago, with specific responsibility for identifying and managing ethical issues internally. All employees are trained in our Code of Conduct and current bribery legislation. We also have a whistleblower function, which can be used by employees and external individuals anonymously to report suspicions of unethical conduct. Cooperation with contractors is evaluated continuously and all strategic suppliers are examined by an independent company to ensure sustainable practices. All suppliers are also monitored by credit rating agencies, in order to quickly identify potential financial non-conformities and any changes in boards and management. We are of the opinion that control of our first-line suppliers is adequate. Through agreements, suppliers undertake to comply with our Code of Conduct. If any non-conformities are uncovered, agreements can be terminated with immediate effect. We urge our first-line suppliers to monitor compliance by their subcontractors to ensure compliance throughout the supply chain.

Employees

Employees
We have a relatively small workforce in relation to the property values we manage, and the company employs a number of uniquely skilled individuals. This can to a certain extent make the company vulnerable.

Risk	Assessment	Impact and management of risk, commentary 2024
Skills supply	**Likelihood:** ● **Consequence:** ● Low risk, however strong competition for certain job categories. As technical and digital developments progress, our personnel are required to have greater technical expertise. There is currently a shortage of this type of expertise on the market. There is strong competition for certain job categories, such as technical personnel and project managers.	We invest time and effort in the company's shared core values, SPEAK, with the aim of being the industry's most attractive employer. We have established recruitment processes and we offer training to existing employees. Internal mobility is encouraged. One way of recruiting is via cooperation with educational institutions, in order to encourage interest in the company and the sector at an early stage. During 2023/2024, all managers at Fabege underwent a training programme covering leadership and health and safety. We also ran an internal mentoring programme during the year.
Dependency on key individuals	**Likelihood:** ● **Consequence:** ● Medium risk. We have a relatively small workforce and certain key functions are dependent on individuals.	We always endeavour to ensure that there is backup in the form of staff who can cover for each other in the event of illness, for example. A certain amount of support can also be provided by consultants. When employees are travelling on business, individuals with similar skills always travel separately.

● Low ● Medium ● High

Risks and opportunities cont.

Social conditions and respect for human rights

Core values and Code of Conduct
Our core values, SPEAK, determine the framework for desirable behaviour. This is supported by our Code of Conduct, along with more detailed policies and guidelines. Through agreements and a specially adapted Code of Conduct for suppliers and business partners, we require that suppliers and other business partners undertake to comply with our zero tolerance of unacceptable working conditions and offensive behaviour.

Risk	Assessment	Impact and management of risk, commentary 2024
Unacceptable working conditions, offensive behaviour	**Likelihood:** Low **Consequence:** Medium Low risk in light of compliance with Swedish legislation and clear guidelines. Several operators are involved in our large-scale projects, and services/products are procured through subcontractors on a number of levels. Despite making clear requirements in all procurements, it is difficult to gain an overview of long supply chains, giving rise to a risk of activities that contravene our values.	We do not accept any form of human rights violation or any other form of discriminatory treatment or unacceptable working conditions, whether internal or at one of our business partners. We conduct an annual employee survey that tells us how our employees are and how well their working conditions support their ability to perform. Our core values, SPEAK, are a recurring theme for evaluation and discussion in connection with recruitment, performance reviews and staff conferences. Cooperation with contractors is continually evaluated and all framework contractors are audited from a sustainability and human rights perspective, with the aim of identifying, preventing and addressing any negative impacts of operations. We are of the opinion that control of our first-line suppliers is adequate. Through agreements, suppliers undertake to comply with our Code of Conduct. If any non-conformities are uncovered, agreements can be terminated with immediate effect. We urge our first-line suppliers to monitor compliance by their subcontractors to ensure compliance throughout the supply chain.

Communication and cyber security

Information management
As a listed company, we must keep abreast of current regulations regarding disclosure of information. Our increasingly digitalised world also imposes requirements for information to be managed correctly and in a way that inspires confidence.

Risk	Assessment	Impact and management of risk, commentary 2024
Data leak, stock exchange rule violations	**Likelihood:** Low **Consequence:** Medium Low risk in light of established information management procedures.	We have strict and well established procedures for information management, including policies and guidelines for communication and insider trading, as well as system support for insider information.
Media, brand	**Likelihood:** Low **Consequence:** Medium Low risk in light of established information management procedures and high transparency.	We endeavour to behave ethically in accordance with our Code of Conduct. Our objective is to give swift feedback and be highly transparent when responding to questions from the media and other stakeholders.
Information security, unauthorised access	**Likelihood:** Medium **Consequence:** Medium Digitalisation and greater use of IT services constitute a medium risk. Physical access to our properties constitutes a risk. GDPR imposes requirements regarding information management.	We work systematically with IT security issues, shell protection and penetration testing. Furthermore, training is given in cyber security and policies and guidelines to ensure employees and other stakeholders working in our IT environment are aware and equipped to manage risks. We have a Security Operations Centre (SOC) that continuously identifies, analyses and counters risks and threats.
System support availability	**Likelihood:** Low **Consequence:** Medium The need for continual access to our systems is increasing both internally and from our customers.	We have increased the levels of technical and organisational redundancy to eliminate and minimise interruptions in deliveries and functions.

Low Medium High

Corporate Governance Report

Message from the Chairman

Fabege has once again completed a year characterised by an uncertain world and a more cautious market. In previous years, the Board spent a lot of time on the issue of financing due to the high interest rates, but we can conclude that we managed to get through that period very well. Thanks to our strong finances and the improvement in interest rates, we were able to focus more on operational activities and profit from property management.

The Board has a good and close relationship with the management, working together actively to capitalise on the business opportunities we see and quickly adapt to new market conditions. During the year, we made a number of important long-term investment decisions based on our focus on long-term profitability. It is important that we maintain this focus so that we can create long-term value in the best possible way.

The working of the Board was good and we have a solid strategic plan that enables our new Board members to get up to speed quickly. Personally, I think it is a great advantage with owners that take active responsibility through their representation on the Nominating Committee, and we currently have very good members on the Board, with broad knowledge of the property sector. This has been of the utmost importance now that we have had a turbulent business environment and I am convinced that a transparent ownership structure is something that is favourable to the company's long-term development.

In addition to the focus on profit from property management, sustainability reporting pursuant to CSRD has also become even more important and during the year the Board prepared for the upcoming increase in responsibilities. For example, when we evaluated the new audit firm, which was then selected at the 2024 AGM, knowledge of sustainability was an important criterion.

Finally, I would like to thank my other colleagues on the Board for their good cooperation over the past year and, on behalf of the Board, to thank the shareholders for their continued confidence in us. Fabege is well positioned and has a strong financial position from which it can continue to develop and create value for shareholders.

Solna, March 2025
Jan Litborn, Chair of the Board, Fabege

"The Board has good and close cooperation with the management to actively pursue business opportunities together."

Governance structure of the organisation

Responsibility for the governance, management and control of the business is shared among the shareholders at the Annual General Meeting, the Board of Directors and the Chief Executive Officer. Fabege works continuously to achieve more efficient and appropriate governance of the company.

1. Shareholders
Fabege's shares are listed on Nasdaq OMX Stockholm. The company's share capital is SEK 5,097m, represented by 330,783,144 shares. At year-end, the company held 16,206,048 treasury shares, corresponding to 4.89 per cent of the number of registered shares. All shares carry the same voting rights, which means that opportunities to exercise influence as an owner are consistent with each shareholder's capital share in the company. The following shareholders, directly or indirectly hold shares that represent one tenth or more of the votes for all shares in the company:

Holdings, 31/12/2024

Percentage of votes, %	
Backahill AB	16.7
Geveran Trading Co.	13.9

Fabege's ownership structure is described on page 22 of the Annual Report.

2. Annual General Meeting
The AGM is the company's highest decision-making body. Shareholders who would like to participate in the business of the AGM must be registered in the transcript of the entire share register pertaining to the conditions prevailing five working days prior to the AGM and notify the company of their intention, and that of no more than two advisors, to attend the Meeting no later than 4 pm on the day stipulated in the notice convening the AGM.

3. Nominating Committee
The Nominating Committee is the AGM's body for preparing decisions relating to appointments. The Committee's task is to draw up proposals for the appointment of the AGM chairperson, Chair of the Board and Board Members, Directors' fees, the appointment of auditors, auditors' fees and any amendments to the principles governing the election of the Nominating Committee. The proposal concerning Directors' fees must specify a breakdown between the Chairperson, other Board Members and representatives of the Audit Committee and Remuneration Committee. Shareholders wishing to submit proposals to the Nominating Committee can do so by emailing ir@fabege.se or by sending a letter to Fabege AB.

4. Board of Directors
Under the Swedish Companies Act, the Board of Directors is responsible for the company's organisation and the administration of the company's affairs. The Board is required to continuously assess the performance management and financial situation of the company. Its main task is to manage the company's assets on behalf of the owners in a way that secures the owners' interest in obtaining a strong long-term return on capital. Fabege's Board is to consist of at least four and no more than nine directors. Each year, the Board adopts rules of procedure, including instructions on division of work and reporting.

5. Auditing
Under the Swedish Companies Act, the company's auditor is required to examine the company's Annual Report and accounts as well as the management performed by the Board and the CEO. After the end of each financial year, the auditor is required to submit an audit report to the AGM. Auditors are appointed and remunerated based on AGM resolutions pursuant to proposals from the Nominating Committee. At the 2024 AGM, the auditing firm KPMG was appointed as the company's auditors with the authorised public accountant Mattias Johansson as Auditor-In-Charge for the period up to the 2025 AGM.

In addition to Fabege, Mattias Johansson has audit assignments for the following major companies: Corem, Nyfosa, Emilshus, Slättö and Skandia Fastigheter. Mattias Johansson has no other roles with companies that are closely related to Fabege's major owners or the CEO. In addition to its assignment as our appointed auditors, KPMG has performed audit-related assignments relating primarily to other auditing activities. Furthermore, KPMG conducts a limited assurance review to ensure our Sustainability Report is produced according to GRI Standards, and a statutory review of the Sustainability Report that also satisfies requirements stipulated in the Swedish Annual Accounts Act.

6. Audit Committee
The Board of Directors has established an Audit Committee consisting of three of the Board members, including the chairperson. The committee acts as an extension of the Board for the monitoring of issues relating to accounting, auditing, financial reporting and sustainability reporting.

Its remit includes addressing issues relating to operational risks and risk management, internal control (environment, design and implementation), accounting policies, financial follow-up and reporting, and the performance of audits. The Committee meets regularly with senior executives to discuss and form an opinion on the state of the company's essential processes from an internal control perspective. Board members review all interim reports. The year-end report, the Corporate Governance Report and the Directors' Report are discussed specifically at the Committee's meeting at the beginning of each year. The Committee meets regularly with the company's auditor to obtain information on the focus, scope and results of audit activities. It operates according to separate rules of procedure, which are reviewed and adopted annually by the Board. The Audit Committee meets the Code's requirements on composition and members' skills and experience in accounting and in other issues within the Committee's area of responsibility.

7. Remuneration Committee
The Board of Directors has established a remuneration committee consisting of three Board members, including the Chairperson. The Committee prepares information for decisions regarding remuneration matters for the CEO and company management. The Board of Directors makes decisions regarding remuneration based on proposals from the Remuneration Committee.

8. Chief Executive Officer
The Chief Executive Officer (CEO) is responsible for operational governance and for the day-to-day management and leadership of the business, in accordance with the guidelines, instructions and decisions adopted by the Board of Directors. In addition to the general provisions relating to division of responsibility contained in the Swedish Companies Act, the rules of procedure governing the work of the CEO specify:

- The CEO's duty and obligation to supply the Board of Directors with information and the necessary documentation on which to base decisions.

Governance structure cont.

- The CEO's role of presenting reports at Board meetings.
- The CEO's duty and obligation to monitor compliance with the Board's decisions in respect of targets, business concept, strategic plans, the company's Code of Conduct and other guidelines, and, where necessary, to request a review of the same by the Board.
- Issues that must always be submitted to the Board, such as decisions regarding major acquisitions and sales or major investments in existing properties.
- The CEO's duty and obligation to ensure that Fabege fulfils its obligations in respect of disclosure, etc. under the company's listing agreement with Nasdaq Stockholm.

The rules of procedure also contain a separate reporting instruction, which governs the content and timing of reporting to the Board.

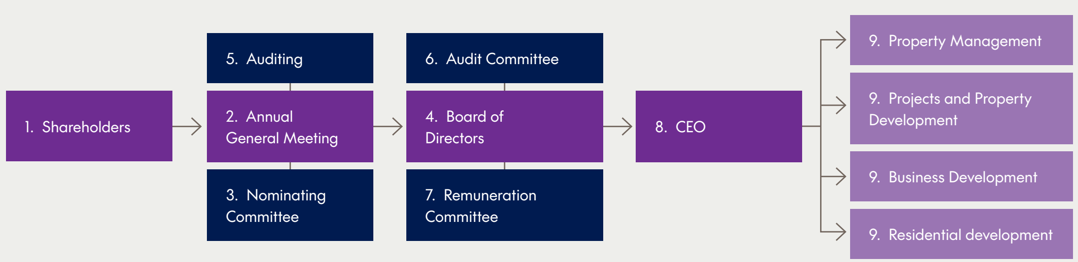
Executive Management Team
The CEO directs the work of the Executive Management Team and reaches decisions in consultation with the other members of management. The Executive Management Team jointly conducts the operational control and manages the business and engages in daily management in accordance with the Board's guidelines, instructions and resolutions. The key to success is having motivated employees. With the aim of creating the best conditions for its employees, the Executive Management Team is required to establish and gain endorsement for a clear framework and objectives for operations. The Executive Management Team must create the conditions for employees to achieve established objectives by:

- Clearly communicating the company's direction and objectives.
- Establishing an approach based on the company's collective expertise.
- Coaching, inspiring and creating job satisfaction and positive energy.
- Regularly reviewing and providing feedback on the established objectives.

The Executive Management Team consists of eight individuals; see pages 76–77. The Executive Management Team holds weekly operational meetings and regular decision-making meetings. The meetings address strategic and operational matters such as property transactions, lettings, market trends, organisation and employees, as well as regular monitoring of performance, KPIs, forecasts, etc. The entire managers' team, which is made up of some 25 individuals, meets several times a year for discussions regarding such matters as the company's strategies and management issues.

Birger Bostad AB, which was acquired in October 2021, operates as an independent subsidiary with its own management and board. Fabege's CEO is Chair of the Board of Birger Bostad AB.

Corporate governance at Fabege



9. Operating segments
Operational activities are conducted in four business areas: Property Management, Property Development, Business Development/Transactions and Residential Development (via Birger Bostad). Fabege works with sustainable urban development, with a primary focus on commercial properties within a limited number of submarkets in prime locations in the Stockholm area. We create value by managing and improving our property portfolio and via value-adding transactions, including sales and acquisitions, to boost the potential of our property portfolio. Our approach of combined property clusters offers us extensive market knowledge and a firm foundation for effective property management and a high occupancy rate. Responsibility in the Property Management business area is shared between two managers: Director of Property Management and Director of Technical Operations. Each business area manager is a member of the Executive Management Team and has responsibility for operative control and follow-up.

Birger Bostad AB develops housing with an emphasis on the Stockholm area. Residential production mainly relates to tenant-owner apartments, but also rental apartments to a lesser extent.

Business activities are goal-oriented at all levels. The goals are broken down, developed and established in the various business areas and at co-worker level. Performance measurements and reviews are conducted regularly.

Management of sustainability work
Fabege's sustainability work is conducted as an integral part of all areas of the organisation. The Sustainability Department has overall responsibility for pursuing sustainability issues, and collaborates with the rest of the organisation in implementation and follow-up.

- The Board of Directors bears overall responsibility for the sustainability strategy and following up Fabege's work on sustainability.
- The Board has given the Audit Committee responsibility for monitoring the sustainability accounting and reporting, including future CSRD reporting.
- The CEO and the Executive Management Team bear overall responsibility for implementation of the sustainability strategy. Overall objectives are approved by the Executive Management Team and established at Board level.
- The Head of Sustainability coordinates and oversees sustainability issues and acts as spokesperson in external relations. The Head of Sustainability provides regular reports to the Executive Management Team and reports annually to the Board of Directors.
- Fabege's Sustainability Department pursues and develops sustainability work and works in an integrated way with the rest of the organisation. The sustainability team, under the supervision of the Head of Sustainability, proposes objectives and coordinates and follows up activities.
- Managers and individual employees implement the strategy and perform the activities approved.

Policies and guidelines

Fabege's core values SPEAK (fast, informal, entrepreneurial, business-minded and customer-focused) and the Code of Conduct serve as guiding principles for the actions of all our employees. The Code of Conduct highlights Fabege's position on matters concerning human rights, working conditions, the environment, business ethics and communication.

The Board of Directors and the Executive Management Team have specific responsibility for ensuring compliance with the Code of Conduct. The content is revised and followed up annually by the Board of Directors and Executive Management Team.

All managers with personnel responsibility are charged with ensuring that employees are familiar with the Code of Conduct and follow it in their specific department/sphere of responsibility. A foundation for the Code of Conduct is that Fabege must comply with applicable laws and other regulations and adhere to generally acceptable business customs and practices, as well as international human rights, labour and environmental standards in accordance with the Global Compact's ten principles and the ILO's fundamental conventions on human rights at the workplace. Fabege supports the UN's Global Compact. The company complies with the Worker Codetermination Act and with collective bargaining agreements which regulate such matters as the minimum period of notice.

Policies and guidelines for communication, personnel and business support are decided on by the Executive Management Team, continually updated and made available to all Fabege's employees via an intranet. No-one at Fabege should be discriminated against on the basis of their sex, gender identity or expression, ethnicity, disability, religion or other belief, sexual orientation or age. No cases of discrimination were reported in 2024. The company's Ethics Council, which reports to the CEO and Executive Management Team, also serves as support in day-to-day work. The role of the Council is to direct the work, monitor relevant external issues and pursue specific ethical matters. The Council is made up of representatives from different departments at the company. Work has been underway for a number of years to improve the organisation's knowledge in respect of business ethics and anti-corruption. Examples of activities include information and training on anti-corruption and bribery legislation, as well as ethical discussions in connection with the company's internal conferences. Employees are continuously provided with information on matters that have been discussed in the sustainability group and the Ethics Council. Fabege will act with credibility on ethical issues and aims to intercept suspicions of any irregularities at an early stage, preferably through dialogue but also via anonymous reporting systems. For those who wish to remain anonymous, the company has a whistleblower service that can be accessed via the company's website, in which both the report and any subsequent dialogue are encrypted and password protected. Fabege's whistleblower function is compliant with the new whistleblowing directive that came into force on 17 December 2023, and the function is an important element in identifying any deviations from our values and Code of Conduct. No complaints were received via the channel during the year.

Corporate governance at Fabege

Find out more about our corporate governance, rules of procedure and instructions at fabege.se

- Articles of Association
- Information from previous AGMs
- Prior years' Corporate Governance Reports
- Board's rules of procedure and instructions
- Code of Conduct
- Our core values, SPEAK

Corporate governance 2024

Annual General Meeting
The Annual General Meeting was held in Stockholm at Filmstaden Scandinavia, Westfield Mall of Scandinavia, on 9 April 2024. All shareholders were also given the opportunity to submit postal votes prior to the meeting. The Annual General Meeting could also be followed by webcast. The AGM was attended by shareholders holding a total of 164.7 million shares, corresponding to 52.4 per cent of the votes represented either in person or via postal voting. Jan Litborn was elected to chair the meeting. A full set of minutes from the AGM is available at www.fabege.com/agm 2024.

The following are the principal resolutions adopted at the AGM:

Election of Board Members and resolution on Directors' fees
The AGM resolved that the Board should consist of seven members and approved the re-election of Anette Asklin, Mattias Johansson, Märtha Josefsson, Jan Litborn and Lennart Mauritzson. Bent Oustad and Sofia Watt were elected as new members. Jan Litborn was elected as the Chairperson. The AGM resolved that a total of SEK 2,660 thousand (2,525) be paid in directors' fees in 2024.

Dividends, cash
The dividend was set at SEK 1.80 per share, to be paid on four occasions in the amount of SEK 0.45 per share on each occasion. Furthermore, it was decided that the record dates for receiving the dividend would be 11 April 2024, 2 July 2024, 4 October 2024 and 13 January 2025 respectively, which means that payment was expected to be issued by Euroclear Sweden AB on 16 April 2024, 5 July 2024, 9 October 2024 and 13 January 2025.

Principles for appointment of the Nominating Committee
The AGM adopted a set of principles for the appointment of the Nominating Committee and the proposals that the Nominating Committee is required to prepare. The Nominating Committee is to be appointed no later than six months prior to the AGM and representatives of the four largest owners are to primarily be offered positions.

Remuneration of management
Remuneration guidelines were adopted for company management, whereby variable remuneration may be payable at a maximum of nine months' salary. Senior executives who receive variable remuneration undertake to make a long-term investment (for a period of at least three years) of at least two-thirds of this variable salary component after tax in shares in the company. Variable remuneration is tied to a number of pre-established targets. The aim is to encourage participation and commitment by offering senior executives the opportunity to become shareholders in a more structured manner.

Authorisation on share buybacks
The AGM resolved to authorise the Board, for a period ending no later than the next AGM, to acquire and transfer shares. Share buybacks are subject to a limit of 10 per cent of the total number of shares outstanding at any time. Transfers may occur of all treasury shares held by the company.

AUDIT
The auditors reported their observations and simultaneously presented their views on the quality of internal control in Fabege at the Board meeting in February 2024. The auditors participated in, and presented reports at all four scheduled meetings of the Audit Committee. Regular reports were also presented to management throughout the year. A report was also presented on one occasion to the Board during the year without management being present. Fees paid to the company's auditors are detailed under Note 46 on page 121.

NOMINATING COMMITTEE
In accordance with the AGM's resolution, the four largest shareholders were offered one seat each on our Nominating Committee, and on 23 October 2024, the Nominating Committee was announced.

Composition of the Nominating Committee 2025[1]

	Representative	Share of votes, %
Göran Hellström, Chairperson	Backahill AB	16.7
Havard Rønning	Geveran Trading Co.	13.9
Johannes Wingborg	Länsförsäkringar Fondförvaltning	2.7
Katarina Hammar	Nordeas fonder	2.4
Total		**37.7**

1) Percentage of votes 31/12/2024.

Nominating Committee's proposals ahead of the 2025 AGM
The Nominating Committee proposes that the Board shall consist of seven ordinary members with no deputies. The Nominating Committee is of the opinion that the expertise and experience of Board members meets the requirements that may be imposed. The Nominating Committee proposes the re-election of Board members Anette Asklin, Mattias Johansson, Jan Litborn, Lennart Mauritzson, Bent Oustad and Sofia Watt, and the election of Tomas Eriksson. Märtha Josefsson has declined re-election. Furthermore, it is proposed that Jan Litborn be elected Chairperson of the Board. The Nominating Committee has also discussed the independence of the members of the Board. The proposal for the Board of Directors satisfies the relevant requirements regarding members' independence in relation to the company, company management and the company's major shareholders. KPMG is proposed as auditor, with Mattias Johansson as Auditor-In-Charge.

BOARD OF DIRECTORS
Composition of the Board, 2024
Seven Board Members were elected to the Board at the 2024 AGM. Jan Litborn was elected Chairperson of the Board. Fabege's Chief Financial Officer acts as the Board's secretary.

Our Board includes members that have skills and experience that are highly significant for the support, monitoring and control of the operations of a leading property company in Sweden.

The Board aims to retain members with expertise in areas such as property, the property market, funding, business development and sustainability and climate. Several of the Board Members have significant personal shareholdings in Fabege, directly or indirectly. Fabege's Board of Directors fulfils the requirements for independent directors specified in the Swedish Corporate Governance Code.

The work of the Board in 2024
In 2024, the Board held a total of 15 Board meetings, including six scheduled meetings, one statutory meeting and eight meetings held by correspondence. There were several standing items on the agenda for the scheduled meetings, including financial and operational reporting, decisions on acquisitions, investments and divestments, strategic market and organisational issues and reporting by the Audit Committee and Remuneration Committee. Any significant ongoing projects are followed up at each scheduled meeting. During the year, the Board followed up a number of specific issues such as financing, ongoing and proposed project investments, transactions, monitoring the company's sustainability work and sustainability reporting, and updating the base prospectus for Fabege's MTN programme. The interim reports and year-end report are addressed by the Board at a Board meeting held on the date on which the report is released to the market.

In 2024, the Board resolved on investments relating to the development of properties in the existing portfolio, along with significant investments in existing properties.

Corporate governance 2024 cont.

At the end of the year, an assessment was made of the Board, which showed that the Board was operating in a highly satisfactory manner. The Board is evaluated via a survey. Responses are summarised and discussed separately at a Board meeting. Time is also set aside for discussion at other meetings. The Board also carried out an annual evaluation of the CEO's performance, along with its annual review of the company's Code of Conduct, tax policy, diversity policy and finance policy.

The Board's expertise in relation to sustainability issues is continuously improving through its ongoing work. Critical issues are communicated to the Board as necessary. During the year, the Board examined the company's dual materiality analysis (DMA) and gap analysis ahead of forthcoming CSRD reporting, which is dependant upon the result of the EU commission's Omnibus proposal.

The Board of Directors' diversity policy
Overall, the Board of Directors shall have a suitable range of skills and experience of the business to be able to carry out its activities, and in order to identify and comprehend the risks to which the business is exposed and the rules that regulate the business being conducted. When appointing new Board Members, the individual member's suitability shall be reviewed with the aim of achieving a Board composition with a range of skills that are sufficient for the purposeful control of the company. The Nominating Committee aims to ensure relevant expertise in the property sector, financing, etc., as well as an even gender balance. It is incumbent upon the Nominating Committee to take account of this policy, with the aim of achieving an appropriate composition of the Board with respect to the company's operations and general conditions. The Board has three women and four men and is regarded in other respects as being representative of a broad range of knowledge and valuable contact networks within relevant areas.

Fees to the Board of Directors
Fees to the Board of Directors are paid according to a decision made at the AGM, and for 2024 fees totalled SEK 2,660,000, of which the Chairperson received SEK 625,000 and other Board members SEK 265,000 each. In addition, fees in the amount of SEK 260,000 were paid for work conducted by the Board's Audit Committee, of which the chair of the committee received SEK 130,000 and two members SEK 65,000 each, as well as SEK 185,000 for work carried out by the Board's Remuneration Committee, of which the chair of the committee received SEK 85,000 and two members SEK 50,500 each.

Remuneration of management
In accordance with the principles of compensation and other terms of employment for management adopted by the AGM, the Board made a decision on the remuneration and other terms of employment for the CEO.

During the year, the Board reviewed compliance with the principles of remuneration for senior executives. Remuneration and other benefits and terms of employment for the CEO and management are described under Note 6 on pages 112–113. The company's principles of remuneration and terms of employment, along with the Remuneration Committee's follow-up report, will also be presented at the 2025 AGM.

Board year 2024

In addition to the points described below, resolutions were adopted regarding aspects such as investments, fixed-interest periods etc. In all, 15 Board meetings were held during the year, including meetings held by correspondence.

Q1

7 February
Scheduled meeting – year-end report, dividend proposal, etc.

8 March
By correspondence – Annual Report 2023.

Q2

9 April
Scheduled meeting, statutory meeting.

25 April
By correspondence – Q1 Interim Report.

28 May
Scheduled meeting – strategy day.

Q3

5 July
By correspondence – Q2 Interim Report.

12 September
Scheduled meeting.

Q4

22 October
By correspondence – Q3 Interim Report.

12 November
Scheduled meeting, risk analysis, sustainability follow-up

18 December
Scheduled meeting, strategy plan and budget.

AUDIT COMMITTEE

The Board has appointed an audit committee from among its own members, which in 2024 included Anette Asklin (chair), Sofia Watt and Jan Litborn. Four scheduled meetings were held in 2024, focusing on the company's system of internal control. During the year, the Audit Committee dealt with areas such as property valuation, financing, the project process and project monitoring including procurement, and internal control in key processes. In addition, the company's work on preparing for future CSRD reporting was monitored. The committee received and discussed the company's dual materiality analysis and subsequent gap analysis. The company's auditors submitted a report of their review during the year at the meetings. The minutes from the Audit Committee's meetings were shared with all Board Members, and the Committee's chair submitted regular reports to the Board.

REMUNERATION COMMITTEE

In 2024, the Remuneration Committee was made up of Jan Litborn (chair), Lennart Mauritzson and Mattias Johansson. The Remuneration Committee prepares material concerning remuneration issues ahead of decisions made by the Board. Two meetings were held during the year. The minutes from the Remuneration Committee's meetings were shared with all Board Members, and the Committee's chair submitted regular reports to the Board.

COMPANY MANAGEMENT

In 2024, the Executive Management Team consisted of eight people. For the current composition of the Executive Management Team, see pages 76–77. The Executive Management Team has a fixed meeting time every week. Regular information is provided to the Board and employees, via meetings as well as via weekly newsletters and information published on Fabege's intranet. In the autumn the company also carried out its annual employee survey, which had a good response.

Report on internal control in respect of financial reporting

Internal control is a process that is influenced by the Board of Directors, the Executive Management Team and the company's employees, and has been designed to provide reasonable assurance that the company's goals are being achieved in the following categories:

- That the company has an appropriate and efficient organisation for its business operations.
- That the company produces reliable financial statements.
- That the company complies with the relevant laws and regulations. The company applies the established COSO (Internal Control – Integrated Framework) framework in its work.

Control environment

Fabege has a geographically well contained organisation and homogeneous operational activities, but its legal structure is complex. The business is capital-intensive and characterised by large monetary flows, including rental income, expenditure for project investments, acquisitions/sales of properties and financial expenses.

Ultimate responsibility for ensuring effective internal control and efficient risk management rests with the Board of Directors. To be able to perform its work in an appropriate and efficient manner, the Board has adopted rules of procedure. The Board's rules of procedure are aimed at ensuring a clear division of responsibility between the Board of Directors (including committees) and the CEO (and the Executive Management Team) with a view to achieving efficient risk management in the company's operations and in financial reporting. The rules of procedure are updated annually. In 2024, the Board performed its annual review and adopted rules of procedure for the Board, rules of procedure for the Audit Committee and the company's Code of Conduct. The Executive Management Team is responsible for designing and documenting, and for maintaining and testing, the systems/processes and internal controls required to manage significant risks in the accounts and the company's day-to-day activities. The CEO and Executive Management Team, along with those individuals who by virtue of their roles in the company are in charge of each defined critical process, function or area, share operational responsibility for internal control. The company's financial reporting is governed by a set of policies and guidelines. For example, the company has policies regarding finance, the environment, gender equality, communication, insider dealing and tax management. There are also accounting policies and instructions for the closing of accounts, as well as for authorisation of payments and procurement of auditing services. The company's policies are continually reviewed and updated as required. All policies have been discussed and adopted by the Executive Management Team. Information concerning adopted policies has also been disseminated throughout the organisation. In addition, more detailed guidelines and instructions are reviewed and updated regularly. In March, Fabege issued its annual Communication on Progress Report to the UN Global Compact. Work on developing the company's sustainability reporting is conducted continuously. The Sustainability Report is presented in a separate section of this Annual Report, see pages 24–48 and 78–95.

Risk assessment

Risks and critical processes, functions and areas are defined on the basis of the control environment, significant results and balance sheet items, as well as significant business processes. The following risk areas have been defined as critical for Fabege:

Risk area market and business transactions:
- Rental income and property expenses: Processes for new lettings and renegotiations. Customer relations and customer satisfaction, changes in customer needs. Risk of increased vacancies and rental losses.
- Technical operations: Actual building, technical working environment, energy costs etc.
- Property development and projects: Planning process, project implementation, procurement/purchasing.
- Property values: Yield requirements, rent levels and vacancies.
- Transactions: acquisitions and sales.

Risk area financial:
- Liquidity and refinancing risk.
- Interest rate risk.

Risk area environment and climate:
- Pollution, environmental damage, climate change, climate emissions.

Risk area tax:
- Tax legislation, sustainable tax management.

Risk area ethics, social sustainability
- Fraud, bribery, working conditions.

Risk area employees:
- Skills supply, dependence on key personnel.

Risk area communication and cybersecurity:
- Information management, systems support and brand.

The Executive Management Team conducts an annual review and evaluation of risk areas, for the purpose of identifying and managing risks. This is done in consultation with the Board and the Audit Committee, for examination by the auditors. Fabege's internal processes and procedures provide support for the continuous management of risks.

Control activities

Critical processes, functions and areas are described and documented in respect of division of responsibility, risks and controls. The necessary instructions, procedures and manuals are produced, updated and communicated to the relevant staff to ensure that they have up-to-date knowledge and adequate tools. The measures are aimed at incorporating risk management into the company's day-to-day procedures. Compliance with policies, guidelines and instructions is monitored on an ongoing basis. Employees are given regular training, or as needed, to ensure they have the required expertise. All critical processes are reviewed regularly and in 2024, a selection of the company's critical processes was subject to special review. To supplement the external audit, the company also performed an internal assessment of compliance and controls in a selection of significant processes during 2024. A central controller function supports work on the follow-up of the Property Management and Projects operating units. The controller department is in charge of operational reporting. Operational reports are prepared monthly and quarterly based on a standardised reporting package.

Executives with operational responsibility comment on/approve the reports. Reviews and updates by executives with operational responsibility are made continuously throughout the year. Monitoring of outcomes is assessed against budgets and forecasts, which are updated twice a year. A central function prepares consolidated financial statements and other financial reports in close collaboration with the controller function, the operating units and the finance function. This work includes integrated control activities in the form of reconciliation with standalone systems/specifications of outcomes for income and expense items and balance sheet items. The company's operational reporting is developed and improved continuously in terms of both content and system support, as well as availability to executives with operational responsibility.

Information and communication

Management is responsible for informing the staff concerned about their responsibility for maintaining effective internal control. Employees are kept informed about governing policies and guidelines and how the business is performing via an intranet, information briefings and regular newsletters.

Report on internal control in respect of financial reporting cont.

The CEO and Vice President/CFO, along with the Head of Investor Relations, are responsible for external financial communication. Investor Relations activities are based on principles for regular and accurate disclosure of information in accordance with Nasdaq Stockholm's Rule Book for Issuers. The aim is to improve knowledge of and build confidence in the business among investors, analysts and other stakeholders. Efforts to improve and further clarify the disclosure of information to the market are continually ongoing.

The Communication and Marketing Department is responsible for other external and internal information.

In October, an employee survey was carried out according to the Great Place To Work (GPTW) method. Fabege is certified in accordance with GPTW with a Trust Index of 88, which is unchanged compared with the previous year.

Review

The internal control system needs to adjust and adapt to changing conditions over time. The aim is to ensure that this is continually monitored and addressed via management activities at various levels of the company, both through monitoring of the individuals responsible for each defined critical process, function and area and via regular evaluation of the internal control system. In addition to financial reporting to the Board, more detailed reports are prepared, at more frequent intervals, in support of the company's internal governance and control activities.

Management reports regularly to the Board based on the adopted instructions for financial reporting, which are designed to ensure that the information provided is relevant, adequate, up-to-date and appropriate. The Audit Committee, which acts as the extended arm of the Board in monitoring the formulation and reliability of financial reports, also reports to the Board. In addition to familiarising itself with the content of, and methods used in preparing financial reports, the Audit Committee has also studied the way in which the more detailed and frequent internal reporting is used in evaluating and managing various areas of activity. The Committee also performs regular reviews and evaluations of internal control in respect of the company's critical processes. Furthermore, the Audit Committee monitors the preparations for future reporting under the CSRD.

It regularly studies the results of the external auditors' examinations of the company's accounts and internal controls. The auditors examine the company's financial reporting in respect of the full-year financial statements and carry out a limited assurance review of one quarterly report.

The Board regularly evaluates the information submitted by the Executive Management Team and the Audit Committee. Of particular significance is the Audit Committee's task of monitoring management's work on developing internal controls and of ensuring that measures are taken to address proposals and any shortcomings that have been identified in the course of examinations by the Board, the Audit Committee or the external auditors. The Board of Directors has informed itself through the Audit Committee of risk areas, risk management, financial reporting and internal control, sustainability reporting, and has discussed risks of errors in reporting with the external auditors.

In the course of its work on examining and evaluating internal control in respect of critical processes in 2024, the Audit Committee found no reason to alert the Board to any significant issues in respect of internal control or financial reporting.

Internal auditing

To supplement the external auditing activities, Fabege is working to facilitate internal evaluations of critical processes. As a result of this work, and in view of the homogeneous and geographically limited nature of the company's activities and its organisational structure, the Board has not found reason to set up a separate internal audit unit. The Board believes the monitoring and examination described above, coupled with the external audits, are sufficient to ensure that effective internal control of financial reporting is maintained.

Fabege Executive Management Team.

Board of Directors

Jan Litborn

Chair of the Board since 2018 and member of the Board since 2017

Born: 1951

Other roles: Chairperson of the boards of Hedin Mobility Group AB and Arenabolaget i Solna AB. Member of the boards of Aimo Holding AB, Backahill AB, Consensus Asset Management AB, Revelop Management AB, Slättö Förvaltning AB and Wihlborgs Fastigheter AB

Education: LL. M. (lawyer) from Stockholm University, Stockholm School of Economics (no degree)

Shareholding: Personally and via companies 31,500[1]

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: No

Fee, SEK 000s: 775

Attendance Board meetings: 15 (15)

Attendance Audit Committee: 4 (4)

Attendance Remuneration Committee: 2 (2)

Anette Asklin

Board member since 2016

Born: 1961

Other roles: Chair of the boards of Aranäs AB, Elof Hansson Holding AB and Jernhusen AB. Member of the Board of Genova Property Group AB and Fondstyrelsen at the University of Gothenburg

Education: MSc in Economics and Business

Shareholding: 2,000[1]

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: Yes

Fee, SEK 000s: 395

Attendance Board meetings: 15 (15)

Attendance Audit Committee: 4 (4)

Attendance Remuneration Committee: Not a member

Mattias Johansson

Board member since 2022

Born: 1973

Other roles: President and CEO Bravida Holding AB. Various board assignments within the Bravida Group

Education: MSc in Engineering

Shareholding: 2,000[1]

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: Yes

Fee, SEK 000s: 315

Attendance Board meetings: 15 (15)

Attendance Audit Committee: Not a member

Attendance Remuneration Committee: 2 (2)

Märtha Josefsson

Board Member since 2005

Born: 1947

Other roles: Member of the boards of Skandia Fonder AB and Investment AB Öresund

Education: BSc in Economics

Shareholding: With spouse 266,920[1]

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: Yes

Fee, SEK 000s: 265

Attendance Board meetings: 15 (15)

Attendance Audit Committee: 1 (1), member until the 2024 AGM

Attendance Remuneration Committee: Not a member

[1] Shareholding at 05/03/2025.

The Board cont.

Lennart Mauritzson

Deputy Chair of the Board since 2022 and member of the Board since 2021

Born: 1967

Other roles: Chairperson of the Board of Catena Fastigheter AB. Member of the boards of Brinova AB, Rögle Marknads AB and Wihlborgs Fastigheter AB

Education: MSc in Economics and Business, and law

Shareholding: 2,500[1)]

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: No

Fee, SEK 000s: 315

Attendance Board meetings: 15 (15)

Attendance Audit Committee: Not a member

Attendance Remuneration Committee: 2 (2)

Bent Oustad

Board member since 2024

Born: 1972

Other roles: CEO Norwegian Property ASA and member of the boards of Nordr AS and Skistar AB.

Education: Master of Business Administration, Norwegian School of Economics

Shareholding: 0[1)]

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: No

Fee, SEK 000s: 265

Attendance Board meetings: 11 (11) became member at the 2024 Annual General Meeting

Attendance Audit Committee: Not a member

Attendance Remuneration Committee: Not a member

Sofia Watt

Board member since 2024

Born: 1975

Other roles: Chair of the Board of Catella AB.

Education: Master of Science in Engineering at the Royal Institute of Technology (KTH), Bachelor of Science in Engineering at Mid Sweden University.

Shareholding: 2,000[1)]

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: yes

Fee, SEK 000s: 330

Attendance Board meetings: 11 (11) became member at the 2024 Annual General Meeting

Attendance Audit Committee: 3 (3) became member at the 2024 Annual General Meeting

Attendance Remuneration Committee: Not a member

Auditor: Mattias Johansson

Authorised Public Accountant at KPMG AB

Born: 1973

Audit assignments for other major companies: Corem, Nyfosa, Emilshus, Slättö and Skandia Fastigheter.

1) Shareholding at 05/03/2025.

Executive Management Team

Stefan Dahlbo
President and CEO

Born: 1959

Employed by Fabege and in current position since 2019. Previously member of the Board of Fabege, 2003–2007

External roles: Member of the boards of Byggmästare Anders J Ahlström Holding AB (publ) and Sweden Green Building Council. Member of Nordstjernan Kredit KB's executive committee

Previous positions: President & CEO Byggmästare Anders J Ahlström Holding AB, CEO & Deputy CEO Investment AB Öresund, CEO Hagströmer & Qviberg AB, Alfred Berg Group

Education: MSc in Economics and Business

Shareholding: Personally and via companies 140,000[1)]

Åsa Bergström
Vice President and Chief Financial Officer

Born: 1964

Employed in 2007 and in current position since 2008

External roles: Member of the boards of NP3 Fastigheter AB and John Mattson Fastighets-företagen AB.

Previous positions: Senior Manager at KPMG, CFO positions at several property companies, including Granit & Beton and Oskarsborg

Education: MSc in Economics and Business

Shareholding: 58,000[1)]

Gunilla Cornell
Director of Human Resources

Born: 1969

Employed and in current position since 2011

External roles: No significant external roles

Previous positions: Management consultant for own company, business development consultant and project manager Tietoenator, controller NCR

Education: MSc in Economics and Business

Shareholding: 4,700[1)]

Fred Grönwall
Director of Technical Operations

Born: 1981

Employed since 2021

External roles: Board member of Accessy Intr-essenter AB

Previous positions: Factory Manager Cementa AB Slitefabriken, Production Manager Cementa AB Slitefabriken and Degerhamnsfabriken, Process Operator Cementa AB Slitefabriken

Education: MSc in Engineering

Shareholding: 7,730[1)]

Klas Holmgren
Director of Projects and Development

Born: 1970

Employed in 2001 and in current position since 2010

External roles: Vice Chair Byggherrarna

Previous positions: Platzer Bygg, Site Manag-er at Peab, Site Manager at Peab Bostad, JM Entreprenad

Education: Graduate engineer

Shareholding: 15,800[1)]

[1)] Shareholding at 05/03/2025.

Executive Management Team cont.

Mia Häggström
Head of Sustainability

Born: 1978

Employed in 2007 and in current position since 2016

External roles: No significant external roles

Previous positions: Environmental Administration of Sundsvall Municipality, Environmental Administration of Södertälje Municipality

Education: MSc in Environmental & Health Protection

Shareholding: 0[1]

Charlotta Liljefors Rosell
Director of Property Management

Born: 1963

Employed and in current position since 2014

External roles: No significant external roles

Previous positions: The Royal Swedish Institute of Technology, AP Fastigheter, various senior positions at Vasakronan and Head of Business Area Office at AMF Fastigheter

Education: MSc in Engineering – Surveying

Shareholding: 10,401[1]

Johan Zachrisson
Director of Business Development

Born: 1970

Employed since 2021

External roles: No significant external roles

Previous positions: FFNS/Sweco, Humlegården Fastigheter, DTZ/Cushman & Wakefield.

Education: MSc in Engineering

Shareholding: 12,000[1]

[1] Shareholding at 05/03/2025.

Sustainability notes

About this report
This is our fourteenth Sustainability Report according to the GRI guidelines for voluntary reporting of sustainability information. We report on our sustainability work annually and the Sustainability Report is included as part of our 2024 Annual Report, which pertains to the 2024 financial year. The report has been prepared in accordance with GRI Standards 2021. The preceding year's Annual Report, including the Sustainability Report, was published in March 2023. The information contained in the Sustainability Report has been subject to a limited review by KPMG; see Assurance Report on page 96.

The content of the Sustainability Report has been selected on the basis of our most significant issues, given our operations and their impact relationship on the environment and society; see also section on stakeholder dialogue and materiality analysis on pages 78–82. Our intention is for the sustainability section together with other information contained in the 2024 Annual Report to satisfy stakeholder information requirements, and to provide a comprehensive overview of our economic, environmental and social initiatives and results. The information in the report pertains to the entire Fabege Group. However, associated companies fall outside the parameters for the report, as we have limited access to the relevant data. Influence is exercised through Board representation.

Our GRI index on pages 93–95 contains references to the disclosures that are compulsory for GRI Standards 2021, as well as disclosures related to Fabege's material sustainability topics and management of these topics.

We follow the Precautionary Principle, which means that if we discover that there is a threat or risk of serious or irreversible environmental damage occurring, then lack of scientific evidence will not prevent us from taking cost-effective action.

We also report the company's sustainability performance measures based on EPRA's (European Public Real Estate Associaton) latest recommendations: Best Practices Recommendations on Sustainability Reporting, sBPR, third version September 2017. Performance measures are reported for energy, greenhouse gas emissions, water, waste, environmentally certified buildings and corporate governance and social aspects.

The Sustainability Report is part of Fabege's Annual Report, which is approved by the Board of Directors. The Board is informed and can influence Fabege's sustainability work strategy and overall sustainability targets via an annual review and follow-up. The 2020 materiality analysis was revised in 2022 based on the updated definition of materiality under the GRI Standards 2021, to include the members of the Board of Directors.

Stakeholder engagement and materiality analysis
Our principal stakeholders are customers, employees, creditors, shareholders and analysts, suppliers, and society and municipalities in which the company operates. We maintain a continual dialogue with all of these stakeholder groups. In 2020, we conducted an extensive stakeholder dialogue and materiality analysis via a survey, workshop and comprehensive interviews. The survey was sent out to a total of around 400 individuals, and the response rate was just over 50 per cent. All stakeholder groups were represented. In the survey, we asked the respondents to rank from a stakeholder perspective how Fabege should prioritise and what direction the company should take in relation to the UN 2030 Agenda and the 17 Sustainable Development Goals (SDGs). There was also an option to write their own responses, and we asked what overall sustainability goals the stakeholders prioritised in their own businesses.

Following this, we arranged an internal workshop to adjust the seven previously prioritised SDGs and the company's own specific sustainability targets in line with stakeholders' expectations. Finally, we conducted comprehensive interviews with customers, the Board, capital providers and municipalities. We did this in order to understand nuances and identify synergies between the 17 SDGs. The results of the dialogues and the subsequent analysis reveal that the following SDGs are the most significant for us:

- Goal 3: Good Health and Well-being
- Goal 7: Affordable and Clean Energy
- Goal 9: Industry, Innovation and Infrastructure
- Goal 10: Reduced Inequalities
- Goal 11: Sustainable Cities and Communities
- Goal 12: Responsible consumption and production

The materiality analysis has also been used to develop our sustainability reporting and ensure we report on those areas that correspond to our most significant impact on the economy, environment and people, including human rights.

In 2022, we updated our materiality analysis to clarify the list of our material topics based on the GRI's updated definition of a material topic in the GRI Standards 2021. The updated list of material topics is available on page 27.

Management of sustainability work
Our sustainability work is integrated into the organisation and has a clear division of responsibility for work relating to the various focus areas.

Our CEO bears overall responsibility for our sustainability work. The CEO is responsible for monitoring sustainability work at management team level. Policies and guidelines are determined by the Executive Management Team, continually updated and made available to all employees via our intranet.

The Board's rules of procedure include regular monitoring of sustainability issues. Reports are submitted to the Audit Committee and Board of Directors. Proposals for sustainability targets are prepared in close cooperation with the business areas and then approved by the Executive Management Team.

The Head of Sustainability, who as of 1 January 2024 is a member of the Executive Management Team, leads sustainability work in the organisation. The Head of Sustainability pursues this work through the Sustainable Development Department. Responsibility for implementation rests with the line organisation. The Head of Sustainability is also responsible for strategic work with the districts' sustainability programmes, with business development and the property developers having operational responsibility.

Calculation of GHG emissions
To be able to compare emissions of different gases, these are recalculated as carbon dioxide equivalents (CO_2e). We use emission factors from our suppliers to calculate the volume of emissions. The reported emissions total from operations includes a reduction in CO_2e as a result of Guarantee of Origin (GO-labelled) electricity and GO-labelled renewable district heating and district cooling. We have chosen 'financial control' and we focus on the 'market-based method' (but also report 'location-based method'). This is because, as owner, we control the property's energy performance and energy sources, while tenants can only influence consumption. Calculation of our carbon footprint (CO_2e) is evolving all the time, with improved key performance indicators and more actual values instead of standard values.

We use actual consumption when calculating emissions according to the Greenhouse Gas Protocol (GHG Protocol); see page 86 for table of emissions. Emission factors for electricity include the direct emissions resulting from electricity production and emission factors for district heating are reported without the effect of carbon offsetting. Instead we report carbon offsetting as a negative emissions item separately from Scope 1 and Scope 2.

Reporting of emissions according to the GHG Protocol
We primarily report greenhouse gas emissions in accordance with the GHG Protocol, market-based method, as we then have statistics from 2002 onwards. We also report the outcome according to the location-based method. Emissions from refrigerants (Scope 1) are taken from the

legally required refrigerant report of each property. Company car emissions (Scope 1) are based on the distance driven and the average consumption of mixed driving for each car. We are now 100 per cent electric.

We primarily report Scope 2 according to the market-based method, where our GO-labelled renewable electricity from wind has an emission factor of 0g CO_2e/kWh. However, we also report the location-based method premiums via the Nordic electricity mix. Consumption of electricity (Scope 2) and district heating and cooling (Scope 2) is retrieved from the energy monitoring system. The CO_2 calculation is not adjusted based on SMHI degree days. The emission factor from the respective district heating and district cooling supplier is used for the CO_2 calculation.

Our Scope 3 includes waste management by type and processing method from suppliers, internal monitoring of staff mileage driven while on duty, business travel by air from the travel company, internal monitoring of property development, building energy from suppliers, employee commuting in km based on the 2022 travel habits survey (CERO) and tenant energy use assumed on a flat rate of 45 kWh/sqm. 92 per cent of leases are green, which gives an emission factor of 5.568g CO_2e/kWh based on the Nordic electricity mix of 69.6g CO_2e/kWh. Since 2023, property development has included new construction and tenant customisations, but as in the previous year it does not include properties bought and sold in accordance with the Swedish Property Federation's report, 'Reporting Scope 3 Emissions for Property Owners'.

Energy
Energy work is conducted by our energy strategist via our energy strategy and sustainability and environmental policy. The energy strategist supports the property developers in the design of energy systems in sustainable districts, the operations managers, who together with the operating organisation have chief responsibility for energy issues in all buildings under management, and the project managers for the same responsibilities relating to new construction. Our energy strategist reports to the Head of Sustainability.

Energy data from our properties is automatically collected from our energy meters via technical infrastructure in our properties. The data is checked for discrepancies both automatically and manually and we only use measured data.

Employees
The Director of Human Resources, who is a member of the Executive Management Team, is responsible for strategic HR work and for ensuring compliance with laws and regulations in the area of labour law and collective bargaining agreements. The starting point is policy documents within the area of HR, such as the personnel, gender equality and salary policies, as well as the company's Code of Conduct.

We submit disclosures based on the GRI Standards 2021 and EPRA. All data related to employees is based on actual data and is compiled and secured by our HR department. Follow-up is carried out quarterly and annually based on established targets.

Supply chain
The purchasing manager reports to the Executive Management Team and is responsible for the company's purchasing policy, signing agreements with all strategic partners and sustainability screening of suppliers. The purchasing organisation is responsible for signing all framework and service contracts and ensuring that new contracts adhere to our general terms and conditions, sustainability and environmental policy and Supplier Code of Conduct. For new construction and redevelopment projects we have general requirements in administrative regulations, which are supplemented by environmental programmes and specific terms for each project. General terms and conditions, or administrative terms, together with the sustainability and environmental policy and Supplier Code of Conduct are included in the appendices of all contracts signed with suppliers.

Financing
Our Green Business Council compiles data on ongoing and planned environmental certifications, and examines whether projects and assets satisfy the green requirements. A special report on how the company allocates its green funds and how well it fulfils the terms imposed by the framework is prepared each quarter and published at fabege.se/en/financing.

Customers
Overall responsibility for customer satisfaction and measurements is shared by the Director of Property Management and the Director of Technical Operations, both of whom are members of the Executive Management Team. The property managers are responsible for customer relationships at company and organisational level. They feed back the results from the surveys to the customers and are responsible for improvements being made at customer level based on service, cases and the CSI survey.

Business ethics and moral approach
All managers with personnel responsibility are charged with ensuring that the Code of Conduct is known and complied with in their respective department or sphere of responsibility. The Board of Directors and Executive Management Team are specifically responsible for promoting the implementation of the Code of Conduct. The content is revised and monitored annually. No incidents of breach of legislation were reported or brought to the attention of management in 2024.

Management of material sustainability topics

	Districts	Properties	Employees
Material topics	– Energy system – Living conditions in the local community – Equal opportunities	– Energy use – Greenhouse gas emissions – Waste	– Good health – Security – Diversity and gender equality – Greenhouse gas emissions
GRI Standards	– GRI 302: Energy – GRI 305: Emissions – Fabege-1: Collaborative initiative – Fabege-2: Security measures	– GRI 302: Energy – GRI 305: Emissions – GRI 306: Waste	– GRI 403: Occupational health and safety for employees – GRI 405: Diversity and gender equality – GRI 406: Non-discrimination
Impact in the value chain	– Actual impact on the city's physical and social spaces. – Environmental, climate and human impacts of urban development and various collaborative initiatives.	– Carbon footprint in the construction phase, energy and climate in the use phase and circular opportunities at end-of-life phase. – Impact on the environment, climate and people in customer management, property operation, construction, purchasing and development.	– Direct impact on employees' working environment. – Impact on gender equality, diversity and human rights in recruitment and values work.
What we want to achieve	– Contribute towards keeping global warming under 1.5 degrees. – Continue to focus on environment, climate and social sustainability as we develop the physical environment for life in our neighbourhoods. – Make a difference in the neighbourhoods in which we operate, and our focus should be on children and young people, good education, meaningful leisure time, cultural experiences and finding a route into the labour market.	– Health and environmentally certified premises, buildings and districts that offer customers good opportunities to make sustainable choices. – Our property management will be carbon neutral by 2030. – Our carbon footprint in construction projects will be halved by 2030.	– Employees believe that as an employer, Fabege facilitates a good work-life balance. – We will be ranked on the list of Sweden's best workplaces and achieve a Trust Index of at least 90% in the Great Place To Work survey.
What we do	– Via planning process, property management and development, we aim to achieve sustainable property and urban development. – We get involved in learning and participation within sustainable urban development. – We create experience-based, equitable and vibrant neighbourhoods with a mix of offices, residential units, services, culture and recreation in accordance with Citylab Action. – We develop low-carbon energy system solutions for sustainable districts. – We create the conditions for a safe and secure living environment through site development, lighting projects, care/maintenance and a 24-hour presence. With good security, we create the conditions for people, regardless of age, gender, ethnicity, sexual orientation or disability, to want to work, live and stay in our areas around the clock. – We run collaborative initiatives with schools and local sports activities, including the Läxhjälp homework club and H.A.N.G. – We collaborate with property owners, businesses, municipalities and the police to gather knowledge and increase participation and safety. – We work together with public transport and have, among other things, contributed SEK 180m to finance expansion of the underground rail service to Arenastaden.	– We are continuing to develop services to reduce our carbon footprint. – We have built a zero-energy building certified according to FEBY Gold Plushus. – We have reduced energy consumption and increased the proportion of renewable energy. – We strengthen capacity for low-carbon adjustments, boosting biodiversity, making environmental adaptations and creating an attractive urban space via sustainability-certified properties. – We facilitate sustainable mobility and offer low-carbon logistics services in our properties. – We design premises via choice of materials, renewable electricity, flexibility, energy efficiency improvements and sorting waste for recycling as part of our green leases. – We increase the green space factor via green roofs or planted areas that offer ecosystem services and create a sense of wellbeing.	– We provide skills development opportunities that improve employees' conditions within the company, while strengthening their position in the wider labour market. – We ensure equal rights for all irrespective of gender, ethnicity, religion, disability, age and other factors. – We combat discrimination, for example, via salary reviews and collaboration with employees via our health and safety committee. – We get involved in learning and participation within sustainable urban development. – We organise conferences focusing on our values (SPEAK). – Health and fitness programmes
Policies	– Sustainability and environmental policy – Sustainability targets – Code of Conduct – Procurement and purchasing policy – Security policy – Other procedures	– Sustainability and environmental policy – Sustainability targets – Refrigerant policy – Energy strategy – CO_2 calculation guideline – Other procedures	– Sustainability and environmental policy – Work environment policy – Code of Conduct – Equality Policy – Policy on diversity in the Board of Directors – GDPR policy
Evaluation	– Monitoring resource use and greenhouse gas emissions. – Collaborative forums in our neighbourhoods – monitoring local communities. – Policies are evaluated annually and defined by the Executive Management Team. – Workplace inspections at projects.	– Monitoring resource use and greenhouse gas emissions. – Follow-up of environmental certification systems. – Energy monitoring. – Evaluation of product liability through self-assessment, BREEAM certifications, Building Material Assessment and climate calculations. – Policies are evaluated annually and defined by the Executive Management Team.	– Annual employee survey, Great Place To Work. – Monitoring of diversity and gender equality, health and safety via annual survey, salary reviews, health and safety committee etc. – Policies are evaluated annually and defined by the Executive Management Team.

Management of material sustainability topics cont.

	Supply chain	Financing	Customers	Business ethics
Material topics	– Review of supplier sustainability, including environment and human rights.	– Green financing	– Good health – Security – Indoor environment – Energy use – Greenhouse gas emissions	– Anti-corruption – Tax
GRI Standards	– GRI 414: Supplier social assessment – GRI 308: Supplier environmental assessment	– Fabege-6: Proportion of green financing – Fabege-7: EU taxonomy	– GRI 302: Energy – GRI 305: Emissions – Fabege-4: Fitwel certification – Fabege-2: Security measures – Fabege-5: Percentage BREEAM-certified properties	– GRI 205: Anti-corruption – GRI 207: Tax
Impact in the value chain	– We define requirements for suppliers and subcontractors in relation to the environment, health and safety and human rights.	– Through high ESG performance, we can be part of increasing the proportion of green finance in society.	– Direct impact on customers' indoor environment and indirect impact on their business.	– Good business ethics enable us to promote sustainable and fair competition.
What we want to achieve	– 100% of our suppliers with framework agreements will be audited on the basis of our Supplier Code of Conduct, policies and international conventions.	– Our financing shall be 100% sustainable and green.	– We will be a proactive partner that puts people front and centre, and that enables customers and businesses to develop through innovation, responsibility and flexibility.	– Our business operations shall be characterised by strong business ethics and responsibility as well as sustainable and fair competition.
What we do	We have introduced a new system to screen framework agreement suppliers from a sustainability perspective in order to: – Ensure labour law is complied with in areas such as salaries, overtime and employment conditions. – Combat inadequate business ethics and corruption. – Prevent child labour and forced labour. – Guarantee fire safety and a safe work environment. – Combat negative environmental impact in the local community resulting from emissions of hazardous substances to water, air and/or soil. – Ensure impeccable business ethics and compliance with Code of Conduct. – Achieve energy efficiency, effective resource management and good material choices in terms of chemical content, environmental impact and carbon footprint. – Adhere to health and environmental certification systems. – Report on greenhouse gas emissions.	– We are increasing the proportion of sustainable investments that reduce climate risk in assets. – We share knowledge with capital providers and investors on sustainability. – We have participated in the development of banks' green loan products, sustainability-linked loans and new sustainable products on the capital market. – We hold regular sustainability discussions with capital providers and report back to them.	– We design premises with a focus on health, indoor climate, greenhouse gas emissions, reuse, sustainable choice of materials, renewable electricity, flexibility, energy efficiency improvements and sorting waste for recycling under the remit of green leases. – We ensure premises are health and environmentally certified to BREEAM standard, and we provide buildings and districts that offer customers good opportunities to make sustainable choices.	– All our employees receive regular training on both our Code of Conduct and the industry's code against corruption. We comply with the relevant laws and other regulations. The same applies to generally acceptable business practice and international human rights, labour and environmental standards in accordance with the Global Compact and the ILO's fundamental conventions on human rights at work. – Our Ethics Council supports our daily work, with representatives from different departments. The Council, which reports to the Executive Management Team, is responsible for leading and driving work on ethical issues and monitoring relevant external issues. We comply with all tax legislation and regulations. In areas where the regulatory framework is unclear, we act transparently and prudently, and we refrain completely from aggressive and sophisticated tax planning.
Policies	– Sustainability and environmental policy – Procurement and purchasing policy – Code of Conduct for Suppliers – Other procedures	– Sustainability and environmental policy – Finance policy – Tax policy – Credit policy – Other procedures	– Sustainability and environmental policy – Sustainability targets – Code of Conduct – Security policy – Other procedures	– Code of Conduct – Policy for whistleblower function – Tax policy – Inside information policy – Anti-corruption guidelines – Sponsorship policy – Other procedures
Evaluation	– Ongoing quality measurement and framework agreement suppliers audited for sustainability. – Policies are evaluated annually and defined by the Executive Management Team. – Workplace inspections at projects.	– Quarterly and annual evaluation regarding green financing. – Policies are evaluated annually and defined by the Executive Management Team.	– Analysis of Customer Satisfaction Index (CSI). – Analysis of regular customer dialogues. – Policies are evaluated annually and defined by the Executive Management Team.	– Follow-up of cases raised via whistleblower function. – Policies are evaluated annually and defined by the Executive Management Team.

Our stakeholders and impact

Area	Dialogue format	Impact on stakeholders	Impact on sustainable development
Customers	– Sustainability network together with companies in Arenastaden. – Travel habits survey of around 22,000 employees whose workplaces are in Arenastaden. – Regular customer dialogue. – Customer satisfaction surveys. – Newsletters. – Cooperation on green leases. – Breakfast meetings on sustainable employees and workplaces. – Service report and moment of truth.	– Facilitating sustainable mobility and offering low-carbon, quiet logistics services in the districts. – Design of premises via sustainable choice of materials, renewable electricity, flexibility, energy efficiency improvements, indoor climate and sorting waste for recycling. – Creating attractive, secure and safe public spaces with services, convenience stores and experience-based meeting places. – Increasing the green space factor for public areas by creating parks, squares and thoroughfares that provide ecosystem services and pleasant environments. – At the end of the case, the customer can rate our dialogue and our work.	– Health and environmentally certified premises, buildings and districts that offer customers good opportunities to make sustainable choices. – Continued development of public transport and services to reduce carbon footprint. – Contributing to a sustainable lifestyle. – We get involved in learning and participation within sustainable urban development. – Developing zero-energy buildings. – Reducing energy consumption and increasing the proportion of renewable energy. – Strengthening capacity for low-carbon adjustments, boosting biodiversity, public health and quality of life, and helping create attractive urban spaces. – Sustainability should be built into our customers' day-to-day activities, with service reporting and dialogue contributing to the continuous development of buildings, services and working practices.
Employees	– Employee discussion – Performance reviews – Human resources surveys – Café Fabege (meeting forum) – Conferences – Department-specific sustainability training	– Facilitating work-life balance – Code of Conduct – Great Place To Work – Our core values, SPEAK – Skills development – Fitness promotion – Terms of employment – Human rights	– Healthy and committed employees. – Contributing to sustainable workplaces and Fabege's overall sustainability strategy. – Skills development that improves employees' conditions within the company while strengthening their position in the wider labour market. – Ensuring equal rights for all irrespective of gender, ethnicity, religion, disability, age and other factors. – Combating discrimination. – We get involved in learning and participation within sustainable urban development.
Shareholders and analysts	– Annual report – Quarterly reports – Capital market days – Roadshows and one-to-one meetings – Reporting to Audit Committee and Board of Directors	– Initiating discussions with analysts about value-adding sustainability work. – Prioritised SDGs based on the materiality analysis. – The Board's rules of procedure include regular monitoring of sustainability issues.	– Helping to steer capital flows towards a more sustainable economy, making sustainability an integral factor in risk management, and promoting transparency and thus the conditions for long-term investment. – Disseminating knowledge about innovative sustainability work in construction and property development.
Creditors	– Cooperation with creditors and bond investors on sustainability reporting. – Presentations, quarterly reports, annual report, website. – Meetings, property viewings and seminars. – Capital market days.	– Participating in the development of banks' green loan products and new sustainable products on the capital market. – Regular sustainability discussions with capital providers.	– Can accelerate the transition to a more sustainable economy. – Increasing the proportion of sustainable investments that reduce environmental, climate and social sustainability risks in assets. – Disseminating sustainability knowledge. – Disseminating knowledge about innovative sustainability work in construction and property development.
Suppliers	– Centralised procurement/framework agreements requiring suppliers to comply with our Code of Conduct. – Meetings with framework agreement suppliers. – Supplier day with inspirational talks.	– Demands for impeccable business ethics and Code of Conduct. – Continuous quality measurements of suppliers. – Far-reaching requirements in areas such as energy efficiency, resource management, reporting of greenhouse gas emissions and choice of materials. – Must follow health and environmental certification systems.	– Ensure labour law is complied with in areas such as salaries and overtime. – Combat inadequate business ethics and corruption. – Prevent child labour and forced labour. – Guarantee fire safety and a safe work environment. – Combat negative environmental impact in the local community resulting from emissions of hazardous substances to water, air and/or soil.
Society and municipalities	– Regular meetings with municipalities and government agencies. – Collaborative meetings together with networks of companies (BELOK, SGBC, Swedish Property Federation, Byggherreforum, etc.). – Cooperation agreements with organisations such as Läxhjälpen homework club. – BID Flemingsberg. – Klimatarena Stockholm. – Solna's climate and sustainability network.	– Via planning process, property management and development work to achieve sustainable property and urban development. – Street Gallery and Läxhjälp homework club aimed at young people. – More pupils gaining qualifications for upper secondary school. – Contributed SEK 180m to finance expansion of the underground rail service to Arenastaden. – Construction to lead the way and halve emissions in Stockholm by 2030.	– Contributing to the 1.5-degree target under the Paris Agreement. – Climate pledge with shared goal of accelerating the climate transition in Region Stockholm. – Creating experience-based, vibrant neighbourhood environments with a mix of offices, residential units, services, culture, meeting places and green spaces. – Working for sustainable mobility via infrastructure for electric vehicles, cooperating with public transport and improving conditions for cyclists. – Creating the conditions for a safe and attractive living environment.

Task Force on Climate-related Financial Disclosures (TCFD)

We carry out an annual review of our climate-related risks with associated vulnerability analysis, in accordance with the EU taxonomy and ESRS. The analyzes have been performed using the analysis and data platform Pattern.

The work was based on TCFD's recommendations regarding climate-related risks and opportunities. We have analysed the business to ensure that the company is well-equipped to cope with the climate-related challenges that are already evident, but also those risks that are likely to affect the business in the future. Managing climate change and the ongoing transition in line with the Paris Agreement also generates significant opportunities for companies like us that are highly ambitious in terms of their sustainability work.

Climate-related risks and opportunities

For a long time now, we have been working to reduce our carbon footprint and to future-proof properties and districts in response to changes in the climate, including rain, snow, wind and temperature variations. We are continuously identifying and managing climate-related risks and opportunities and their impact on operations, properties and districts. We have based the analysis on the risks and opportunities we have identified as being most significant for our future business. The results demonstrate that many of the risks we have identified are likely to be significant in the future, but that their financial impact will probably vary depending on the extent of the risk.

Transition risk

In the medium and long term, we can see a strong likelihood of tougher legal requirements having a knock-on effect on companies in the form of more stringent requirements, including measuring and reducing energy use and carbon emissions in operations, property management and projects. There is currently no price for carbon dioxide, but we expect that this is something that will be introduced in the near future. A higher carbon dioxide price would, for example, mean increased material costs, partly in the production of materials such as concrete, crushed stone and steel, and also when it comes to more sustainable materials such as timber products. In the latter case, the cost increase is linked to the fact that demand for these materials is increasing all the time.

A clear risk we are currently seeing is that political measures are stopping property owners from launching large-scale production of self-produced energy. We can see a challenge in that continued political management and decisions in the field of energy may lead to higher energy prices.

Political decisions may also slow down progress towards more fossil-free energy use.

We are working constantly to satisfy requirements and expectations from customers and other stakeholders. Demand for sustainable and certified buildings has grown over the course of several years. Environmental certification of our properties is an area we have been focusing on for a long time, and it is an area where we are endeavouring to raise our level of ambition. Municipalities that allocate land to us, and capital providers that influence our economic circumstances are crucial for our business. Requirements and expectations in the area of sustainability are also increasing in these groups. The ongoing development of the EU's taxonomy system for sustainable activities is one of several examples of guidelines that impose enhanced requirements on our sustainability work. The system means that we need to raise the bar to meet our capital providers' expectations and gain access to green financing. The forthcoming requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Commission's Omnibus proposal will also affect the extent of sustainability work and reporting.

Physical climate risks

Changes in weather patterns are already affecting our properties and districts. A number of challenges arise as a result of a warmer climate and higher temperatures. In the future, the direct effects of rising temperatures are likely to be that the cost of cooling properties will be higher, although heating costs may decrease somewhat.

In the longer term there is a risk of lower groundwater levels, which may lead to more water shortages and temporary restrictions on drinking water across Sweden. Higher annual precipitation and more days of heavy rain or

snowfall also mean an increased risk for higher water levels and that large quantities of water collect more easily. This can in turn result in a greater need to drain away surplus water, which can be difficult in areas where there are lots of hard surfaces. In buildings with basements on level ground there is also a risk of insufficient drainage capacity, which increases the risk of damage caused by damp. Increased wind loads and more as well as more severe storms may occur in the future. Extended periods with no rain cause groundwater levels to fall. For open natural environments and ground prone to subsidence it can have a negative impact on bearing resistance and cause subsidence damage, particularly in structures with shallow foundations. Prolonged dry spells can, as well as increase the risk for fire, also cause cracks to form near the surface of the ground, which can affect basic infrastructure such as cycle paths, parking areas and small roads. These cracks can be a direct result of the dry conditions, but can also be due to water in the ground being sucked up by plants and trees. We have identified increased precipitation and flooding as one of the main potential risks through building-level climate resilience analyses.

Climate-related opportunities

Our entire business model and operations are adapted to harness opportunities arising out of the transition to a sustainable society. We regard our efforts to reduce energy usage and carbon emissions from operations as a way of future-proofing our properties, cutting costs and satisfying future legal requirements. This work also helps us continue to be an attractive company for all our stakeholders. Our long-term sustainability work includes the ambition to continually raise the percentage of self-produced energy, primarily from solar panels. The aim is to contribute to a greater proportion of renewable energy both within our operations and in society as a whole.

Environmentally certifying our properties and creating more sustainable buildings is an important strategic goal. Our aim in the short term is to meet customer demand. In the longer term we also want to be well prepared for new, tougher requirements that are likely to be introduced. We have had our climate target approved by the Science Based Targets initiative (SBTi), thereby supporting the UN climate agreement. Our goal is to achieve carbon neutral property management (Scopes 1 and 2) by 2030, and a 50 per cent reduction in Scope 3 emissions per GFA from the base year 2018. We see good opportunities to shift emissions from property management (Scopes 1 and 2), but it will be a challenge to cut emissions by half (Scope 3) in kg CO_2/GFA compared with 2018 through life-cycle analysis of construction projects.

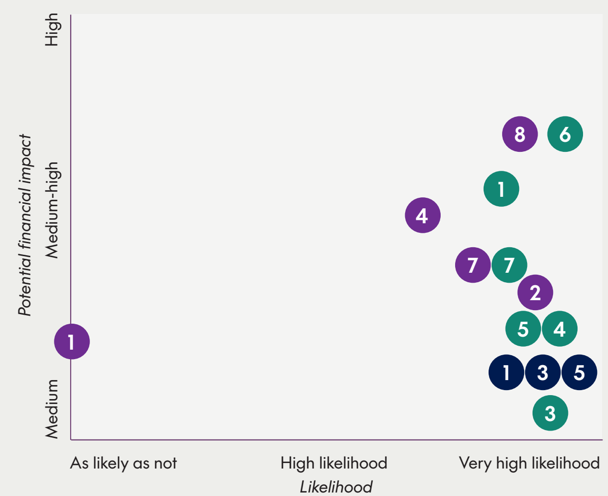
We are a relationship builder and enjoy close partnerships with municipalities in which we work together on urban development projects. We believe that good relationships do not just benefit us, but also society as a whole. All in all, we aim through our responsible approach in all areas of the business to be the natural choice for customers, employees and investors.

We also hope our targeted sustainability work will inspire other companies and fuel the trend towards reducing climate impact going forward.

TCFD index

Governance	Strategy	Risk management	Indicators and targets
a) Board of Directors' overview of climate-related risks and opportunities. **Pages 56–65, 72**	a) Description of climate-related risks and opportunities that we have identified. **Pages 62–63, 83–84**	a) Description of the process of identifying and assessing climate-related risks. **Pages 56, 83–84**	a) Indicators to measure and control climate-related risks and opportunities. **Pages 31–34, 40–41, 46–47, 86**
b) Role of management in assessing and managing climate-related risks and opportunities. **Pages 72–73, 78**	b) Description of how the business, strategy and financial planning have been impacted. **Pages 28–34, 40–43, 62–63**	b) Description of processes to manage climate-related risks. **Pages 56, 62–63, 72–73, 83–84**	b) Reporting of Scope 1, 2 and 3 emissions according to Greenhouse Gas Protocol (GHG Protocol). **Page 86**
	c) Description of the organisation's strategic resilience and impact of various climate-related risks and opportunities. **Pages 62–63, 83–84**	c) Description of how the processes are integrated into the organisation's overall risk management. **Pages 56, 72–73**	c) Description of targets used to manage climate-related risks and opportunities and the outcome of these targets. **Pages 31–34, 46–47, 86**

Climate-related risks and opportunities



Transition risk

1. Increased carbon dioxide emissions
2. Political decisions in the field of energy that lead to higher energy prices or hamper development
4. Increased legal requirements regarding property development
7. Higher material and raw material costs
8. Shifting preferences among customers, municipalities and capital providers

Physical climate risks

1. Torrential rain and flooding
3. Temperature increases
5. Changes in geology

Climate-related opportunities

1. Reduced energy consumption in buildings
3. Higher proportion of self-produced energy
4. Lower carbon dioxide emissions
5. Growth in demand for certified properties
6. Tougher requirements regarding sustainable urban planning
7. Green financing reduces financing costs

Sustainability indicators in accordance with EPRA, properties and employees[1)]

					Absolute measures (Abs)		Like-for-like (LfL)		
					2024	2023	2024	2023	Change, %
ENERGY	Elec-Abs, Elec-LfL	MWh	Electricity	For landlord shared services	23,132	22,387	23,094	22,387	3
				(Sub)metered exclusively to tenants	29,463	29,334	29,463	29,334	0
				Total landlord-obtained electricity	52,595	51,721	52,557	51,721	2
				Total tenant-obtained electricity					
				Total electricity	52,595	51,721	52,557	51,721	2
				% from renewable sources	100	100	100	100	0
		No. of applicable properties		Electricity disclosure coverage	70	69	69	69	–
		%		Proportion of electricity estimated	0	0	0	0	–
	DH&C-Abs, DH&C-LfL	MWh	District heating & cooling	For landlord shared services	61,830	63,587	61,830	63,587	–3
				(Sub)metered exclusively to tenants	7,396	6,616	7,396	6,616	12
				Total landlord-obtained heating & cooling	69,227	70,202	69,227	70,202	–1
				Total heating & cooling	69,227	70,202	69,227	70,202	–1
				% from renewable sources	90	87	–	–	–
		No. of applicable properties		Heating & cooling disclosure coverage	70	69	69	69	–
		%		Proportion of heating & cooling estimated	0	0	0	0	–
	Energy-int	kWh / m² / year	Energy intensity		70	71	70	71	–1
WATER		m³	Municipal water	Total water consumption	431,227	441,038	431,081	441,038	–2
		No. of applicable properties		Water disclosure coverage	70	69	69	69	–
		m³ / m² / year	Building water intensity		0.356	0.364	0.36	0.36	0
		%		Proportion of water estimated	0	0			
WASTE	Waste-Abs[2)]	Tonnes	Waste	Total hazardous	30	27			
				Total non-hazardous	2,506	2,361			
				Recycled	1,030	1,007			
				Incineration	1,506	1,376			
				Landfill	1	4			
				Waste disclosure coverage	61	63			
CERTIFIED ASSETS	Cert-Tot	%	Sustainability certified buildings	% of portfolio certified by floor area	100	100			
				% of portfolio certified by number of properties	100	100			
		No. of applicable properties			62	63			

1) Taken from the original English EPRA definitions.

2) Waste from properties (tenants' and Fabege's operational waste).

					Absolute measures (Abs) 2024	Absolute measures (Abs) 2023	Method for calculation
GHG EMISSIONS	GHG-Dir-Abs	Tonnes CO_2e	Direct	**Total Scope 1**	**37**	**0**	**Fuel-based**
				Refrigerant leakage	37	0	Fuel-based
				Service vehicles	0	0	Fuel-based
	GHG-Indir-Abs	Tonnes CO_2e	Indirect	**Total Scope 2 (Market-based)**	**1,798**	**1,711**	**Fuel-based**
				Heating	1,798	1,711	Fuel-based
				Cooling	0	0	Fuel-based
				Electricity	0	0	Fuel-based
				Total Scope 2 (Location-based)	**3,579**	**3,451**	**Fuel-based**
				Heating	1,798	1,711	Fuel-based
				Cooling	0	0	Fuel-based
				Electricity	1,781	1,740	Fuel-based
				Total Scope 3	**16,537**	**13,258**	
				Waste management	34	67	Spend-based
				Leased vehicles and staff vehicles used for work	7	5	Distance-based
				Air travel	68	10	Distance-based
				Property development	15,431	11,999	Average-based
				Property energy	616	670	Fuel-based
				Commuter journeys	98	98	Average-based
				Electricity consumption, tenants	284	409	Average-based
				Total Scopes 1–3	**18,372**	**14,970**	
				Carbon offsetting, district heating and air travel	–1,734	–1,658	
				Net emissions after carbon offset	16,638	13,312	
		No. of applicable properties		GHG disclosure coverage[1]	86	81	
		%		Proportion of GHG estimated[2]	3	17	
		kg CO_2e / m^2 / year	GHG Intensity	Scope 1 + Scope 2	1.3	1.2	
		kg CO_2e / m^2 / year	GHG Intensity	Scope 3	11.4	9.4	

	Social & Corporate Governance impacts	EPRA Code	Measurement Unit	Indicator		2024	2023	Change, %
EMPLOYEES	HEALTH AND SAFETY	H&S-Emp	Days per employee	Absentee rate	Direct employees	3.43	2.9	18
	DIVERSITY	Diversity-Emp	% of female employees	Diversity Employees	Board of Directors members	43	57	–25
					Executive Management	50	50	0
					Managers	38	38	0
					All employees	38	36	6
	EMPLOYEES	Emp-Turnover	Total number and rate	New hires	Total number new employees	21	22	–5
					Proportion new employees, %	9	10	–10
				Departures – Turnover	Total number of departed employees	18	25	–28
					Proportion of departed employees, %	8	11	–27
				Total employees number		229	228	~0
	CORPORATE GOVERNANCE	Gov-Board	Total number	Composition of the highest governance body[3]		7	7	0
				Executive		0	0	0
				Non executive		7	7	0

[1] Also includes land and improvement properties that generate carbon emissions.

[2] Electricity consumption of tenants and Property Development (only tenant customisations) in Scope 3.

[3] Average number of years on the Board: 7 years.

Sustainability indicators, other

Equal opportunities/gender equality[1)]

	2024					2023				
	Women	Men	<30 years	30–50 years	>50 years	Women	Men	<30 years	30–50 years	>50 years
Board of Directors, number	3	4		1	6	4	3	–	2	5
Executive Management Team, number	4	4		2	6	4	4	–	2	6
Main management team (excl. Executive Management Team), number	11	18		12	17	11	18	–	17	12
All employees, number	87	142	16	124	89	83	145	16	131	81

Share of employees by form of employment, gender and in our business areas

By age, %	0–19	20–29	30–39	40–49	50–59	60–69	Average age
Women	0	5.7	21.6	38.6	23.9	10.2	45
Men	0	7.8	24.8	24.8	24.8	17.7	46
All employees	**0**	**7.0**	**23.6**	**30.1**	**24.5**	**14.8**	**46**

Share of women within each area, %	
Property Management incl. operations	27
Projects & Business Development	49
Business support	54
Birger Bostad	56

Share of entire company employees within each area, %	
Property Management incl. operations	55
Projects & Business Development	25
Business support	12
Birger Bostad	8

Involvement in organisations

We have board or committee assignments in the following organisations:

- BELOK, Beställargruppen Lokaler – the Swedish Energy Agency's network for energy-efficient buildings
- BREEAM and Sweden Green Building Council
- Byggherrarna Sverige AB (The Swedish Construction Clients)
- Swedish Property Federation in Stockholm and in local associations in City-Kungsholmen, Hagastaden and Norrmalm
- Arena Huddinge – a forum for sharing knowledge and dialogue between Huddinge Municipality and the business community
- Samverkan i Huddinge (Cooperation in Huddinge) – a forum for local security measures
- Accessy – the industry's initiative to create a standard for digital key management

Sickness absence

Total sickness absence in relation to ordinary working hours, %	Women	Men	Total sickness absence
Age 0–29	2.10	3.61	3.25
Age 30–49	8.13	2.62	4.91
Age 50+	0.37	2.12	1.55
All employees	**5.08**	**2.47**	**3.43**

Accidents

Accident rate is defined as the number of workplace accidents resulting in an absence of one or more contracted working days per 200,000 hours worked, divided by hours worked. The number of hours worked for our own employees in 2024 was 411,687. The most common injuries experienced by our technicians are cuts and crushing injuries. However, these injuries are rare in day-to-day work.

Employees	2024
Number of occupational accidents, with and without absence	14
of which travel accidents (to and from work)[2)]	1
of which accidents with absence	0
of which serious accidents[3)]	0
Number of cases of occupational diseases	0
Number of deaths	0
Accident rate (LTAR)[4)]	0
Suppliers	
Accident rate, contractor (LTAR)[5)]	2

Number of employees at year-end

229

of which

- 87 women and 142 men
- 226 permanent employees and 3 fixed-term contract employees
- 227 full-time employees and 2 part-time employees
- the proportion of employees with collective agreements was 100% for the Group

Certifications [6)]

System	No. of	Sqm, GLA	Proportion of certified area, %
BREEAM In-Use	46	705,936	66
BREEAM-SE [7)]	15	351,448	33
Miljöbyggnad	1	5,593	1
Total environmentally certified properties	**62**	**1,062,977**	**100**

1) Summary of us by gender and age for various levels within the company. We do not record employees' ethnicity.
2) The travel accident did not result in sick leave or lasting injury.
3) Relates to accidents with absence from work for a period of more than six months.
4) Relates to accidents for own personnel with absence, excluding travel accidents.
5) Relates to accidents for own personnel with absence, excluding travel accidents. Reporting relating to contractor accidents is not comprehensive, as not all small projects report contractors' accidents in the IA system yet.
6) The properties for which certification has not yet begun include land and improvement properties for future project development.
7) BREEAM-SE now also includes the properties certified according to BREEAM Bespoke, as BREEAM Bespoke is a customised manual based on BREEAM-SE.

EU taxonomy

We carry out both construction (via building contractors) and management of buildings. We have chosen to report only against Objective 1: Climate Change Mitigation (CCM) in the EU taxonomy, as it is the objective that is most relevant to our activities. For capital expenditure, Fabege could contribute to Objectives 2 and 4, but all significant capital expenditure is covered by Objective 1 and Fabege therefore only reports according to Objective 1. Basically all our activities fall within the scope of the taxonomy Objective 1, and the activities under which the bulk of our operations are described are CCM 7.7 Acquisition and ownership of buildings, and CCM 7.1 Construction of new buildings. However, the activity CCM 7.2 Renovation of existing buildings may also be relevant to some extent. We have learnt during the year that, in accordance with the taxonomy, we could classify all our activities as CCM 7.7, but we chose to continue to report CCM 7.1 this year.

Principles for financial reporting according to the EU taxonomy

The proportion of our operations that is environmentally sustainable according to the EU Taxonomy Regulation is reported via three financial ratios, which indicate the percentage of turnover, operating expenditure and capital expenditure that is taxonomy-aligned.

Recognition of turnover

All revenues related to the properties included in economic activities above are recognised. This relates to rental income including customary supplements and the turnover attributable to Birger Bostad's sale of completed homes. No material income that should be excluded has been identified. Turnover of SEK 3,671m corresponds to total net sales according to profit and loss accounts for 2024.

Recognition of operating expenditure (OpEx)

Operating expenditure includes the following expenses: property management costs, regular repairs, maintenance and expensed tenant customisations. 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 (CapEx)

Relates to capital expenditure for acquisitions and capitalised investment expenditure related to the properties included in economic activities reported above. Capital expenditure of SEK 2,376m represents all expenditure on acquisitions and investments in investment and developable properties in 2024. A further SEK 17m is linked to investments in equipment. For further information, see Notes 17 and 19 on pages 115 and 117 respectively.

Compliance with the EU Regulation

We have concluded that the activities that primarily include our operations are CCM 7.7 Acquisition and ownership of buildings, and CCM 7.1 Construction of new buildings.

Our interpretation of when a building has been constructed has been linked to the date of the planning permission application submitted to the municipality for all our buildings. This interpretation is consistent with the interpretation of the European Commission.

We can report within activity CCM 7.2 in special cases where the redevelopment is significant and the building is not already green according to CCM 7.7. This has not been the case in 2024.

Fabege's subsidiary, 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. However, turnover linked to Birger Bostad's sales of homes is included in the accounts.

Substantial contribution to environmental Objective 1: Climate Change Mitigation

The taxonomy requires a building constructed before 31/12/2020 (CCM 7.7) to have at least an Energy Performance Certificate (EPC) class A, or be among the top 15 per cent most energy-efficient buildings in the country to be classed as green. We have judged that the best available data regarding this is the limit values developed by Fastighetsägarna (Swedish Property Federation). Fastighetsägarna's limit value for offices is a primary energy rating of 80 kWh/sqm Atemp. We have a few properties that are not offices but are considered hotels or apartment buildings. Fastighetsägarna's limit values for these categories of 91 kWh/sqm Atemp and 81 kWh/sqm Atemp respectively are used here. If additional statistics become available, for example from Boverket (Swedish National Board of Housing, Building and Planning), we intend to use them in the future. Current primary energy figures in our buildings, which are compared with Fastighetsägarnas's threshold values, are taken from energy performance declarations that have been conducted.

The taxonomy requires the energy performance of new buildings (CCM 7.1) to be 10 per cent below Boverket's building regulations, which is well above our own target that office buildings should be designed for energy requirements 50 per cent below building regulations. In our technical framework programme, we require that duct leakage testing and thermal imaging always be carried out in accordance with the taxonomy. We carry out full life cycle analysis (LCA) calculations according to Levels in the majority of our projects. However, Fabege does not report taxonomy alignment for CCM 7.1 for 2024.

Do No Significant Harm (DNSH) criteria

To be aligned with the taxonomy, in addition to making a substantial contribution to an environmental objective, a company must not cause significant harm to any of the other environmental objectives. Fabege satisfies the DNSH requirements for CCM 7.7, but not all DNSH requirements for CCM 7.1; see below.

Climate change adaptation (CCM 7.1 and CCM 7.7)

This requirement applies to both CCM 7.1 and CCM 7.7.

Regarding CCM 7.7, we have carried out climate risk analyses for all investment properties and we satisfy this requirement. The analyses were carried out using the Pattern analysis and data platform, supplemented by site visits to define actions. A climate risk and vulnerability analysis, and site visits, have been carried out based on Fastighetsägarnas's methodology for Appendix A of the taxonomy.

With regard to CCM 7.1, taxonomy-based climate risk analyses are carried out in connection with the certification of new buildings according to BREEAM-SE. Therefore we already fulfil this requirement in our new construction.

Flooding and increased precipitation have been identified as the greatest potential future risk for CCM 7.1 and CCM 7.7.

Qualitative scenario building also evaluates other relevant climate risks such as wind, temperature changes and erosion/subsidence. Ultimately, these risks are deemed to have a negligible impact on our portfolio.

We have decided to implement a significant number of the measures identified in the analyses. These actions have been factored into our operations and will be carried out on an ongoing basis going forward.

Sustainable use and protection of water and marine resources (CCM 7.1)

In our technical framework programme, we always stipulate the requirements for water equipment imposed by the taxonomy, and in normal cases we expect to meet this requirement in our projects. We do not perceive any major ambiguities regarding the interpretation of this requirement.

Transition to a circular economy (CCM 7.1)

We normally fulfil this requirement in our projects.

We use the Swedish Construction Federation and Swedish Property Federation's interpretation of this requirement, which indicates that it is the waste that is sorted and prepared for material recycling that should be taken into account, and in general we believe we fulfil this in our existing projects.

In addition, we place a strong emphasis on flexibility and circularity in our projects to ensure that our buildings are resource-efficient, adaptable, flexible and able to be dismantled. We are of the opinion that we to a great extent fulfil adaptability and flexibility, but there is still some work to be done to demonstrate ability to dismantle, partly due to the lack of a methodology for working with dismantlability and also due to a lack of dismantling instructions from many of our suppliers. We are working on developing methodologies to prove ability to dismantle even without instructions.

Pollution prevention and control (CCM 7.1)

We are as yet unable to substantiate these requirements as we do not have all the data in our ongoing projects to prove compliance. New features were added to the Byggvarubedömningen (Building Material Assessment) in 2024, but there is insufficient data there to fully enable reporting on compliance without a lot of administrative work. Until it is fully developed, we choose not to indicate that this requirement is met.

Protection and restoration of biodiversity and ecosystems (CCM 7.1)

We satisfy this requirement in all normal cases. We follow the Swedish Construction Federation and Swedish Property Federation's interpretation of this requirement, which states that

EU taxonomy cont.

Nuclear and fossil gas related activities

Row		
	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Scope and alignment with EU taxonomy for all environmental objectives

Share of turnover/total turnover

%	Taxonomy alignment per objective	Objectives eligible for the taxonomy
CCM	65	100
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Share of CapEx/total CapEx

%	Taxonomy alignment per objective	Objectives eligible for the taxonomy
CCM	38	99
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Share of OpEx/total OpEx

%	Taxonomy alignment per objective	Objectives eligible for the taxonomy
CCM	55	100
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Abbreviations of EU taxonomy objectives 1–6 according to EU standards. Fabege only reports according to Objective 1: Climate Change Mitigation (CCM).

Swedish legislation and the relevant local development plan fulfil this requirement.

Our projects in 2024

We have a number of major projects that have planning permission applications submitted after 31/12/2020 and that are in the production phase and classed as CCM 7.1. For the 2024 financial year, these are, partly or fully, Ackordet 1, Kvinten 1, Regulatorn 4 and Separatorn 1. These projects started their development before the taxonomy requirements were in place, but have increased their fulfilment of the taxonomy since 2023 and today fulfil many of the taxonomy requirements. But as interpretations of the requirements and documentation of this to demonstrate compliance are not yet fully in place, we have opted to make a conservative assessment and report these as not aligned with the taxonomy. Ackordet 1, Kvinten 1 and Regulatorn 4 became investment properties in 2024. Therefore, their turnover and operating expenditure for the year have been classified as CCM 7.7 and aligned with the taxonomy, while capital expenditure has been classified as CCM 7.1 and not aligned with the taxonomy.[1] The same interpretation has been made regarding the turnover attributable to Birger Bostad's sale of completed homes.

We have a large number of projects in the early stages (e.g. land properties with an ongoing local development plan) that have not yet applied for planning permission and are therefore subject to the requirements in CCM 7.1. These may have minor investments and for the time being, we have chosen to make a conservative assessment with these too and report them as not aligned with the taxonomy, as interpretations of the requirements and documentation of this to demonstrate compliance are not yet fully in place.

It is our goal that all our projects, ongoing as well as in the early stages, will be produced in line with the taxonomy and will be able to fulfil the requirements of the taxonomy in the future.

Minimum Safeguards

We also meet the taxonomy's requirements for Minimum Safeguards related to human rights, anti-corruption, transparency regarding tax burdens and fair competition. Since 2011, we have been a signatory of the UN Global Compact, committing ourselves to the ten international principles. Every year we submit a report detailing how our work to highlight the principles of the Global Compact in our business has progressed. Our Code of Conduct for employees and the equivalent code for suppliers/contractors is based on the UN Declaration on Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration and the UN Convention against Corruption.

We screen all our framework agreement suppliers from a sustainability perspective. Pages 38–39 and page 65 reflect our process for identifying, preventing and mitigating negative impacts on human rights and working conditions in the value chain. Our anti-corruption process is set out on pages 38–39 and 64. We produce transparent and open accounts of the Group's total tax burden. More information about our work with tax is available on pages 44–45 and 63.

We comply with the Swedish Competition Act, which aims to prevent market failures such as cartels and monopolies. We operate in an open market where commercial terms for letting and procurement apply. We have not been legally penalised in any of these areas.

[1] As these projects have planning permission after 31 December 2020, alignment with the taxonomy with CCM 7.7 means that the properties fulfil the substantial contribution to CCM 7.1 and the DNSH requirements in CCM 7.7.

EU taxonomy cont.

Turnover

Share of turnover from products or services associated with Taxonomy-aligned economic activities – information covering the year 2024

Economic activities	Codes	Absolute turnover SEKm	Proportion of turnover, 2024 %	Substantial contribution criteria: Climate change mitigation Y; N; N/EL	Substantial contribution criteria: Climate change adaptation Y; N; N/EL	Substantial contribution criteria: Water Y; N; N/EL	Substantial contribution criteria: Pollution Y; N; N/EL	Substantial contribution criteria: Circular economy Y; N; N/EL	Substantial contribution criteria: Biodiversity and ecosystems Y; N; N/EL	Do No Significant Harm (DNSH) criteria: Climate change mitigation Y/N	DNSH: Climate change adaptation Y/N	DNSH: Water Y/N	DNSH: Pollution Y/N	DNSH: Circular economy Y/N	DNSH: Biodiversity and ecosystems Y/N	Minimum Safeguards Y/N	Proportion of taxonomy-aligned (A.1) or eligible (A.2) turnover, 2023 %	Category enabling activity E	Category transition activity T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	2,372	65%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	N	N	N	N	Y	66%	–	–
The environmentally sustainable (Taxonomy-aligned) activities' turnover (A.1)		2,372	65%	65%	0%	0%	0%	0%	0%	N	Y	N	N	N	N	Y	66%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which transitional			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
A.2. Taxonomy-eligible but not environmantally sustainable activities (not Taxonomy-aligned activites)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Acquisition and ownership of buildings	CCM 7.7	1,059	29%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								34%		
Construction of new buildings	CCM 7.1	240	6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		1,299	35%	35%	0%	0%	0%	0%	0%								34%		
Turnover of Taxonomy-eligible activities (A.1 + A.2)		3,671	100%	100%	0%	0%	0%	0%	0%								100%		

B. Taxonomy-non-eligible activities

Turnover of Taxonomy-non-eligible activities (B)		0	0%
Total A+B		3,671	100%

EU taxonomy cont.

Capital expenditure (CapEx)

Share of CapEx from products or services associated with Taxonomy-aligned economic activities – information covering the year 2024

				Substantial contribution criteria						Do No Significant Harm (DNSH) criteria									
Economic activities	Codes	CapEx	Proportion of CapEx, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Minimum Safeguards	Proportion of taxonomy-aligned (A.1) or eligible (A.2) CapEx, 2023	Category enabling activity	Category transition activity
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	915	38%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	N	N	N	N	Y	23%	–	–
The environmentally sustainable (Taxonomy-aligned) activities' CapEx (A.1)		915	38%	38%	0%	0%	0%	0%	0%	N	Y	N	N	N	N	Y	23%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which transitional			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
A.2. Taxonomy-eligible but not environmantally sustainable activities (not Taxonomy-aligned activites)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Acquisition and ownership of buildings	CCM 7.7	481	20%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								27%		
Construction of new buildings	CCM 7.1	980	41%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								50%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		1,461	61%	61%	0%	0%	0%	0%	0%								77%		
CapEx of Taxonomy-eligible activities (A.1 + A.2)		2,376	99%	99%	0%	0%	0%	0%	0%								100%		

B. Taxonomy-non-eligible activities

CapEx of Taxonomy-non-eligible activities (B)		17	1%
Total A+B		2,393	100%

EU taxonomy cont.

Operating expenditure (OpEx)

Share of OpEx from products or services associated with Taxonomy-aligned economic activities – information covering the year 2024

				Substantial contribution criteria						Do No Significant Harm (DNSH) criteria									
Economic activities	Codes	OpEx	Proportion of OpEx, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Minimum Safeguards	Proportion of taxonomy-aligned (A.1) or eligible (A.2) OpEx, 2023	Category enabling activity	Category transition activity
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	87	55%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	N	N	N	N	Y	53%	–	–
The environmentally sustainable (Taxonomy-aligned) activities' OpEx (A.1)		87	55%	55%	0%	0%	0%	0%	0%	N	Y	N	N	N	N	Y	53%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which transitional			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
A.2. Taxonomy-eligible but not environmantally sustainable activities (not Taxonomy-aligned activites)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Acquisition and ownership of buildings	CCM 7.7	68	44%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								46%		
Construction of new buildings	CCM 7.1	2	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		70	45%	45%	0%	0%	0%	0%	0%								47%		
OpEx of Taxonomy-eligible activities (A.1 + A.2)		157	100%	100%	0%	0%	0%	0%	0%								100%		
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities (B)		1	0%																
Total A+B		158	100%																

GRI index

Statement on use
Fabege AB hereby reports in accordance with the GRI Standards and the report covers the reporting period 1 January 2024 – 31 December 2024.

GRI 1 standard
GRI 1: Foundation 2021

GRI Sector Standard
No Sector Standard is available yet.

				Omission		
GRI Standards/Areas	Disclosure	Name of disclosure	Page reference	Requirements omitted	Reason for omission	Explanation
GRI 2: General disclosures 2021						
The organisation and its reporting principles	2-1	Organisational details	106			
	2-2	Entities included in the organisation's sustainability reporting	78			
	2-3	Reporting period, frequency and contact point	78, 140			
	2-4	Restatements of information	No change			
	2-5	External assurance	96, 123–124			
Activities and workers	2-6	Activities, value chain and other business relationships	26, 27, 32			
	2-7	Employees	51, 87, 112			
	2-8	Workers who are not employees		2-8	Missing information	We have not yet compiled data about workers who are not employees.
Governance	2-9	Governance structure and composition	67–70, 74–75, 78			
	2-10	Nomination and selection of the highest governance body	67, 70–71			
	2-11	Chair of the highest governance body	74			
	2-12	Role of the highest governance body in overseeing the management of impacts	68, 78			
	2-13	Delegation of responsibility for managing impacts	78			
	2-14	Role of the highest governance body in sustainability reporting	78			
	2-15	Conflicts of interest	70, 74–75, 120			
	2-16	Communication of critical concerns	45, 70			
	2-17	Collective knowledge of the highest governance body	70			
	2-18	Evaluation of the performance of the highest governance body	70, 80–81			
	2-19	Remuneration policies	70–71, 112–113	2-19-b	Not applicable	The Board's remuneration is not related to sustainability.
	2-20	Process to determine remuneration	70–71			
	2-21	Annual total compensation ratio		2-21	Missing information	Information not yet compiled.
Strategy, policies and practices	2-22	Statement on sustainable development strategy	5–7, 66			
	2-23	Policy commitments	38–39, 44–45, 69			
	2-24	Embedding policy commitments	38–39, 44–45, 69			
	2-25	Processes to remediate negative impacts	38–39, 42–43			
	2-26	Mechanisms for seeking advice and raising concerns	44–45			
	2-27	Compliance with laws and regulations	62, 78–79			
	2-28	Membership associations	30, 87			
Stakeholder engagement	2-29	Approach to stakeholder engagement	78, 82			
	2-30	Collective bargaining agreements	87			

GRI index cont.

GRI Standards/Areas	Disclosure	Name of disclosure	Page reference	Omission: Requirements omitted	Omission: Reason for omission	Omission: Explanation
Material topics						
GRI 3: Material topics 2021	3-1	Guidance to determine material topics	80–82			
	3-2	List of material topics	27, 78			
Indirect economic impacts						
GRI 3: Material topics 2021	3-3	Management of material topics	28–29, 81			
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	28–29			
Anti-corruption						
GRI 3: Material topics 2021	3-3	Management of material topics	38–39, 44–45, 64, 69, 78–81			
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	45			
Tax						
GRI 3: Material topics 2021	3-3	Management of material topics	45, 72–73, 81			
GRI 207: Tax 2019	207-1	Approach to tax	45, 72–73			
	207-2	Tax governance, control and risk management	45, 63, 72–73			
	207-3	Stakeholder engagement and management of concerns related to tax	45, 50, 63, 78			
	207-4	Country-by-country reporting	50, 63, 98–99, 106, 115			
Energy						
GRI 3: Material topics 2021	3-3	Management of material topics	31–34, 78–81			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	86			
	302-2	Energy consumption outside of the organisation	78–79, 86			
	302-4	Reduction of energy consumption	32, 86	302-4-a	Missing information	Stated as a percentage for the last quarter instead of for the full year.
Emissions						
GRI 3: Material topics 2021	3-3	Management of material topics	31–34, 78–81, 83–86			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	78–79, 86			
	305-2	Energy indirect (Scope 2) GHG emissions	78–79, 86			
	305-3	Other indirect (Scope 3) GHG emissions	78–79, 86			
	305-4	GHG emissions intensity	86			
Waste						
GRI 3: Material topics 2021	3-3	Management of material topics	31–34, 38–39, 42, 78–81			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	31–34			
	306-2	Management of significant waste-related impacts	31–34			
	306-3	Waste generated	85			
Supplier environmental assessment						
GRI 3: Material topics 2021	3-3	Management of material topics	38–39, 78–81			
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	38			
Employment						
GRI 3: Material topics 2021	3-3	Management of material topics	35–37, 78–81			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	87, 112	401-1	Missing information	Not broken down by age, gender and region.

GRI index cont.

GRI Standards/Areas	Disclosure	Name of disclosure	Page reference	Omission: Requirements omitted	Omission: Reason for omission	Omission: Explanation
Occupational health and safety						
GRI 3: Material topics 2021	3-3	Management of material topics	38–39, 78–81			
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	35–39			
	403-2	Hazard identification, risk assessment and incident investigation	35–39, 45			
	403-3	Occupational health services	35–39			
	403-4	Worker participation, consultation and communication on occupational health and safety	35–39			
	403-5	Worker training on occupational health and safety	35–39			
	403-6	Promotion of worker health	35–39			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35–39			
	403-9	Work-related injuries	35–39, 87			
Education						
GRI 3: Material topics 2021	3-3	Management of material topics	35–37, 80			
GRI 404: Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	36–37			
Diversity and equal opportunity						
GRI 3: Material topics 2021	3-3	Management of material topics	35–37, 78–81, 87			
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	87, 112			
Non-discrimination						
GRI 3: Material topics 2021	3-3	Management of material topics	70, 78–81			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	70			
Supplier social assessment						
GRI 3: Material topics 2021	3-3	Management of material topics	38–39, 78–81			
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	38			
Living conditions, education, leisure activities in local community						
GRI 3: Material topics 2021	3-3	Management of material topics	28–30, 78–81			
	Fabege-1	Collaborative initiative	28–30			
Safety & security						
GRI 3: Material topics 2021	3-3	Management of material topics	28–30, 78–81			
	Fabege-2	Security measures	28–30			
	Fabege-3	Residential construction	15			
Indoor environment & good health and safety						
GRI 3: Material topics 2021	3-3	Management of material topics	31–34, 78–81			
	Fabege-4	Fitwel certification	34			
	Fabege-5	Total proportion of properties certified to BREEAM-SE and BREEAM In-Use standard	87			
Financing						
GRI 3: Material topics 2021	3-3	Management of material topics	40–41, 78–81			
	Fabege-6	Proportion of green financing	52			
	Fabege-7	EU taxonomy	40–41, 88–92			

Auditor's report

Auditor's limited assurance review of Fabege AB's (publ) sustainability report and statement regarding the statutory Sustainability Report

To Fabege AB (publ), corp. reg. no 556049-1523

Introduction
We have been engaged by the Board of Directors of Fabege AB (publ) to undertake a limited assurance engagement of the Sustainability Report of Fabege AB for 2024. The company has defined the scope of its sustainability reporting on pages 78–95 of this document, including a definition of the statutory Sustainability Report on pages 93–95.

Responsibilities of the Board of Directors and management
The Board of Directors and management are responsible for sustainability reporting, including the preparation of the statutory Sustainability Report in accordance with applicable criteria and the Swedish Annual Accounts Act, according to the older wording that applied before 1 July 2024. The criteria are detailed on pages 93–95 of the Sustainability Report, and comprise GRI (Global Reporting Initiative) that are relevant for sustainability reporting, along with the company's own accounting policies and calculation principles. This responsibility also includes the internal controls relevant to the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the sustainability reporting based on the limited assurance procedures we have performed, and to issue a statement regarding the statutory Sustainability Report. Our assignment is limited to the historical information that is reported and thus does not cover data relating to future performance.

We have conducted our limited assurance review according to ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. We have performed our review of the statutory Sustainability Report in accordance with FAR's recommendation RevR 12 Auditor's statement regarding the statutory sustainability report. The procedures performed in a limited assurance engagement and a review according to RevR 12 vary in nature from, and are less in scope than for a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The audit company applies International Standard on Quality Management 1, which requires the company to design, implement and manage a quality assurance system, including guidelines or procedures regarding compliance with ethical requirements, standards for professional practice and applicable requirements in laws and other regulations. We are independent in relation to Fabege AB (publ), in accordance with generally accepted auditing standards in Sweden, and have in other respects fulfilled our ethical responsibility according to these requirements.

The procedures performed during a limited assurance review and review in accordance with RevR 12 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. The conclusion expressed based on a limited assurance review and review according to RevR 12 therefore does not carry the same level of assurance as a conclusion based on an audit.

Our review of the Sustainability Report is based on the criteria defined by the Board of Directors and the Executive Management, which are described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We consider that the evidence we have obtained during our review is sufficient and appropriate for the purposes of giving us a basis for our opinions below.

Opinions
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report has not been prepared, in all material respects, in accordance with the criteria stated above by the Board of Directors and Executive Management.

A statutory sustainability report has been prepared.

Stockholm, 17 March 2025

KPMG AB

Mattias Johansson Authorised Public Accountant	Torbjörn Westman Specialist member of FAR

Fabege

Financial reporting 2024

Contents

Group

Statement of comprehensive income

SEK million	Note	2024	2023
Rental income	7	3,438	3,366
Revenue from residential development	8	233	553
Other income		0	11
Net sales	5	**3,671**	**3,930**
Property expenses	9	–885	–853
Residential development costs	10	–254	–549
Gross earnings		**2,532**	**2,528**
Of which gross earnings for Property Management – net operating income		2,553	2,524
Of which gross earnings from residential development		–21	4
Central administration and marketing	11	–93	–97
Profit/loss from other securities and receivables that are non-current assets	13	48	20
Interest income	14	6	4
Profit/loss from participations in associated companies	20	–91	34
Interest expenses	14	–1,016	–986
Ground rent	38	–41	–45
Profit/loss from Property Management	1–6, 19, 46	**1,345**	**1,458**
Impairment of development properties	24	–73	0
Realised changes in value, investment properties	12, 17	3	0
Unrealised changes in value, investment properties	12, 17	–1,218	–7,831
Unrealised changes in value, fixed-income deriva-tives	3, 31	–143	–1,003
Changes in value, equities	13, 15	–3	–4
Profit/loss before tax		**–89**	**–7,380**
Current tax	16	0	–1
Deferred tax	16	–124	1,863
Profit/loss for the year		**–213**	**–5,518**
Items that will not be restated in profit or loss			
Revaluation of defined benefit pensions		–19	3
Total comprehensive income for the year		**–232**	**–5,515**
Of which attributable to non-controlling interests		–	–
Total comprehensive income attributable to Parent Company shareholders		**–232**	**–5,515**
Earnings per share for the year before and after di-lution, SEK		**–0.68**	**–17.54**
Number of shares at end of period, million		314.6	314.6
Average number of shares, million		314.6	314.6

Group

Statement of financial position

SEK million	Note	2024	2023
Assets			
Goodwill	18	205	205
Investment properties	17	78,904	78,093
Right-of-use asset	38	1,371	949
Equipment	19	34	30
Participations in associated companies and joint ventures	20	164	179
Receivables from associated companies	21	488	428
Other long-term securities holdings	22	7	9
Derivatives	31	702	925
Other non-current receivables	23	69	703
Total non-current assets		**81,944**	**81,521**
Developable properties	24	754	519
Trade receivables	25	78	83
Receivables from associated companies	21	16	15
Tax asset		29	0
Other receivables	26	696	442
Prepaid expenses and accrued income		428	457
Short-term investments		100	98
Cash and cash equivalents	39	64	85
Total current assets		**2,165**	**1,699**
Total assets		**84,109**	**83,220**

SEK million	Note	2024	2023
Equity and liabilities			
Share capital		5,097	5,097
Other contributed capital		3,017	3,017
Retained earnings incl. comprehensive income for the year		30,331	31,129
Non-controlling interests		–	–
Total equity	28	**38,445**	**39,244**
Interest-bearing liabilities	29, 30, 36	31,726	25,813
Lease liability	38	1,371	949
Derivatives	31	159	240
Deferred tax liabilities	32	8,424	8,305
Provisions	33	175	158
Total non-current liabilities		**41,855**	**35,465**
Interest-bearing liabilities	29, 30, 36	2,674	7,169
Lease liability	38	0	0
Trade payables		76	185
Provisions	33	0	0
Tax liabilities	16	0	11
Other liabilities		152	245
Accrued expenses and deferred income	34	907	901
Total current liabilities		**3,809**	**8,511**
Total equity and liabilities		**84,109**	**83,220**

Group

Statement of changes in equity

SEK million	Note	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total share-holders' equity
Opening balance, 1 January 2023	28	5,097	3,017	37,400	45,514	–	45,514
Profit for the period				–5,518	–5,518		–5,518
Other comprehensive income				**3**	**3**		**3**
Total comprehensive income for the period				**–5,515**	**–5,515**	–	**–5,515**
Transactions with shareholders							
Share buybacks				–	–		–
Approved unpaid dividends				–189	–189		–189
Cash dividend				–566	–566		–566
Total transactions with shareholders				**–755**	**–755**	–	**–755**
Closing balance, 31 December 2023		**5,097**	**3,017**	**31,130**	**39,244**	–	**39,244**
Profit for the period				–213	–213		–213
Other comprehensive income				**–19**	**–19**		**–19**
Total comprehensive income for the period				**–232**	**–232**		**–232**
Transactions with shareholders							
Share buybacks				–	–		–
Approved unpaid dividends				–142	–142		–142
Cash dividend				–425	–425		–425
Total transactions with shareholders				**–567**	**–567**	–	**–567**
Closing balance, 31 December 2024		**5,097**	**3,017**	**30,331**	**38,445**	–	**38,445**

Group

Statement of cash flows

SEK million	Note	2024	2023
Operating activities			
Gross earnings		2,532	2,528
Central administration		–93	–97
Reversal of depreciation and impairment losses		13	11
Interest received		21	24
Interest paid[1]	36	–1,121	–1,150
Income tax paid		0	0
Total		**1,352**	**1,316**
Change in working capital			
Change in developable properties		74	373
Change in current receivables		473	44
Change in current liabilities		–264	–163
Total change in working capital	37	**283**	**254**
Cash flow from operating activities		**1,635**	**1,570**
Investing activities			
Business acquisitions, net cash impact		–	–
Investments in new builds, extensions and conver-sions		–2,282	–2,978
Acquisition of properties		–	–78
Divestment of properties		–	2,977
Acquisition of interests in associated companies		–	–
Other non-current financial assets		–179	–253
Cash flow from investing activities		**–2,461**	**–332**
Financing activities	3		
Dividend to shareholders		–613	–881
Treasury share buybacks		–	–
Loans raised		24,759	22,275
Repayment of liabilities[2]		–23,341	–22,634
Cash flow from financing activities		**805**	**–1,240**
Cash flow for the period		–21	–2
Cash and cash equivalents at start of period	39	85	87
Cash and cash equivalents at end of period	39	**64**	**85**

[1] Of which other financial expenses SEK –36m (–99).

[2] Fabege presents repayment and raised borrowings pertaining to other liabilities besides those for which overnight processing is applied. However, this only affects gross amounts and not the total cash flow from financing activities during each period. The company's daily overnight borrowing is not re-ported gross, and is always zero at year-end. For information regarding significant changes to the company's financing, please refer to the Directors' Report on page 55.

Parent Company

Profit and loss account

SEK million	Note	2024	2023
Net sales	43	428	443
Operating expenses	44	–462	–449
Operating profit/loss	1–3, 6, 19, 46	**–34**	**–6**
Profit/loss from shares and investments in Group companies	45	1,630	685
Profit/loss from other securities and receivables that are non-current assets	13, 15	–3	–8
Changes in value, fixed-income derivatives	3, 31	–143	–1,003
Interest income	14	1,012	902
Interest expenses	14	–1,073	–1,075
Appropriation	45	–6	196
Profit/loss before tax		**1,383**	**–309**
Current tax	16	0	0
Deferred tax	16	29	169
Profit/loss for the year		**1,412**	**–140**

No statement of comprehensive income has been prepared because the Parent Company has no transactions that should be included in other comprehensive income.

Parent Company

Balance sheet

SEK million	Note	2024	2023
Assets			
Non-current assets			
Property, plant and equipment			
Equipment	19	11	11
Total property, plant and equipment		**11**	**11**
Non-current financial assets			
Shares and investments in Group companies	45	13,400	13,400
Participations in associated companies	20	–	–
Receivables from associated companies	21	–	–
Receivables from Group companies	27	49,992	46,299
Other long-term securities holdings	22	7	9
Derivatives	31	702	925
Deferred tax assets	32	–	–
Total non-current financial assets		**64,101**	**60,633**
Total non-current assets		**64,112**	**60,644**
Current assets			
Current receivables			
Tax assets		12	7
Other receivables		6	330
Prepaid expenses and accrued income		133	136
Total current receivables		**151**	**472**
Cash and bank balances	39	43	1
Total current assets		**194**	**473**
Total assets		**64,306**	**61,117**

SEK million	Note	2024	2023
Equity and liabilities			
Equity			
Restricted equity			
Share capital		5,097	5,097
Statutory reserve		3,166	3,166
Unrestricted equity			
Retained earnings		2,680	3,386
Profit/loss for the year		1,412	–140
Total equity	28	**12,355**	**11,509**
Provisions			
Provisions for pensions	33	89	86
Deferred tax liabilities	32	104	134
Total provisions		**193**	**220**
Non-current liabilities			
Interest-bearing liabilities	29, 30, 36	31,152	25,649
Derivatives	31	159	240
Liabilities to Group companies	27	17,619	16,702
Total non-current liabilities		**48,930**	**42,591**
Current liabilities			
Interest-bearing liabilities	29, 30, 36	2,510	6,390
Trade payables		3	5
Other liabilities		13	13
Accrued expenses and deferred income	34	302	389
Total current liabilities		**2,828**	**6,797**
Total equity and liabilities		**64,306**	**61,117**

Parent Company

Changes in equity

SEK million	Note	Share capital	Statutory reserve	Non-restricted equity	Total equity
Shareholders' equity 31 December 2022	28	**5,097**	**3,166**	**4,141**	**12,404**
Profit/loss for the year				–140	–140
Cash dividend				–566	–566
Approved unpaid dividends				–189	–189
Share buybacks				–	–
Shareholders' equity 31 December 2023		**5,097**	**3,166**	**3,246**	**11,509**
Profit/loss for the year				1,412	1,412
Cash dividend				–425	–425
Approved unpaid dividends				–142	–142
Share buybacks				–	–
Shareholders' equity 31 December 2024		**5,097**	**3,166**	**4,092**	**12,355**

Parent Company

Statement of cash flows

SEK million	Note	2024	2023
Operating activities			
Operating profit/loss excl. depreciation		–28	–4
Interest received		1,011	902
Interest paid		–1,073	–1,075
Income		–	–
Total		**–89**	**–177**
Change in working capital			
Change in current receivables		320	–339
Change in current liabilities		–44	–27
Total change in working capital	37	**277**	**–366**
Cash flow from operating activities		**188**	**–542**
Investing activities			
Acquisition of investments in Group companies		–	–
Acquisition of property, plant and equipment		–2	–7
Other non-current financial assets		–1,153	1,941
Cash flow from investing activities		**–1,155**	**1,934**
Financing activities	3		
Dividend to shareholders		–613	–881
Treasury share buybacks		–	–
Loans raised		24,185	22,066
Repayment of liabilities		–22,561	–22,601
Cash flow from financing activities		**1,011**	**–1,415**
Cash flow for the period		42	–23
Cash and cash equivalents at start of period	39	1	24
Cash and cash equivalents at end of period	39	**43**	**1**

Notes

Note 1. General information

Fabege AB (publ), company registration number 556049-1523, with registered office in Stockholm, is the Parent Company of a corporate group with subsidiary companies, as stated under Note 45. The company is registered in Sweden and the ad-dress of the company's head office in Stockholm is: Fabege AB, Box 730, SE-169 27 Solna.
Street address: Gårdsvägen 6. We are one of Sweden's largest property companies, with a business that is concentrated to the Stockholm region. The company operates through subsidiaries and its property portfolio consists primarily of commercial premises.

Note 2. Accounting policies

The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act, and the IFRS accounting standards and IFRIC interpretation statements approved by the EU. The Group also applies Recommendation RFR 1 (Supplementary Accounting Rules for Corporate Groups) of the Swedish Sustainability and Financial Reporting Board, which specifies the additions to IFRS disclosures that are required under provisions contained in the Swedish Annual Accounts Act. The annual accounts of the Parent Company have been prepared in accordance with the Annual Accounts Act, Recommendation RFR 2 Supplementary Accounting Rules for Legal Entities of the Swedish Sustainability and Financial Reporting Board and statements issued by the Swedish Sustainability and Financial Reporting Board. The Parent Company's accounts comply with the Group's policies, except in respect of what is stated below in the section entitled 'Differences between the accounting policies of the Group and the Parent Company'. Items included in the annual accounts have been stated at cost, except in respect of revaluations of investment properties and in respect of financial instruments measured at fair value. The following is a description of significant information on accounting policies that have been applied. The Parent Company's functional currency is Swedish kronor, which is also the reporting currency for the Parent Company and the Group. All amounts, unless otherwise stated, are rounded to the nearest million.

Consolidation
Subsidiaries are included in the consolidated financial statements as of the date when the controlling influence is transferred to the Group, and are excluded from the consolidated financial statements as of the date when the controlling influence ceases. The acquisition of a subsidiary is recognised in accordance with the purchase method. The purchase consideration for the business combination is measured at fair value at the acquisition date, which is calculated as the total of the fair values at the acquisition date for the assets acquired, assumed or acquired liabilities, as well as equity shares issued in exchange for control of the acquired business. Acquisition-related costs are recognised in profit or loss as incurred. For business combinations in which the sum of the purchase consideration, any non-controlling interests and fair value at the acquisition date of prior shareholdings exceeds the fair value at the acquisition date of identifiable acquired net assets, the difference is recognised as goodwill in the statement of financial position. If the difference is negative, it is recognised as profit on a bargain purchase directly in profit or loss following retesting of the difference.

Differences between the accounting policies of the Group and the Parent Company
The Parent Company reports in accordance with the Annual Accounts Act, Recommendation RFR 2 (Supplementary Accounting Rules for Legal Entities) of the Swedish Sustainability and Financial Reporting Board and statements issued by the Swedish Sustainability and Financial Reporting Board. The Parent Company's income statement and balance sheet are prepared in accordance with the Annual Accounts Act. Investments in subsidiaries are recognised at cost in the Parent Company's financial statements, including any transaction costs.

Group contributions paid and received are recognised in profit or loss as an appropriation.

New and amended standards and interpretations that came into effect from 1 January 2024 onwards
The Group has applied the same accounting policies and valuation methods as in the most recent annual report. Other new or revised IFRS accounting standards or other IFRIC interpretation statements that came into effect after 1 January 2024 have not had any material impact on the consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements applicable from January 2027 mainly changes three key areas: the structure of the income statement, the introduction of disclosures of performance measures reported outside the company's financial statements "management-defined performance measures" (MPM) and improved aggregation and disaggregation of information in the primary statements and notes. The income statement will be divided into three categories: operating, investing and financing. The analysis of the impact of IFRS 18 has not yet been fully finalised.

Changes to Swedish regulations
Changes in 2024 have not had any material impact on our financial statements.

Parent Company's accounting policies
Amended accounting policies
The amendments to RFR 2 Supplementary Accounting Rules for Legal Entities that came into effect and apply to the 2024 financial year have not had any material impact on the Parent Company's financial statements for 2024.

Note 3. Financial instruments and financial risk management

Supply of capital
We aim to have a strong financial position, which means the balance between shareholders' equity and borrowed capital is a key issue for the company. The company's objective is to achieve an equity/assets ratio of at least 35 per cent and an interest coverage ratio of at least 2.2x.
Our supply of capital largely derives from three sources: shareholders' equity, interestbearing liabilities and other liabilities. On the balance sheet date, shareholders' equity amounted to SEK 38,445m (39,244), interestbearing liabilities to SEK 34,400m (32,982) and other liabilities to SEK 11,264m (10,995). Our obligations concerning covenants are similar in the various credit agreements and stipulate, in addition to being listed on a stock market, an equity/assets ratio of at least 25 per cent and an interest coverage ratio of at least 1.5x. The main proportion of the LTV ratio is stated at property level and amounts to between 60 and 70 per cent, depending on the type of property and financing.

Financial targets	Long-term targets	Outcome 2024-12-31	Outcome 2023-12-31
Equity/assets ratio, %	minimum 35	46	47
Interest coverage ratio, multiple	at least 2,2	2.5	2.5
Debt ratio, times (long term)	max 13	14.1	13.5
Loan-to-value ratio, %	max 50	43	42

Principles for financing and financial risk management
As a net borrower, we are exposed to financial risks. In particular, we are exposed to financing risk, interest risk and credit risk. Operational responsibility for the Group's borrowing, liquidity management and financial risk exposure rests with the finance function, which is a central unit in the Parent Company. Our finance policy, as adopted by the Board of Directors, specifies how financial risks are to be managed and imposes limits on the activities of the company's finance function. Fabege aims to limit its risk exposure and, as far as possible, control the exposure with regard to choice of investments, tenants and contract terms, financing terms and business partners.

Financing and liquidity risk
Financing and liquidity risk is defined as the borrowing requirement that can be covered in a tight market. The borrowing requirement can refer to refinancing of existing loans or new borrowing.

We strive to ensure a balance between short-term and long-term borrowing, distributed across several different sources of funding. Our finance policy states that unused credit facilities must be available to ensure good liquidity. Agreements on committed long-term credit lines with predefined terms and conditions and revolving credit facilities have been concluded with a number of major lenders. Our main credit providers are the Nordic commercial banks and the capital market. The Group's bank borrowing is secured mainly by mortgages on properties.

The table below shows the Group's maturity structure for financial liabilities. The amounts show contractual undiscounted nominal maturities for all loan commitments and actual outstanding loans. Other liabilities are current and mature within one year.

The average year-end loan-to-value ratio was 43 per cent (42). We have a commercial paper programme of SEK 5,000m. At year-end, outstanding commercial paper amounted to SEK 3,215m (1,655). Fabege has long-term credit facilities available that cover all outstanding commercial papers at any given time. At year-end, we had unused credit facilities of SEK 5,960m, including facilities for outstanding commercial paper. In 2016, we established an MTN programme subject to special conditions with regard to sustainability and the environment, which now amounts to SEK 18bn.

Loan maturity structure, 31 December 2024

Year, due	Credit agreements, SEKm	Outstanding Bank, SEKm	Outstanding Capital Market, SEKm
Commercial paper programme	3,215	–	3,215
< 1 year	4,184	0	2,674
1–2 year	13,565	4,991	4,624
2–3 year	6,850	2,500	3,850
3–4 year	4,725	3,725	1,000
4–5 year	1,280	1,080	200
5–10 year	6,541	6,541	0
Total	**40,360**	**18,837**	**15,563**

Maturity breakdown
The table on the next page (page 107) provides a maturity breakdown for financial liabilities (excl. derivatives), as well as trade payables and other current liabilities. This information shows that short-term debt has decreased, while long-term debt increased in 2024, but overall with a shorter fixed-term maturity. The amounts in these tables are undiscounted nominal values, i.e. excluding interest payments.

The Group's borrowing agreements do not include any special conditions that could mean that the payment date is significantly earlier than what is stated in the table on the next page.

Note 3 cont.

Maturity breakdown

	31/12/2024					31/12/2023				
	Within 3 months	3–12 months	1–5 years	Over 5 years	Total	Within 3 months	3–12 months	1–5 years	Over 5 years	Total
Liabilities to credit institutions	0	0	12,296	6,541	18,837	152	3,247	8,781	8,813	20,993
Liabilities to capital market	3,775	2,114	9,674	0	15,563	3,005	2,420	6,564	–	11,989
Trade payables	76	–	–	–	76	185	–	–	–	185
Other current liabilities	152	–	–	–	152	245	–	–	–	245
Total	**4,003**	**2,114**	**21,970**	**6,541**	**34,628**	**3,587**	**5,667**	**15,345**	**8,813**	**33,412**

Interest rate risk

Interest rate risk refers to the risk that changes in interest rates will affect the Group's borrowing expense. Interest expenses constitute the Group's single largest expense item. Under its adopted finance policy, the Group aims to fix interest rates based on forecast interest rates, cash flows and capital structure. We employ financial instruments, in the form of interest rate swaps, to limit the interest rate risk and flexibly adjust the average fixed-rate term and average interest rate of the loan portfolio.

The sensitivity analysis illustrates how the Group's earnings are affected over a period of one year by a change in interest rates. Interest-bearing liabilities at 31 December were SEK 34,400m (32,982), with an average interest rate of 2.89 per cent (3.04), excluding the cost of committed lines of credit, or 2.98 per cent (3.13) including this cost. Outstanding commercial paper accounted for SEK 3,215m (1,655) of total liabilities. During the year, interest totalling SEK 93m (63) relating to project properties was capitalised.

The average capital commitment period was 3.5 years (4.1). The average fixed-rate period for our debt portfolio was 1.8 years (2.1), including the effects of traditional fixed-income derivatives. If the derivatives portfolio's callable swaps are included, the estimated fixed-rate period is 2.6 years. The average fixed-rate period for variable interest loans was 90 days. The derivatives portfolio consisted of traditional interest rate swaps totalling SEK 15.6bn and callable swaps totalling SEK 7.0bn. The traditional swaps mature in 2032 and carry fixed annual interest of between 0.11 and 2.18 per cent. The total proportion of loans carrying fixed interest amounted to 52 per cent. The derivatives portfolio is measured at market value and the change in value is recognised in profit or loss. As of 31 December, the recognised surplus value, net, of the portfolio was SEK 543m (686). The derivatives portfolio is measured at the present value of future cash flows. The change in value is of an accounting nature and has no impact on the company's cash flow. At maturity, the market value of derivative instruments is always zero. Unrealised changes in in profit/loss for the year amounted to SEK –143m (–1,003). Changes in market value arise as a result of changes in the market rate. For all other financial assets and liabilities, unless stated otherwise in the notes, the carrying amount is deemed to be a good approximation of fair value, as they essentially carry variable interest rates. Net financial items include other financial expenses of SEK 36m (37), mainly pertaining to accrued opening charges for credit agreements and costs relating to bond and commercial paper programmes. Interest expenses linked to the liabilities are incurred over the course of the remaining fixed-term maturity. Trade payables and other current liabilities mature within 365 days of the balance sheet date. Our obligations arising from these financial liabilities are largely met by rent payments from tenants, most of which are payable on a quarterly basis.

Sensitivity analysis, cash flow and earnings

	Change	Effect, SEKm
Interest expenses, rolling 12 months (incl. derivatives)	1 %-point	–88,7 / +146,8

Interest rate maturity structure, 31 December 2024

Year, due	SEKm	Average interest rate, %	Share, %
< 1 year [1]	18,975	4.32	55
1–2 year	3,100	0.93	9
2–3 year	3,250	1.04	9
3–4 year	3,276	1.57	10
4–5 year	2,600	1.09	8
5–6 year	1,400	1.15	4
6–7 year	1,300	1.15	4
7–8 year	500	0.81	1
8–9 year	–	–	–
9–10 year	–	–	–
11 year	–	–	–,
Total	**34,400**	**2.89**	**100**

[1] The average interest rate for the <1 year period includes the margin for the entire debt portfolio because the company's fixed-rate period is primarily established using interest rate swaps, which are traded without margins.

Liquidity flows

	Calculated at 31/12/2024, SEKm				Calculated at 31/12/2023, SEKm			
Year	Loan maturity	Interest on loans	Interest on derivatives	Total	Loan maturity	Interest on loans	Interest on derivatives	Total
2023								
2024					–8,824	–1,503	556	–9,771
2025	–5,889	–1,128	198	–6,819	–3,919	–1,125	415	–4,629
2026	–9,299	–873	140	–10,032	–8,050	–869	333	–8,586
2027	–6,391	–555	120	–6,826	–791	–571	257	–1,105
2028	–4,123	–348	86	–4,386	–2,708	–522	166	–3,065
2029	–1,362	–239	65	–1,536	–1,162	–416	112	–1,466
2030	–82	–260	37	–305	–82	–397	62	–417
2031	–82	–259	25	–316	–82	–393	40	–436
2032	–2,297	–247	12	–2,532	–2,299	–376	19	–2,656
2033	–1,397	–182	0	–1,579	–1,400	–281	0	–1,681
2034	–3,477	–130	0	–3,607	–2,477	–204	0	–2,681
2035–38	–	–	–	–	0	–271	0	–271
2039	–	–	–	–	–1,186	–68	0	–1,254
Total	**–34,400**	**–4,221**	**683**	**–37,938**	**–32,982**	**–6,997**	**1,960**	**–38,019**

To calculate liquidity flows for loans, and for the variable features of interest rate swaps, the year-end market yield curve has been used.The assumption is that loan liabilities outstanding and credit margins up to maturity of the various loans, at which point it is assumed that final repayment has occurred, are the same as those applying at the balance sheet date.In addition to the above we have ground rents; the outflow currently amounts to SEK 41m (45).

Currency risk

Currency risk refers to the risk that our profit and loss account and balance sheet will be negatively affected by a change in exchange rates. The only currency risk to which we are exposed concerns purchases from foreign suppliers for certain major projects and is deemed to be limitedIf a currency risk arises it is managed using currency hedging. No currency risks are outstanding.

Credit risk

Credit risk is the risk of loss as a result of the failure of a counterparty to fulfil its obligations. The risk is mitigated by the requirement, contained in the company's finance policy, that only credit-worthy counterparties be accepted in financial transactions. Credit risk arising from financial counterparties is limited via netting/ISDA agreements and by spreading across different financing sources and maturities. At year-end, credit risk is deemed to be adequately managed. The company also assesses creditworthiness in respect of any promissory note receivables arising from the sale of properties and businesses, as well as concerning loans to associated companies. The maximum credit exposure in respect of all financial assets is the carrying amount.

As regards trade receivables, the policy states that customary credit checks must be carried out before a new tenant is accepted. The expected credit losses for trade receivables are calculated with the help of a matrix based on previous events, current conditions and forecasts regarding future financial conditions.

Note 3 cont.

Offsetting note

	Amounts recognised in the balance sheet	Collateral	Financial agreements	Net
Assets				
Derivatives	702	0	–702	0
Liabilities				
Derivatives	–159	0	702	543
Total	**543**	**0**	**0**	**543**

Parent company
Responsibility for the Group's external borrowing normally rests with the Parent Company. The company uses the funds raised to finance the subsidiaries on market terms.

Reconciliation of liabilities attributable to financing activities (Group)

	2024				2023			
			Changes not affecting cash flow				Changes not affecting cash flow	
	CB 2023	Cash flow from financing activities	Change in fair value	CB 2024	CB 2022	Cash flow from financing activities	Change in fair value	CB 2023
Non-current interest-bearing liabilities	25,813	5,913		31,726	30,929	–5,116		25,813
Current interest-bearing liabilities	7,169	–4,495		2,674	2,413	4,757		7,169
Interest rate swaps, fair value hedging	–686		143	–543	–1,689		1,003	–686
Total liabilities attributable to financing activities	**32,296**	**1,418**	**143**	**33,857**	**31,653**	**–359**	**1,003**	**32,296**

Reconciliation of liabilities attributable to financing activities (Parent Company)

	2024				2023			
			Changes not affecting cash flow				Changes not affecting cash flow	
	CB 2023	Cash flow from financing activities	Change in fair value	CB 2024	CB 2022	Cash flow from financing activities	Change in fair value	CB 2023
Non-current interest-bearing liabilities	25,649	5,503		31,152	30,173	–4,524		25,649
Current interest-bearing liabilities	6,390	–3,880		2,510	2,400	3,990		6,390
Interest rate swaps, fair value hedging	–686		143	–543	–1,689		1,003	–686
Total liabilities attributable to financing activities	**31,352**	**1,624**	**143**	**33,119**	**30,884**	**–534**	**1,003**	**31,352**

Note 3 cont.

Financial assets and liabilities by measurement categoryi

	31/12/24								31/12/23							
	Financial assets measured at amortised cost (hold to collect)		Financial assets measured at fair value in profit or loss		Financial liabilities measured at amortised cost		Carrying amount		Financial assets measured at amortised cost (hold to collect)		Financial assets measured at fair value in profit or loss		Financial liabilities measured at amortised cost		Carrying amount	
SEKm	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company
Financial assets																
Receivables from Group companies	0	49,992					0	49,992		46,299					0	46,299
Receivables from associated companies	504	0					504	0	443						443	0
Other long-term securities holdings			7	7			7	7			9	9			9	9
Other non-current receivables	69	0					69	0	703						703	0
Trade receivables	78	0					78	0	83						83	0
Derivatives			702	702			702	702			925	925			925	925
Other receivables	680	4					680	4	354	330					354	330
Accrued income	0	85					0	85		81					0	81
Short-term investments			100	0			100	0			98				98	0
Cash and cash equivalents	64	43					64	43	85	1					85	1
Total	**1,395**	**50,124**	**809**	**709**	**0**	**0**	**2,203**	**50,832**	**1,668**	**46,711**	**1,032**	**934**	**0**	**0**	**2,700**	**47,645**
Financial liabilities																
Liabilities to Group companies						17,619	0	17,619						16,702	0	16,702
Interest-bearing liabilities					34,400	33,662	34,400	33,662					32,982	32,039	32,982	32,039
Derivatives			159	159			159	159			240	240			240	240
Trade payables					76	2	76	2					185	5	185	5
Other current liabilities					94	0	94	0					226		226	0
Accrued expenses					264	260	264	260					343	338	343	338
Total	**0**	**0**	**159**	**159**	**34,834**	**51,543**	**34,993**	**51,702**	**0**	**0**	**240**	**240**	**33,736**	**49,084**	**33,976**	**49,324**

Net profit/losses from financial assets and financial liabilities by measurement category in accordance with IFRS 9 are detailed in the table below.

	2024								2023							
	Financial assets measured at amortised cost (hold to collect)		Financial assets measured at fair value in profit or loss (other)		Financial liabilities measured at amortised cost		Carrying amount		Financial assets measured at amortised cost (hold to collect)		Financial assets measured at fair value in profit or loss (other)		Financial liabilities measured at amortised cost		Carrying amount	
SEKm	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company
Operating profit/loss																
Operating income and expenses																
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net financial items																
Interest income	53	1,011					53	1,011	24	902					24	902
Interest expenses					–1,073	–1,073	–1,073	–1,073					–1,011	–1,075	–1,011	–1,075
Changes in value, derivatives			–143	–143			–143	–143			–1,003	–1,003			–1,003	–1,003
Changes in value, equities			–3	–3			–3	–3			–4	–8			–4	–8
Total	**53**	**1,011**	**–146**	**–146**	**–1,073**	**–1,073**	**–1,167**	**–208**	**24**	**902**	**–1,007**	**–1,011**	**–1,011**	**–1,075**	**–1,994**	**–1,184**

Note 3 cont.

Accounting policy

Financial instruments

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the commercial terms and conditions of the instrument. A financial asset is removed from the balance sheet when the rights inherent in the agreement are realised, expire, or if the company loses control over them. A financial liability is removed from the balance sheet when the obligation arising from the agreement has been met or is extinguished in another way. Transaction date accounting is used for derivatives, while settlement date accounting is used for spot purchases and sales of financial assets.

Classification and measurement

The Group applies a business model that aims to collect contractual cash flows for intra-group receivables, trade receivables, cash and cash equivalents, receivables from Group companies, accrued income and other receivables. The Group's financial assets are recognised at amortised cost. The expected maturity of a trade receivable is short, and the value is therefore recognised at the nominal amount with no discount.

Derivatives are recognised at fair value via the statement of comprehensive income.

Shareholdings are continually measured at fair value and changes in value are recognised in the statement of comprehensive income.

Interest bearing bank loans and liabilities to subsidiaries are measured at amortised cost according to the effective interest rate method. Any differences between loan amounts received (net after transaction costs) and repayment or amortisation of loans is recognised over the term of the loan. Other financial liabilities are measured at amortised cost. Trade payables are measured at amortised cost. However, the expected maturity of the trade payables is short, which is why the liability is recognised at the nominal amount with no discount.

Calculation of fair value of financial instruments

The fair value of derivatives is calculated by discounting future cash flows by the quoted market interest rate for each maturity. Future cash flows are calculated as the difference between the fixed contractual interest under each derivatives contract and the implied Stockholm Interbank Offered Rate (STIBOR) for the period concerned. The present value of future interest flows arising there is calculated using the implied STIBOR curve. We do not apply hedge accounting of derivatives.

In determining the fair value of shareholdings, quoted market prices are used for holdings that are listed and for others a fair value assessment is made. For all financial assets and liabilities, unless other-wise stated in the notes, the carrying amount is considered to be a good approximation of fair value.

Impairment losses

The Group's exposure to credit risk is primarily attributable to trade receivables, contract assets, promissory note receivables, other receivables, accrued income and cash and cash equivalents.

The Group recognises a loss provision for expected credit losses from financial assets measured at amortised cost. On each balance sheet date, the Group recognises the change in expected credit losses in profit or loss.

For assets where there have been significant increases in the credit risk, a provision is recognised based on credit losses for the entire term of the asset (the general model).

The Group measures expected credit losses from a financial instrument in a way that reflects an objective and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable verifiable data about current conditions and forecasts regarding future economic conditions. For cash and cash equivalents, the exception for low credit risk is applied.

For trade receivables (receivables related to rent invoicing) and contract assets, the Group applies the simplified model, which means that the Group directly recognises expected credit losses for the re-maining term of the asset.

The expected credit losses for trade receivables and contract assets are calculated using a provision matrix based on previous events, current conditions and forecasts regarding future financial conditions and the time value of money, if applicable.

The Group defines a default event as a situation where it is deemed unlikely that the counterparty will fulfil their obligations due to indicators such as financial difficulties and missed payments. Regardless, a default event is considered to occur when payment is 90 days overdue, unless there are particular reasons to believe the amount will be paid. The Group writes off a claim when opportunities for additional cash flows are no longer deemed to exist.

Note 4. Significant estimates and assessments for accounting purposes

Significant assessments in applying accounting policies

Upon acquisition of a company, the company makes an assessment of whether the acquisition is to be regarded as an asset acquisition or a business combination. Companies containing only properties with no associated property management/administration are normally classified as an asset acquisition. When performing property transactions, an assessment of risk transfer is made, which serves as a guideline when the transaction is to be recognised.

Significant estimates and assessments for accounting purposes

The valuation at fair value of the company's investment properties involves the use of estimates and assessments that are to be regarded as significant for accounting purposes. Information on valuation assumptions and sensitivity analysis of the assumptions that have a significant effect on the valuation is presented under Note 17.

In measuring loss carryforwards, the company makes an assessment of the probability that the loss can be utilised. Confirmed tax losses can be used as a basis for calculating deferred tax assets if it is highly likely that they can be used to offset future profit.

For such non-current financial assets as participations in associated companies, promissory note receivables from associated companies and other companies, an assessment of the value of each interest is performed and for promissory note receivables an assessment is made of the amounts expected to be received.

Note 5. Segment accounting

	2024					2023				
SEKm	Property Management	Property Improvement	Projects	Birger Bostad	Total	Property Management	Property Improvement	Projects	Birger Bostad	Total
Rental income	3,153	247	26	12	**3,438**	3,081	227	35	23	**3,366**
Revenue from residential development	–	–	–	233	**233**	–	–	–	553	**553**
Other income	–	–	–	–	**0**	8	2	1	0	**11**
Total net sales	**3,153**	**247**	**26**	**245**	**3,671**	**3,089**	**229**	**36**	**576**	**3,930**
Property expenses	–730	–107	–42	–6	**–885**	–726	–103	–21	–3	**–853**
Residential development costs	–	–	–	–254	**–254**	–	–	–	–549	**–549**
Gross earnings	**2,423**	**140**	**–16**	**–15**	**2,532**	**2,363**	**126**	**15**	**24**	**2,528**
Of which net operating income, Property Management	2,423	140	–16	6	**2,553**	2,363	126	15	20	**2,524**
Surplus ratio, %	77	57	–62	50	**74**	77	56	43	87	**75**
Of which gross earnings from residential development	–	–	–	–21	**–21**	–	–	–	4	**4**
Central administration	–76	–8	–9	–	**–93**	–82	–8	–7	–	**–97**
Net interest expense	–780	–82	–93	–7	**–962**	–806	–89	–66	–1	**–962**
Ground rent	–41	–	–	–	**–41**	–45	–	–	–	**–45**
Share in profit/loss of associated companies	–88	–4	2	–1	**–91**	24	–	–	10	**34**
Profit/loss from Property Management	**1,438**	**46**	**–116**	**–23**	**1,345**	**1,454**	**29**	**–58**	**33**	**1,458**
Realised changes in value, properties	–	–	–	–73	**–73**	–	–	–	–	**0**
Realised changes in value, properties	3	–	–	–	**3**	–	–	–	–	**0**
Unrealised changes in value, properties	–1,217	–155	169	–15	**–1,218**	–6,228	–731	–852	–20	**–7,831**
Profit/loss before tax per segment	**224**	**–109**	**53**	**–111**	**57**	**–4,774**	**–702**	**–910**	**13**	**–6,373**
Change in value, fixed-income derivatives & equities					**–146**					**–1,007**
Profit/loss before tax					**–89**					**–7,380**
Market value, properties	64,546	5,310	8,820	228	**78,904**	63,580	7,431	6,839	243	**78,093**
Project & development properties	–	–	–	754	**754**	–	–	–	519	**519**
Occupancy rate, %	88	–	–	–	–	91	–	–	–	–

Accounting policy

Segment reporting

Segment information is presented from the perspective of management and operating segments are identified based on the internal reports submitted to the company's chief operating decision-maker. The Group has identified the CEO as the chief operating decision-maker, which means that the internal reports used by the CEO for monitoring the business and making decisions on the allocation of resources have been used as a basis for the presented segment information. In accordance with IFRS 8, segments are presented from the point of view of management, divided into the following segments: Property Management, Property Development, Ongoing Projects and Birger Bostad. 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). Investment properties pertain to properties that are being actively managed on an ongoing basis. Improvement properties pertain to properties in which new builds, extensions or conversions are planned that have a significant impact on the property's net operating income. Net operating income is affected by limitations on lettings prior to imminent development work. Ongoing projects include property under project development. Pure land properties are also included in this segment. Recently acquired properties (within one year) with work in progress to significantly improve the property's net operating income in relation to the date of acquisition are also included. Rental income and property expenses, as well as unrealised changes in value are directly attributed to properties in the respective segments (direct income and expenses). In cases where a property changes character during the year, earnings attributable to the property are allocated to each segment based on the period of time that the property belonged to each segment. Central administration and net financial items have been allocated to the segments in a standardised manner based on each segment's share of the total property value (indirect income and expenses). Property assets are directly attributed to the respective segments and recognised on the balance sheet date. All revenue and expenses attributable to residential operations are recognised in the Residential segment. Other income relates to electricity subsidies.

No reclassifications were carried out in the first quarter. During the second quarter, part of Kvinten 1 was divested to Birger Bostad. As a result of the transfer, the property changed character, from an investment property to a development property. The Regulatorn 4 and Stigbygeln 3 properties were reclassified from ongoing projects to investment properties. No reclassifications were carried out in the third quarter. Furthermore, the property Stigbygeln 3 was reclassified from an improvement property to an investment property. The properties Farao 15, Farao 16 and Farao 17 were reclassified from improvement properties to projects in progress. No property acquisitions or property sales were completed in 2024.

Not 6. Employees and salary costs etc.

Average number of employees	2024	Of which, women	2023	Of which, women
Parent Company	191	66	196	68
Subsidiaries	19	11	21	14
Group, total	**210**	**77**	**217**	**82**

Employee turnover and sickness absence, %	2024	2023
Employee turnover	8	11
Total sickness absence	3.4	2.9

Sickness absence by age group, %	Women	Men
Age <29[1]		3,61
Age 30–49	8,13	2,62
Age 50–	0,37	2,12

[1] Not reported if the number of employees in the group is no more than 10, or if the data can be traced back to a single person.

	2024		2023	
SEKm	Salaries and other remuneration	Social security contributions	Salaries and other remuneration	Social security contributions
Parent Company	168	97	162	99
of which, pension expenses		35		36
Subsidiaries	19	9	18	11
of which, pension expenses		2		4
Group, total	**187**	**106**	**180**	**110**
of which, total pension expenses		37		40

Gender distribution, Board of Directors and senior executives

	2024		2023	
	Board of Directors	Senior executives	Board of Directors	Senior executives
Men	4	4	3	4
Women	3	4	4	4
Total	**7**	**8**	**7**	**8**

Remuneration of senior executives
'Other senior executives' refers to the six individuals who together with the CEO and Vice President constituted the Executive Management Team in 2024. During the year, the Executive Management Team consisted of the CEO, the Vice President and CFO, together with the Director of Business Development, Director of Projects and Development, Director of Technical Operations, Director of Property Management, Director of Human Resources and Head of Sustainability. The remuneration paid to senior executives is based on market terms in accordance with the guidelines adopted by the AGM. Remuneration to senior executives is paid by the Parent Company. For the current composition of the Executive Management Team, see pages 76–77.

Fabege has a profit-sharing fund covering all employees of the company. Allocations to the profit-sharing fund are based on the achieved return on equity and capped at two price base amounts per year per employee. For 2024, no provisions were made (SEK 6.0m), which is equivalent to 0.0 (0.5) price base amounts per employee excluding payroll tax, were posted. Other benefits refer to company cars, household-related services and health insurance.

Pension
Pension expenses refer to the expense recognised in profit or loss for the year. The retirement age for the Chief Executive Officer is 65 years A pension premium of a maximum of 30 per cent of the pensionable salary is paid during the term of employment. For other senior executives, the ITP supplementary pension plan for salaried employees in industry and commerce or an equivalent plan applies and the retirement age is 65 years.

Severance pay
The contract between the company and the CEO is subject to six months' notice by either party and the CEO is entitled to 18 months' severance pay. The employment contracts of other senior executives are terminable on three to six months' notice by either party and provide for severance pay of up to 18 months. Severance pay is only paid in case of termination by the company and is offset by other income.

Basis of preparation
The Board of Directors is responsible for preparing a proposal for remuneration and other terms of employment for the CEO and a set of principles for remuneration and other terms of employment for other senior executives.

Board of Directors
Board Members are paid Directors' fees in accordance with AGM resolutions. In 2024, total fees of SEK 2,660 thousand (2,525) were paid. Of this amount, the Chair of the Board received SEK 775 thousand (735), and the other Board Members received a total of SEK 1,885 thousand (1,790). No other fees or benefits were paid to the Board.

Senior executives
Variable remuneration was paid totalling SEK 4,168 thousand (3,317) to the CEO, SEK 1,731 thousand (1,327) to the Vice President and SEK 3,535 thousand (2,813) to six (six) other senior executives. No other variable remuneration was paid to the Executive Management Team.

Remuneration and other benefits to senior executives

	2024				2023			
Group management, SEK 000s	Salary/Fee	Other benefits	Pension	Total	Salary/Fee	Other benefits	Pension	Total
CEO	11,969	63	3,359	**15,391**	11,118	67	3,131	**14,316**
Vice President and Chief Financial Officer	5,019	131	646	**5,796**	4,567	123	710	**5,400**
Other senior executives	14,559	552	3,365	**18,476**	13,745	531	3,434	**17,710**

Remuneration to Board of Directors

	2024				2023			
SEK 000s	Fee, Board Member	Audit Committee fees	Remuneration Committee fees	Total	Fee, Board Member	Audit Committee fees	Remuneration Committee fees	Total
Jan Litborn (Chairman)	625	65	85	**775**	600	55	80	**735**
Anette Asklin	265	130	–	**395**	255	110	–	**365**
Matthias Johansson	265	–	50	**315**	255	–	48	**303**
Märtha Josefsson	265	–	–	**265**	255	55	–	**310**
Stina Lindh Hök	–	–	–	–	255	–	–	**255**
Lennart Mauritzon	265	–	50	**315**	255	–	48	**303**
Bent Oustad	265	–	–	**265**	–	–	–	–
Sofia Watt	265	65	–	**330**	–	–	–	–
Anne Årneby	–	–	–	–	255	–	–	**255**
Total	**2,215**	**260**	**185**	**2,660**	**2,130**	**220**	**176**	**2,525**

Guidelines for remuneration of senior executives
These guidelines apply to the members of company management at Fabege. Company management is defined as the Chief Executive Officer and members of the Executive Management Team. The guidelines shall be applied to remuneration that is agreed and changes that are made to already agreed remuneration after the guidelines are adopted at the company's 2024 Annual General Meeting (AGM). The guidelines do not apply to remuneration approved at the AGM.

Note 6 cont.

Effect of the guidelines in promoting the company's business strategy, long-term interests and sustainability
We work with sustainable urban development, with a primary focus on commercial properties within a limited number of well located submarkets in the Stockholm area. We create value via management and upgrading of, and active work, on our property portfolio in order to grow the potential of our property portfolio.

Our overarching objective, via our well-situated portfolio, business model and expertise, is to create and realise value in order to provide our shareholders with an overall return that ranks among the best among property companies on the Stockholm Stock Exchange. We shall create profitability by being a development-based and customerled company:
– with committed employees
– with satisfied clients
– that is the natural choice for current and potential customers in the Stockholm market
– that contributes to sustainable development in Stockholm and the UN's Sustainable Development Goals

In order to successfully implement our business strategy and safeguard our long-term interests, including sustainability, we must be able to recruit and retain highly-qualified personnel. In order to achieve this, we must be able to offer competitive remuneration. These guidelines enable the company to offer senior executives a competitive overall remuneration package.

We have not established any further incentive programmes with approval from the AGM other than the remuneration packages encompassed by these guidelines.

Variable cash remuneration encompassed by these guidelines shall aim to promote the company's business strategy and long-term interests, including its sustainability.

Forms of remuneration etc.
Remuneration shall be in line with the market and may consist of the following components: fixed cash salary, variable cash salary, pension benefits and other (minor) benefits, as well as allocation(s) to the company's profit-sharing fund. The AGM may in addition – and irrespective of these guidelines – approve, for example, share-based and share price related forms of remuneration.

The fixed salary is to be reviewed annually. It must be possible to measure and follow up attainment of criteria for payment of variable cash remuneration annually (over the calendar year).

The variable cash remuneration may amount to a total of nine monthly salary payments, representing no more than 75 per cent of the fixed annual cash salary.

The retirement age is 65. Pension benefits are to be equivalent to the ITP supplementary pension plan for salaried employees in industry and commerce, or be contribution-based with a maximum contribution of 35 per cent of pensionable salary. The variable cash remuneration shall be the pensionable amount.

Other benefits, where they occur, shall constitute a limited portion in relation to fixed remuneration. Other benefits may include life insurance, health insurance and car allowances. Such benefits may amount to a total of no more than 10 per cent of the fixed annual cash salary.

We have a profit-sharing fund covering all employees of the company. Allocations to the profit-sharing fund are based on the achieved return on equity and capped at two base amounts per year per employee.

Termination of employment
In the case of termination of employment by the company, the period of notice must be no more than twelve months. Termination salary and severance pay must not exceed 24 monthly salary payments in total.

In the case of termination of employment by the employee, the period of notice must be no more than six months, with no right to severance pay.

Criteria for allocation of variable cash remuneration etc.
The variable cash remuneration shall be linked to predetermined and measurable criteria that may be financial or non-financial. It may also be made up of individually-based quantitative or qualitative goals. The criteria shall be structured in such a way that they promote the company's business strategy and long-term interests, including its sustainability, for example by being clearly linked to the business strategy or promoting the executive's long-term development. Responsibility and performance that coincide with the interests of shareholders are to be reflected in the remuneration.

Target	Share, %	Criteria/target
Operational targets	70	Gross earnings: 1,145 m
		Surplus ratio: 74%
		Profit before tax: SEK >10/share
		Budgeted net lettings: SEK 100 m
		Gresb: index min. 91
		Employee index GPTW: min. 88
		Energy consumption: max 71 kWh/sqm
Total return on the property portfolio	10	Topp 2 of Fabege, Atrium Ljungberg, Castellum, Hufvudstaden and Wihlborgs
Share price trend	10	Outperform index OMX Stockholm Real Estate GI 1/1–31/12
Miscellaneous	10	Discretionary, to be decided by the Board

For follow-up on outcomes, see the Remuneration Report published with the notice convening the AGM. Outcomes for all goals are measured over the calendar year. When the measurement period for attainment of the criteria for payment of variable cash remuneration has ended, the Remuneration Committee shall determine the extent to which the criteria have been attained. As far as financial goals are concerned, the judgement shall be based on the latest financial information published by the company.

Senior executives who receive variable remuneration undertake to make a long-term investment (for a period of at least three years) of at least two-thirds of this variable remuneration component after tax in shares in the company. The aim is to encourage participation and commitment by offering senior executives the opportunity to become shareholders in a more structured manner. Variable remuneration to company management must not exceed a maximum total annual cost for the company of around SEK 16m (excluding social security contributions), calculated on the basis of the number of persons who currently constitute senior executives.

Salary and employment conditions for employees
During preparation of the Board of Directors' proposals for these remuneration guidelines, salary and employment conditions for the company's employees have been taken into account by including details of total remuneration for employees, the components of remuneration and the increase in the remuneration and the speed of increase over time as part of the Remuneration Committee's and the Board's decision documentation in assessing the reasonableness of the guidelines and the restrictions arising from them. The trend of the gap between the remuneration paid to the senior executives and that paid to other employees will be reported on in the remuneration report.

Decision-making process for determining, reviewing and implementing the guidelines
The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board's decisions on proposals for guidelines on remuneration to senior executives.The Board shall draw up proposals for new guidelines every four years and shall present their proposals for resolution at the AGM. The guidelines shall be valid until new guidelines are adopted at the AGM. The Remuneration Committee shall also monitor and evaluate variable remuneration programmes for the company management, implementation of guidelines on remuneration to senior executives and prevailing remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of the company and company management. During the Board's consideration of, and decisions on remuneration-related matters, the CEO and other members of company management – to the extent that they are affected by such matters – are not present.

Departure from the guidelines
The Board of Directors may decide to depart temporarily from the guidelines, wholly or in part, if in any individual case particular reasons exist to justify doing so and if such a{1} departure is necessary to meet the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the Remuneration Committee's tasks include preparing the Board's decisions on remuneration matters, including decisions on any deviation from the guidelines.

Description of major changes to the guidelines and how the views of shareholders have been taken into account
These guidelines have been prepared in accordance with the new requirements applicable as of the 2020 AGM, when the link to the company's business strategy and criteria for variable remuneration were clarified. Otherwise, the same guidelines as before apply, regarding both fixed and variable remuneration, other benefits, allocation to the company's profitsharing fund, conditions of employment etc.

Accounting policy

Employee benefits
Remuneration to employees in the form of salaries, holiday pay, paid sick leave, etc. as well as pensions is recognised as it is earned. Pensions and other compensation paid after termination of employment are classified as defined contribution or defined benefit pension plans.

The Group has both defined contribution and defined benefit pension plans. Pension costs for defined contribution plans are charged to expense as they are incurred. For defined benefit plans, the present value of the pension liability is calculated using an actuarial method known as the Projected Unit Credit Method. Actuarial gains and losses are immediately recognised in other comprehensive income. Employees in the former Fabege have defined benefit pension plans. As of 2005, no further accrual of this pension liability has been made. Obligations relating to defined contribution pension plans are met through payments to the freestanding agencies or companies administering the plans. A number of our employees have defined benefit pensions under the ITP supplementary pension plan for salaried employees in industry and commerce, for which regular payments are made to Alecta. These are classified as multi-employer defined benefit pension plans. For the 2024 financial year, the company has not had access to information to enable reporting of the company's proportional share of the plan's obligations, plan assets and costs, which has meant that it has not been possible to recognise the plan as a defined benefit plan. The ITP 2 pension plan that is secured through an insurance policy with Alecta is therefore recognised as a defined contribution plan. The premium for the defined benefit retirement and family pension is calculated individually based on salary, previously earned pension and anticipated remaining period of service. Expected fees for the next reporting period for ITP 2 insurance policies provided by Alecta amount to SEK 8m (2023: SEK 8m). The Group's share of the total fees to the plan and the Group's share of the total number of active members of the plan amount to 0.05427 and 0.02457 per cent, respectively, (2023: 0.05227 and 0.02396 per cent respectively). The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective consolidation level is normally permitted to vary between 125 and 175 per cent. To strengthen the consolidation level if it is deemed to be too low, one course of action may be to raise the agreed price for new subscriptions and increasing existing benefits. If the consolidation level exceeds 150 per cent then premium reductions may be introduced. At year-end 2024, Alecta's surplus, as expressed by the collective consolidation ratio, was 162 per cent (2023: 158 per cent).

Note 7. Rental income

Operating leases – the Group as lessor
All investment properties are let to tenants under operating leases and generate rental income. Future rental income attributable to non-cancellable operating leases is distributed as follows:

	Group	
SEKm	2024	2023
Maturity:		
Within 1 year	470	552
1–2 years	646	516
2–3 years	529	580
3–4 years	233	457
4–5 years	342	170
Later than 5 years	970	874
Residential, garage/parking	139	167
Total	**3,329**	**3,316**

The difference between total rents at 31 December 2024 and income, as stated in profit or loss for 2024, is due to bought/sold properties, renegotiations and changes in occupancy rates in 2024. Leases relating to residential premises and garage/parking spaces remain in force until further notice. No information was provided about variable rental income since this comprises an insignificant portion of the total rental income. On-charging, service and other income total SEK 100m (112), corresponding to 2.9 per cent (3.3) of total rental income for the January–December 2024 period.

Accounting policy
Revenue recognition
All investment properties are let to tenants under operating leases. Rental income from the company's property management activities is recognised in the period to which it refers. Rental income from investment properties is recognised on a straight-line basis in accordance with the terms and conditions of the applicable leases. In cases where a lease provides for a discounted rent during a certain period that is offset by a higher rent at other times, the resulting deficit or surplus is distributed over the term of the lease. Discounts provided to compensate for limitations in the right of use in connection, for example, with redevelopment or gradual occupancy, are recognised in the period to which they refer.

Note 8. Revenue from residential development

	Group	
Breakdown by income type:	2024	2023
Proceeds from sale of residential projects	233	553
Total	**233**	**553**
Allocation by point in time, revenue recognition:		
Over time	–	–
At a specific point in time	233	553
Total	**233**	**553**

Accounting policy
Proceeds from sale of residential projects
Fabege (Birger Bostad) develops and sells tenant-owner apartments ordered by tenant-owner associations. During the construction period, costs incurred are recorded in the asset class 'developable properties'. We consider that we have a controlling interest in tenant-owner associations, which is why these apartments are consolidated. This means that there is no contract in accordance with IFRS 15 until the end customer has signed a lease. The end customer buys a right of use in the tenant-owner association corresponding to a specific apartment. Our business model means that control is transferred to the customer that acquires the apartment once the customer takes possession of the apartment. Revenue is therefore recognised once the apartment has been completed and the customer has moved in. Revenue is based on actual income from the sale of a residential project. Recognised income per apartment is matched by the apartment's estimated cost on completion of the project.

Note 9. Property expenses

	Group	
SEKm	2024	2023
Operating expenses, maintenance and tenant customisations	–398	–336
Property tax	–258	–274
VAT expense	–10	–10
Property/project admin. and lettings	–219	–233
Total	**–885**	**–853**

Note 10. Residential development costs

Residential development costs amount to SEK 254m (549), of which administrative costs account for SEK 29m (26) and impairment of development rights SEK 73m (6).

Note 11. Central administration and marketing

Refers to expenses for the Executive Management Team, expenses attributable to the public nature of the company and other expenses connected to the company type.

Property- and property management-related administration expenses are not included, as these are treated as property expenses.

Note 12. Realised and unrealised changes in value, investment properties

	Group	
SEKm	2024	2023
Realised changes in value:		
Sale proceeds	–	3,859
Carrying amount and expenses	3	–3,859
	3	**0**
Unrealised changes in value:		
Changes in value relating to properties owned at 31/12/2024 and 31/12/2023, respectively	–1,218	–7,357
Changes in value relating to properties divested during the year	–	–474
	–1,218	**–7,831**
Total realised and unrealised changes in value	**–1,215**	**–7,831**
Breakdown between positive and negative results:		
Positive	911	197
Negative	–2,126	–8,028
Total	**–1,215**	**–7,831**

Property sales represent income items according to IFRS 15; the amount is recognised in its entirety in the respective segment and in accordance with the accounting policy, the entire amount is recognised on the completion date. Gains or losses from the sale of properties are recognised at the date of completion, unless the purchase contract contains specific provisions which prohibit this.

Note 13. Profit from other securities and receivables that are non-current assets

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Interest income, Group companies	–	–	1,011	902
Interest income, promissory notes	48	20	–	–
Profit/loss from other securities	–3	–4	–3	–8
Total	**45**	**15**	**1,008**	**894**

Note 14. Interest income and interest expenses

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Interest income	6	4	1	0
Interest expenses	–1,016	–986	–1,073	–1,075
Total	**–1,010**	**–982**	**–1,072**	**–1,075**

All interest income is attributable to financial assets measured at amortised cost.

Interest expenses are mainly attributable to financial liabilities measured at amortised cost, as well as interest expenses on derivatives measured at fair value.

Accounting policy
Borrowing costs
Loan expenses have been recognised in the consolidated financial statements in profit or loss in the year to which they refer, except to the extent that they have been included in the cost of a building project. We capitalise loan expenses attributable to costs for new production or major redevelopments that add value to the property. The interest rate used to calculate the capitalised borrowing cost is the average interest rate of the loan portfolio.

Note 15. Changes in value, equities

Earnings of SEK –3m (–4) relate mainly to changes in value for holdings in shares in Accessy AB and AIK Fotboll AB.

Note 16. Tax on profit for the year

SEKm	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Current tax	0	–1	0	0
Deferred tax	–124	1,863	29	169
Total tax	**–124**	**1,862**	**29**	**169**
Nominal tax on profit after financial items	–18	1,520	–286	64
Tax effects of adjustment items				
Capitalisation of previously unrecognised tax-loss carryforwards/temporary differences from previous years	78	6	–	0
Impairment of participations in subsidiaries and associated companies	–	–	–25	–15
Resolution of deferred tax resulting from sales	–2	477	–	–
Non-taxable income	0	7	–	–
Non-deductible expenses	–36	–12	–14	–8
Non-taxable dividend income	–	–	361	155
Non-deductible interest	–130	–136	–7	–27
Other	–16	–	–	–
Total tax	**–124**	**1,862**	**29**	**169**

Accounting policy

Income tax

The current tax liability is based on the taxable profit for the year. Taxable profit for the year differs from recognised profit for the year in that it has been adjusted for non-taxable and non-deductible items. The Group's current tax liability is calculated on the basis of tax rates that have been prescribed or announced at the balance sheet date. Deferred tax refers to tax on temporary differences that arises between the carrying amount of assets and the tax value used in calculating the taxable profit. Deferred tax is recognised in accordance with the balance sheet liability method. Deferred tax liabilities are recognised for practically all taxable temporary differences, and deferred tax assets are recognised when it is likely that the amounts can be used to offset future taxable profits. The carrying amount of deferred tax assets is tested for impairment at the end of each financial year and an impairment loss is recognised to the extent that it is no longer probable that sufficient taxable profits will be available against which the deferred tax asset can be fully or partially offset. Utilisation of tax loss carryforwards is dependent upon tax profits. Deferred tax is recognised at the nominal current tax rate with no discount. Deferred tax is recognised as an income or expense in the statement of comprehensive income, except in those cases where it refers to transactions or events that have been recognised directly in equity. In such cases the deferred tax is also recognised directly in equity. Current deferred tax assets and tax liabilities are offset against one another when they refer to income tax payable to the same tax authority and when the Group intends to settle the tax by paying the net amount.

Note 17. Investment properties

All properties in our portfolio are externally valued at least once a year by independent appraisers with recognised qualifications. The properties are valued at fair value, i.e. at their estimated market values without taking portfolio effects into account. Since 2000, property valuations have been conducted in accordance with the guidelines established by the Swedish Property Index. In 2024, the properties were valued by Newsec Analys AB and Cushman & Wakefield. The properties are valued on an ongoing basis throughout the year. On-site inspections were carried out at all properties on at least one occasion during the 2021–2024 period. The properties have also been inspected on site in connection with major investments or other changes that significantly affect the value of a property. Each quarter, internal valuations are also conducted of parts of the portfolio, as well as an internal assessment of the overall value for the entire portfolio. The internal valuation is performed using the same methodology as the external valuations.

Valued properties are divided into the following categories:

- Investment properties in normal operation are subject to cash-flow valuation.
- Project properties undergoing major redevelopment or new builds with contracted tenants are subject to cash-flow valuation.
- Other project properties and undeveloped land are valued using the location-price method.

Valuation of investment and project properties

For investment properties and project properties, a cash-flow model is used whereby net operating income less the remaining investment is present valued, normally over a five or ten-year calculation period.

The discount rate used is a nominal required yield on total capital before tax. The required rate of return is based on previous experience from assessments of the market's required yields for similar properties. The discount rate for our property portfolio is 6.6 per cent (6.5) and is based on the nominal yield on five-year government bonds plus a premium for property-related risk. The risk premium is set individually based on the stability of the tenant and the length of the lease. The weighted required yield at the end of the calculation period was 4.5 per cent (4.4). The residual value is also present valued at the end of the calculation period. The residual value is the market value of the leasehold/property at the end of the period of calculation, which is estimated on the basis of forecast net operating income for the first year after the calculation period.

All premises are subject to an individual market-based assessment of rents and the rental trend. For leased premises, an estimated market rent is used for the cash-flow calculations after the expiration of the lease. The assessment of such factors as market rents, future normal running costs, investments and vacancies is performed by external appraisers using information obtained from the company. Operating and maintenance expenses are based on historical results, and on budget figures and statistics pertaining to similar properties. Expenses are expected to increase in line with the assumed inflation rate. Ground rents are calculated on the basis of agreements or in reference to market ground rents if the ground rent period expires during the calculation period. Property tax is estimated on the basis of the general property taxation for the most recent taxation year. Cash flow analyses with calculation periods exceeding five years are applied if deemed motivated by long leases.

The properties' expected future cash flow during the selected calculation period is measured as follows:

+ Rent payments
– Running costs (including property tax and ground rent)
– Maintenance costs
= Net operating income
– Less investments
= Cash flow

Valuation data

- Each property is valued separately without taking portfolio effects into account.
- External property valuations are based on the following valuation data:
- Quality-assured information from the company concerning condition, leases, running and maintenance costs, leaseholds, vacancies and planned investments, as well as an analysis of current tenants.
- Current assessments of location, rent trends, vacancy rates and required yields for relevant markets as well as normalised running and maintenance costs. Information from public sources concerning the land area of the properties, and detailed development plans for undeveloped land and developable properties.
- The properties undergo regular inspections. All properties have been inspected in the past three years. The aim of these inspections is to assess the properties' overall standard, condition and attractiveness.

Note 17, cont.

Office rental range in property valuations for 2024

Rental ranges by market segment, SEK/sqm	2024	2023
Central Stockholm (inner city)	3,650–10,000	3,700–10,000
Solna	2,000–4,600	2,000–4,700
Hammarby Sjöstad	2,250–4,800	2,250–4,500
Flemingsberg	950–2,800	900–2,800
Other markets	1,850–3,000	1,800–2,900

Valuation of other project properties
Valuations of other project properties are based on the prevailing planning conditions and listed price levels in connection with the sale of undeveloped land and development rights.

Valuation assumptions	2024	2023
Annual inflation, %	2.0	2.0
Weighted discount rate, %	6.6	6.5
Weighted required yield, residual value, %	4.5	4.4
Average long-term vacancies, %	4.9	4.5
Operations and maintenance: Commercial, SEK/sqm	368	368

The valuation assumptions do not vary significantly, since the properties are actually very similar (are in all significant respects office properties) and are highly concentrated geographically.

Market values, 31 December 2024	SEKm	Weighted yield, %	Change in value, %
Stockholms innerstad	29,380	4.12	–0.3
Solna	37,300	4.73	–1.3
Hammarby Sjöstad	7,932	4.77	–4.7
Flemingsberg	3,295	5.37	–7.6
Other markets	997	5.42	–6.1
Total	**78,904**	**4.54**	**–1.6**

Market values, 31 december 2023	SEKm	Weighted yield, %	Change in value, %
Stockholms innerstad	29,176	4.05	–8.4
Solna	36,930	4.61	–9.8
Hammarby Sjöstad	8,045	4.62	–6.6
Flemingsberg	2,923	5.13	–15.4
Other markets	1,019	5.12	–7.0
Total	**78,093**	**4.43**	**–9.1**

Changes in value during the year
Unrealised changes in value during the year amounted to SEK –1,218m (–7,831). The change in value corresponds to a decline in value of approximately –1.6 per cent (–9.1). The changes in value were due to several factors. The main reason for the negative change in value was the increase in the required yield. This was mainly driven by higher estimated future cash flows from the investment portfolio, but also by value-added gains in the project business. Yield requirements stabilised in the second half of the year. The recognised value of the properties at 31 December 2024 was SEK 78.9m (78.1).

	Group	
SEKm	2024	2023
Opening fair value	78,093	86,348
Reclassifications	–347	0
Property acquisitions	0	78
Investments in new builds, extensions and conversions	2,376	3,101
Changes in value, existing property portfolio	–1,218	–7,831
Changes in value relating to properties divested during the year	0	0
Sales, disposals and other	0	–3,603
Closing fair value	**78,904**	**78,093**

Our ten largest properties by value

Property	Area	Sqm
Pyramiden 4	Arenastaden	72,234
Apotekaren 22	Norrmalm	28,330
Bocken 39	Norrmalm	20,598
Nationalarenan 8	Arenastaden	41,903
Bocken 35 & 46	Norrmalm	14,865
Barnhusväderkv. 36	Norrmalm	25,914
Luma 1	Hammarby Sjöstad	38,353
Nöten 4	Solna strand	52,179
Fräsaren 11	Solna Business Park	38,842
Signalen 3	Arenastaden	31,040

Sensitivity analysis – property values

Change in value before tax, %	Impact on earnings, SEKm	Equity/assets ratio, %	Loan-to-value ratio, %
+1	615	46.0	43.4
0	0	45.7	43.6
–1	–615	45.4	43.8

Sensitivity analysis, change in value	Assumption	Impact on value, SEKbn
Rent level	+/– 10%	6,9
Running cost	+/– 50 kr/Sqm	1,1
Yield requirement	+/– 0,25%	2,5
Long-term vacancy rate	+/– 2%	1,8
Weighted discount rate	+/– 0,25%	1,6

The sensitivity analysis shows an estimated change in value in the event of specified changes in rent levels, operating costs, yield requirements, vacancy rates and weighted discount rate. The analysis takes into account the wholly-owned property portfolio, weighted averages of yield requirements, discount rate and total net operating income. The stated changes in the parameters are considered to be reasonable based on historical outcomes in the Group. Each parameter has been treated separately and under the assumption that the other parameters remain unchanged. The sensitivity analysis thus provides a simplified picture, as a parameter rarely moves in isolation, but various assumptions are linked with regard to cash flow and yield requirement. There is a correlation between the cash flow of the property and the estimated yield requirement. Contractual changes such as new signings or cancellations affect the cash flow of the property and may also have an effect on the market's assessment of risk and thus on the yield requirement. In general, the better the location of a property, the higher the rent, the lower the yield requirement, the lower the long-term vacancy rate and, to some extent, the higher the operating costs. The yield requirement and discount rate in the valuations follow each other; if the yield requirement increases, the discount rate generally also increases. The yield requirement and discount rate can also be influenced by the tenant structure of the property; long leases with stable tenants can have a downward effect on the yield requirement and discount rate, which has a positive impact on value. Inflation affects both operating costs and rental income and thus property values. An increase in inflation has a positive impact on the market value of the properties as a result of higher rents in cases where the contracts that are signed are index-linked (which is the case for most of our commercial contracts) and a negative impact due to higher costs and higher discount rates. Inflation also affects the yield requirement indirectly, as a result in changes in interest rate levels.

Investment properties are valued in accordance with Level 3, IFRS 13. The fair value and unrealised changes in value are determined each quarter based on valuations. If a property is sold in the first to the fourth quarter, the sale will give rise, in addition to the unrealised change in value, to a realised change in value that is based on the selling price in relation to confirmed fair value for the most recent quarter.

We have mortgaged certain properties, see also Note 35 Pledged assets and contingent liabilities.

Accounting policy
Investment properties
Properties in the Group are classified as investment properties when they are held for the purpose of generating rental income or for capital gains, or a combination of the two. The concept of investment property includes buildings, land and land improvements, new builds, extensions or conversions in progress and property fixtures. Rental income and property expenses, as well as realised and unrealised changes in value including tax, are directly attributable to properties. Investment properties are recognised at fair value at the balance sheet date. Gains and losses attributable to changes in the fair value of investment properties are recognised in profit/loss in the period in which they arise on the line 'Unrealised changes in value of properties' in the statement of comprehensive income. Gains or losses from the sale or disposal of investment properties consist of the difference between the selling price and carrying amount based on the most recent revaluation to fair value. Gains or losses from sales or disposals are recognised on the line 'Realised changes in value of properties' in the statement of comprehensive income. Projects involving conversion/maintenance and tenant customisations are recognised as an asset to the extent that the work being undertaken adds value in relation to the latest valuation. Other expenses are recognised as an expense immediately.

Note 18. Goodwill

The goodwill item of SEK 205m (SEK 205m) is entirely attributable to the acquisition of Birger Bostad. The goodwill represents the value that the acquisition brings to the Fabege Group in terms of greater expertise and a consolidated market position in residential development.

Goodwill is tested for impairment at the lowest separate identifiable cash flow (cash-generating unit), which for the Fabege Group is Birger Bostad. The impairment test compares the estimated recoverable amount of the cash-generating unit Birger Bostad with its carrying amount. The recoverable amount has been calculated on the basis of the unit's value in use. The calculation of the value in use has been based on a discount factor of 7.7 per cent (6.7) and a forecast of cash flows over the next five years. Assumptions about forecasts have been based on historical experience, taking account of the current market situation. The growth rate used to extrapolate cash flow projections beyond the period covered by the latest budgets/forecasts is 2 per cent. The calculations do not indicate any need for impairment.

SEKm	31/12/2024	31/12/2023
Opening balance	205	205
Acquisitions	–	–
Closing balance	**205**	**205**

Note 19. Equipment

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Opening cost	66	51	25	19
Investments	17	15	3	6
Sales and disposals	–	–	–	–
Closing accumulated cost	**83**	**66**	**27**	**25**
Opening depreciation	–37	–26	–14	–11
Sales and disposals	–	–	–	–
Depreciation for the year	–13	–11	–3	–3
Closing accumulated depreciation	**–49**	**–37**	**–17**	**–14**
Carrying amount	**34**	**30**	**11**	**11**

The Group has leases to a small extent for vehicles and other technical equipment. All agreements are subject to standard market terms and conditions.

Note 20. Participations in associated companies

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Opening carrying amount	179	149	–	–
Contributions	100	100	–	–
Additions through acquisitions		–	–	–
Impairment losses	–1	–	–	–
Share in profit/loss	–114	–70	–	–
Dividends	0	1	–	–
Reclassifications	–	–	–	–
Closing carrying amount	**164**	**179**	–	–
Carrying amount	**164**	**179**	–	–

Name/Corp. Reg. No.	Registered office	Capital share, %	Carrying amount 2024, SEKm	Carrying amount 2023, SEKm
Urban Services Sweden AB 559108-8397	Stockholm	50	4	2
Projektbolaget Oscarsborg AB 556786-3419	Stockholm	50	0	0
Haga Norra Stadsutveckling Kvarter 6 och 7 AB 556983-7650	Stockholm	50	0	10
Fastighets AB Solna Lagern 3 559122-5759	Stockholm	50	0	0
Värtan Fastigheter KB 969601-0793	Stockholm	50	0	1
Arenabolaget i Solna KB[1] 969733-4580	Stockholm	67	129	131
Arenabolaget i Solna AB 556742-6811	Stockholm	50	0	0
SHNREP Invest AB 559192-1050	Stockholm	50	0	0
SB Bostad i Stockholm AB 559094-8914	Stockholm	50	31	34
Total			**164**	**179**

[1] Arenabolaget owns and manages Strawberry Arena. We own 66.7 per cent in Arenabolaget i Solna KB (ABS KB), which owns the Nationalarenan 1 property (Strawberry Arena). We, in turn, have a 50 per cent holding in Arenabolaget i Solna AB, which is an unlimited partner in ABS KB. Since we do not have a controlling interest in ABS KB, the holding is recognised as participations in associated companies and profit/loss from the company as 'Profit/loss from participations in associated companies'.

The following table presents financial information concerning associated companies. The information is presented on an aggregate level since, in all significant respects, the holdings pertain to similar property management and development operations.

Condensed statement of profit or loss and balance sheet for associated companies, SEKm (100%)

	Group	
SEKm	2024	2023
Profit and loss account		
Rental income	96	169
Net operating income	2	12
Profit/loss for the year	–146	–100
Balance sheet		
Non-current assets	3,231	3,281
Current assets	185	179
Total assets	**3,416**	**3,459**
Equity	1,681	1,720
Other liabilities	1,734	1,290
Total equity and liabilities	**3,416**	**3,459**
The Group's share of net assets in associated companies	1,108	1,134

Joint venture
The Group has one significant joint venture. We conduct financial operations through the co-owned company Svensk Fastighetsfinansiering AB. The operation consists of conducting financing operations through the raising of loans in the capital market, and lending operations through the issue of cash loans. The aim is to expand the company's financing base with a new source of financing. Nya Svensk Fastighets-Finansiering AB is a finance company with a covered MTN programme of SEK 12,000m. The company is owned by Catena AB, Diös Fastigheter AB, Fabege AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB, each owning 20 per cent. The bonds are secured by property mortgage deeds. At 31 December, we had outstanding bonds totalling SEK 738m (764) via SFF.

Accounting policy

Participations in associated companies and joint ventures
A company is recognised as an associated company if we hold at least 20 per cent and no more than 50 per cent of the votes or otherwise exercise a significant influence on the company's operational and financial control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets. In the consolidated financial statements, these holdings are recognised in accordance with the equity method. Participations in associated companies and joint ventures are recognised in the balance sheet at cost after adjusting for changes in the Group's share of the associated company's and joint venture's net assets, less any decrease in the fair value of individual interests.

Holdings in joint operations
A holding in a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and have obligations regarding the liabilities that derive from the business. Joint control is regulated in agreements and only exists when the

Note 20, cont.

parties that share the control are required to give their consent to the relevant operations.

For joint operations, we recognise our share of assets, liabilities, revenue and costs, as well as our share of joint assets, liabilities, revenue and costs item by item in the consolidated accounts. Transactions and other dealings with joint operations have been eliminated in the consolidated financial statements.

Note 21. Receivables from associated companies

Receivables from associated companies relate to receivables from Arenabolaget i Solna AB of SEK 330m (270) and SB Bostad i Stockholm AB of SEK 173m (173). The receivables carry market interest rates. Any potential credit risk is mitigated by the requirement, contained in the company's finance policy, that only creditworthy counterparties be accepted in financial transactions; see Note 3 for further details.

Note 22. Other long-term securities holdings

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Opening cost	9	12	9	15
Reclassification	–	–		–
Changes in value	–3	–4	–3	–8
Contributions	1	1	1	1
Closing amount	7	9	7	9
Carrying amount	**7**	**9**	**7**	**9**

Holding	Carrying amount, SEKm
Accessy AB 559184-9749	0
AIK Fotboll AB – capital share is 18.5{1}% and the number of shares is 4,042,649	7
AIK Hockey – capital share 3.6%	0
Total	**7**

Note 23. Other non-current receivables

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Maturity:				
1 to 5 years after the balance sheet date	69	703	–	–
More than 5 years after the balance sheet date	–	–	–	–
Total	**69**	**703**	–	–

For interest-bearing receivables, the carrying amount is considered to be a good approximation of fair value as they essentially carry variable interest rates.

Group
Other non-current receivables pertain primarily to promissory note receivables. Any potential credit risk is mitigated by the requirement, contained in the company's finance policy, that only creditworthy counterparties be accepted in financial transactions.

Note 24. Development properties

SEKm	2024	2023
Opening amount	519	821
Purchases and divestments	308	–373
Impairment	–73	–
Closing balance	**754**	**519**
of which		
Development properties	241	317
Ongoing projects	512	201

The closing balance is made up of SEK 204m (317) in developable properties and SEK 550m (201) in ongoing projects.

Accounting policy
Developable properties are held for the purpose of developing and disposing of housing, including rental and tenant-owner apartments and public-services property. These are recognised at the lower of accumulated acquisition cost and net realisable value.

Note 25. Trade receivables

Age structure – overdue trade receivables

	Group	
SEKm	2024	2023
0–30 days	5	1
31–60 days	10	3
61–90 days	17	3
>90 days	60	51
Of which, provisioned	–41	–12
Total	**51**	**46**

Changes in reserves for expected credit losses

SEKm	2024-12-31	2023-12-31
Opening balance	12	12
New provisions	31	2
Reversals	–5	–14
Write-offs	6	10
Extended receivables	2	2
Reduced receivables	–5	0
Change in risk factors	–	–
Closing balance	**41**	**12**

Accounting policy
Trade receivables
The Group's trade receivables are measured at amortised cost as the cash flows consist solely of payments of principal and interest. Loss provisions are recognised for trade receivables. See also Note 3 for further description of the accounting policies. Any potential credit risk is mitigated by the requirement, contained in the company's finance policy, that only creditworthy counterparties be accepted in financial transactions. As regards trade receivables, the policy states that customary credit checks must be carried out before a new tenant is accepted.

Note 26. Other receivables

The Group has current receivables in the form of promissory notes maturing within one year in the amount of SEK 670m (5). VAT receivables amount to SEK 18m (87). Other items amount to a total of SEK 8m (22). In addition, the previous year included blocked funds of SEK 327m.

Accounting policy
Non-current and other receivables
Non-current and other (current) receivables primarily consist of promissory note receivables relating to sales proceeds for properties that have been sold but not yet vacated. Valuation is carried out at amortised cost.

Note 27. Receivables from Group companies

Receivables from Group companies consist of clearing accounts for all the Group's subsidiaries. The subsidiaries do not have their own bank accounts and transactions are carried out via clearing accounts via the Parent Company.

Note 28. Equity

	Shares outstanding	Registered shares
No. of shares at beginning of year	314,577,096	330,783,144
No. of shares at year-end	314,577,096	330,783,144

All shares carry equal voting rights, one vote per share.
The quotient value of a share is SEK 15.41.
Proposed dividend per share, SEK 2.00.
Dividend per share, SEK 1.80.
For other changes in shareholders' equity, see the consolidated and Parent Company statements of changes in equity.

Accounting policy
Treasury shares
Purchases of treasury shares are recognised as a deductible item, net after any transaction costs and tax from retained earnings, until such time as the shares are divested or cancelled. If these ordinary shares are subsequently divested, the amount received for them (net after any transaction costs and tax effects) is recognised in retained earnings.

Note 29. Overdraft facilities

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Available credit limit	660	660	660	660
Used portion	0	–108	0	–108
Unused portion	660	552	660	552

Note 30. Liabilities by maturity

	Group		Parent Company	
Interest-bearing liabilities, SEKm	2024	2023	2024	2023
Maturity up to 1 year after the balance sheet date	2,674	7,169	2,510	6,390
Maturity 1 to 5 years after the balance sheet date	25,185	17,000	24,611	16,836
Maturity later than 5 years from balance sheet date	6,541	8,813	6,541	8,813
Total	**34,400**	**32,982**	**33,662**	**32,039**

For interest-bearing liabilities, the carrying amount is considered to be a good approximation of fair value as they essentially carry variable interest rates.

Non-interest-bearing liabilities are expected to fall due for payment within one year. For the interest rate maturity structure, see Note 3.

Financial liabilities
Our interest-bearing liabilities and other liabilities are measured at amortised cost. Non-current liabilities have an expected maturity of more than one year, while current liabilities have a maturity of less than one year.

Note 31. Derivatives

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Long-term surplus value	16	879	16	879
Short-term surplus value	685	47	685	47
Total surplus value	**702**	**925**	**702**	**925**
Short-term deficit	–159	0	–159	0
Long-term deficit	0	–240	0	–240
Total deficit	**–159**	**–240**	**–159**	**–240**
Total	**543**	**686**	**543**	**686**

The Group does not apply hedge accounting; see 'Financial instruments' in Note 3, Accounting policies. Derivatives are classified as interest-bearing liabilities and assets in the balance sheet and measured at fair value in compliance with Level 2, IFRS 13; see Note 3 for further details. Changes in value are recognised in the statement of omprehensive income on a separate line; 'Changes in value, fixed income derivatives'.

Note 32. Deferred tax liability/tax asset

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Deferred tax has been calculated on the basis of:				
Tax loss carryforwards	–309	–410	–7	–
Difference between book and tax values in respect of properties	8,632	8,596	–	–
Derivatives	112	141	111	141
Other	–11	–22	–	–7
Net deferred tax asset/liability	**8,424**	**8,305**	**104**	**134**

Negative amounts above refer to deferred tax assets.

Measured tax loss carryforwards in the Group, which have been taken into account in calculating deferred tax, total approximately SEK 1.5bn (2). Of the changes in deferred tax liabilities for the year, the use of profit from property management accounted for SEK –165m (–293) and changes in the value of properties for SEK 250m (1,613). Deferred tax has been calculated at 20.6 per cent.

Note 33. Provisions

Of total provisions of SEK 175m (158), provisions for pensions account for SEK 122m (101). Other amounts refer to stamp duties on properties that are payable upon the sale of a property, SEK 39m (34), as well as provisions for residential projects, SEK 13m (23).

SEKm	Other	Provisions for pensions	Total
At 01/01/2024	57	101	158
Additions through acquisitions	–	–	0
Provisions for the year	–10	–	–10
Actuarial assumptions for the year	–	21	21
Used/paid during the year	6	–	6
At 31/12/2024	**53**	**122**	**175**
Provisions comprise:			
Long-term component	53	122	175
Short-term component	–	–	–
Total	**53**	**122**	**175**

Provisions for pensions
For information regarding pension provisions, see Note 6.

Accounting policy

Provisions
Provisions are recognised when the company has a commitment and it is likely that an outflow of resources will be required and the amount can be reliably estimated.

Note 34. Accrued expenses and deferred income

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Accrued expenses and deferred income	466	425	0	0
Advance payment of rents	122	155	119	150
Accrued interest expenses	319	321	182	240
Total	**907**	**901**	**301**	**389**

Note 35. Pledged assets and contingent liabilities

	Group		Parent Company	
Pledged assets, SEKm	2024	2023	2024	2023
Property mortgages	22,763	22,368	–	–
Net assets, subsidiaries	7,819	11,566	–	–
Promissory notes	–	–	15,841	16,517
Total	**30,582**	**33,934**	**15,841**	**16,517**
Contingent liabilities				
Guarantees on behalf of subsidiaries	6	145	162	844
Guarantees and undertakings for the benefit of associated companies	327	345	327	345
Total	**333**	**490**	**489**	**1,189**

The Group has pension commitments of SEK 12m (14), which are secured through a pension fund. The solvency ratio for the pension fund is 218 per cent (191). No provision has been made, as the pension commitment is fully covered by the assets of the fund.

Note 36. Interest paid

During the year, interest paid in the Group amounted to SEK 1,121m (1,150), of which SEK 93m (63) was capitalised in investing activities (with the Group's average interest rate). The average interest rate is calculated quarterly on the basis of the previous quarter's actual average interest rate. No interest capitalisation occurred in the Parent Company.

Note 37. Changes in working capital

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Change acc. to balance sheet	–647	124	229	–498
Change in receivables and liabilities relating to interest income, dividends and interest expenses, and reclassifications between fixed assets and working capital	930	130	48	132
Total	**283**	**254**	**277**	**–366**

Note 38. Lease liabilities

Leaseholds
Of the Group's leases, management of ground rents is the most significant. The lease liability amounted to SEK 1,371m (949) as of 31 December. A corresponding right-of-use asset is included in the balance sheet. The lease liability is calculated using a valuation in the form of budgeted ground rent for the year divided by an implicit interest rate of 3 per cent. The cost of ground rents is recognised as a financial expense.

Other leases
Other leases relate to rental agreements in Birger Bostad. As of 31 December, both lease liabilities and right-of-use assets amount to SEK 0m (1).

Note 39. Cash and cash equivalents

Cash and cash equivalents consist of cash assets and bank balances. The Group has unused overdraft facilities, which are not included in cash and cash equivalents, of SEK 660m (552).

Accounting policy
Cash and cash equivalents
Cash and cash equivalents consist of cash assets held at financial institutions. Cash and cash equivalents also includes short-term investments with maturities of less than three months from the date of acquisition that are exposed to insignificant risk of fluctuations in value. Cash and cash equivalents are recognised at their nominal amounts.

Note 40. Related party transactions

Backahill AB has a controlling interest in Hansan AB. In 2024, consulting services totalling SEK 1m (1) were procured. In 2024, consulting services totalling SEK 1.4m (4,2) were also purchased from Born Advokater, in which Fabege's Chairperson Jan Litborn is a partner. Contributions and loans of SEK 160m (140) have been made to Arenabolaget i Solna KB. Nya Svensk Fastighets Finansiering AB (SFF) is a finance company with a covered MTN programme. The company is owned by Catena AB, Diös Fastigheter AB, Fabege AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB, each owning 20 per cent. The bonds are secured by property mortgage deeds and share pledges. The MTN framework amounts to SEK 12,000m (12,000). As of 31 December 2024, Fabege had outstanding bonds totalling SEK 738m (764). All transactions are conducted based on market terms and conditions.

Note 41. Dividend per share

The Board proposes a dividend of SEK 2.00 per share (1.80), to be paid quarterly on four occasions in the amount of SEK 0.50 per share on each occasion. The total proposed dividend sum amounts to SEK 629,154,192. The dividend amount is calculated based on the total number of shares outstanding at 31 December 2024, i.e. 314,577,096 shares. The total dividend amount is subject to alteration up to and including the record date, depending on share buybacks.

Note 42. Adoption of the annual accounts

The annual accounts were adopted by the Board of Directors and approved for publication on 17 March 2025.The Annual General Meeting will be held on 23 April 2025.

Note 43. Net sales

Parent Company income comprises mainly intra-Group invoicing.

Note 44. Operating expenses

	Parent Company	
SEKm	2024	2023
Employee benefit expenses	–280	–281
Administration and running costs	–182	–168
Total	**–462**	**–449**

Note 45. Shares and investments in Group companies

SEKm	Parent Company 2024	Parent Company 2023
Impairment of shares in subsidiaries	–120	–65
Group contributions	–6	196
Dividend	1,750	750
Total	**1,624**	**881**

Impairment of shares in Group companies by SEK 120m, which is due to the fact that the subsidiaries have received unconditional shareholders' contributions of a corresponding amount.

SEKm	Parent Company 2024	Parent Company 2023
Opening cost	16,517	16,452
Acquisitions and additions	120	65
Sales	–	–
Closing accumulated cost	**16,637**	**16,517**
Opening impairment	–3,117	–3,052
Impairment	–120	–65
Closing accumulated impairment losses	**–3,237**	**–3,117**
Carrying amount	**13,400**	**13,400**

Directly owned subsidiaries

Name/Corp. Reg. No.	Registered office	Capital share, %[1]	Carrying amount, SEKm
Birger Bostad AB 559007-1824	Stockholm	100	883
Hilab Holding Stockholm AB 556670-7120	Stockholm	100	9,726
LRT Holding Company AB 556647-7294	Stockholm	100	2,790
Fabege Holding Solna 556721-5289	Stockholm	100	0
Fabege Holding Mix AB 556785-2636	Stockholm	100	0
Fabege Holding N8 AB 556834-3429	Stockholm	100	0
Fabege Holding Lodre AB 559124-0253	Stockholm	100	0
Fabege Flemingsberg AB 559170-5214	Stockholm	100	0
Fabege Holding Generatorn AB 559170-5255	Stockholm	100	0
Stockholm Syd SBD utvecklings AB 559170-5248	Stockholm	100	1
Fabege Finansnyckeln III AB 556983-7601	Stockholm	100	0
Total			**13,400**

[1] Also applies to the share of votes for the total number of shares. The stated capital share includes shares from other Group companies. There is a total of 264 (249) Group companies in the Group.

Accounting policy

Subsidiaries

Subsidiaries are companies in which the Group has a controlling interest. Controlling influence is achieved when the Parent Company has control over a company, is exposed or entitled to a variable return from the holding in the company and has the ability to exercise control over the company to influence the return. The existence and effect of potential voting rights that can currently be used or converted is taken into account in assessing whether the Group exercises a controlling influence.

Note 46. Fees and remuneration of auditors

The following remuneration was paid to the company's auditors:

Fees and remuneration for expenses

SEK 000s	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
KPMG:				
Auditing assignments	3,636	–	3,636	–
Other auditing activities	400	–	400	–
Tax advisory services	399	421	399	421
Other services	75	–	75	–
Total	**4,510**	**421**	**4,510**	**421**
Deloitte				
Auditing assignments	–	3,680	–	3,680
Other auditing activities	–	350	–	350
Tax advisory services	–	–	–	–
Other services	–	53	–	53
Total	–	**4,083**	–	**4,083**
PWC:				
Auditing assignments	–	872	–	–
Total	–	**872**	–	–

[1] Auditing assignments pertain to the auditing of the Annual Report and financial statements, as well as the administration of the Board and the CEO, other tasks required of the company's auditors and advisory services and representation brought on by observations during such audits or such other tasks.

Note 47. Events occurring after the balance sheet date

Events occurring after the balance sheet date On 10 January 2025, Fabege signed an agreement with Stadsrum Fastigheter for the sale of the Ynglingen 10 property. The sale was made via companies for an underlying property value of SEK 960m before deductions for deferred tax. After making deductions for sales costs and deferred tax, the transaction results in a recognised gain of SEK –36.8m before tax and SEK 91.5m after reversal of deferred tax. This will be recognised on the completion date in March 2025. Payment will be made in cash on the completion date.

Note 48. Proposal for the distribution of profits

The following amount is at the disposal of the AGM	SEK
Retained earnings	2,679,493,810
Profit/loss for the year	1,412,380,614
Total	**4,091,874,425**

The Board of Directors and the CEO propose that the amount be allocated as follows:	SEK
A dividend of SEK 2.00 per share to the shareholders	629,154,192
To be carried forward	3,462,720,233
Total	**4,091,874,425**

The dividend amount is based on the total number of shares outstanding at 31 December 2024, i.e. 314,577,096 shares. The total dividend amount is subject to alteration up to and including the record date, depending on share buybacks.

Signing of the Annual Report

The Board of Directors and Chief Executive Officer hereby certify that:

- the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2
- the annual accounts provide a true and fair view of the company's financial position and results, and
- the Directors' Report provides a true and fair overview of the development of the company's business, position and results, and
- describes significant risks and uncertainties faced by the company.

Furthermore, the Board of Directors and Chief Executive Officer certify that:

- the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as referred to in Regulation (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards
- the consolidated financial statements provide a true and fair view of the Group's financial position and results, and
- the Directors' Report for the Group gives a true and fair overview of the development of the Group's business, results and position and describes significant risks and uncertainties faced by the companies included in the Group.

Stockholm, 17 March 2025

Jan Litborn
Chairman

Anette Asklin
Board Member

Mattias Johansson
Board Member

Märtha Josefsson
Board Member

Lennart Mauritzson
Board Member

Bent Oustad
Board Member

Sofia Watt
Board Member

Stefan Dahlbo
Chief Executive Officer

Our Auditor's Report was submitted on 17 March 2025
KPMG AB

Mattias Johansson
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of Fabege AB (publ), corp. id 556049-1523

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Fabege AB (publ) for the year 2024, except for the corporate governance statement on pages 66–77 and the sustainability report on pages 78–95. The annual accounts and consolidated accounts of the company are included on pages 48–122 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 66–77 and sustainability report on pages 78–95. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Matter

The audit of the annual accounts for year 2023 was performed by another auditor who submitted an auditor´s report dated 7 March 2024, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of investment property

See disclosure 4 and 17 on pages 110 and 115–116 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Investment properties are held at fair value in the group's financial statements. The carrying value of these properties is MSEK 78,904 as per December 31, 2024.

The fair value of investment properties has been determined based on valuations carried out by both independent third party appraisers and internal valuations. During the financial year, all properties in the management portfolio have been valued by external appraisers. Each quarter, internal valuations of parts of the portfolio are also conducted, along with an internal overview assessment of the entire portfolio. Valuations are performed through an individual assessment of each property's future earning potential and the market's yield requirements.

Given investment properties significant share of the group's total assets and the inherent elements of significant judgment and estimates required in the valuation process, valuation of investment properties is a Key Audit Matter. The risk is that the carrying value of investment properties may be over- or underestimated and that deviations would directly influence profit for the year.

Response in the audit

We have evaluated if the valuation methodology used is reasonable by comparing it with our experience of methods applied by other real estate companies and independent third party appraisers and which assumptions are normal when valuing comparable objects.

We have assessed the competence and independence of third party appraisers used and reviewed the appraisers' engagement agreements to assess whether there are contractual terms that could affect the scope or direction of the external appraisers' assignment.

We have, on a sample basis, tested individual valuations. When doing so, we made use of available market data from external sources, especially for yield, discount rates, rental levels, and vacancies. We have considered the impact on the valuations from the current macroeconomic conditions.

We have verified the accuracy of the disclosures about investment properties given by the group in disclosure 4 and 17 in the annual accounts and consolidated accounts, especially concerning elements of judgment and applied key assumptions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–47, 78–95 and 125–140. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

– Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

– Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

Auditor´s report, cont.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Fabege AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Fabege AB (publ) for year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Fabege AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 66–77 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Fabege AB (publ) by the general meeting of the shareholders on April 9, 2024. KPMG AB or auditors operating at KPMG AB have been the company's auditor since April 9, 2024.

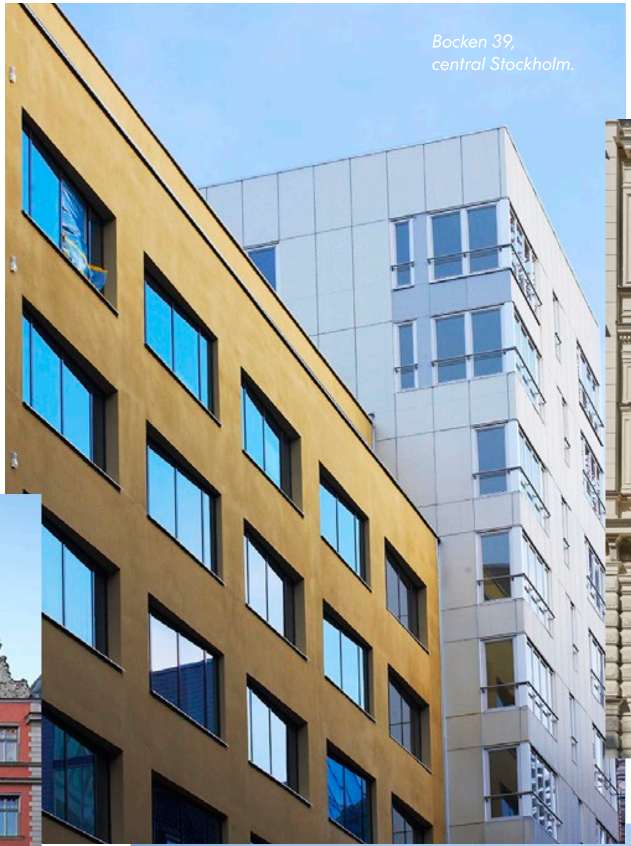
Stockholm, 17 March 2025

KPMG AB

Mattias Johansson
Authorised Public Accountant

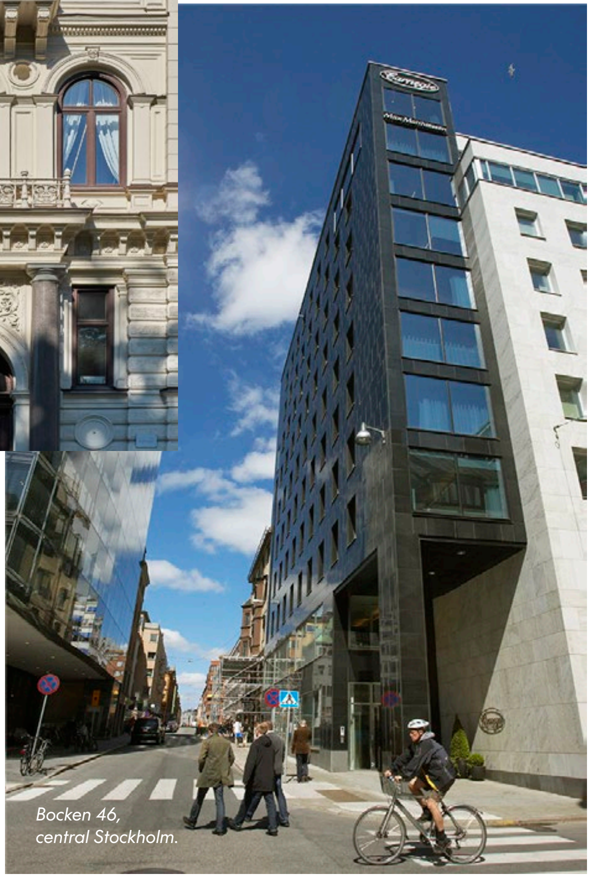
Property portfolio

Our property portfolio connects Stockholm from Arenastaden in the north to Flemingsberg in the south, and all our districts are, and will be important hubs for rail and other public transport.



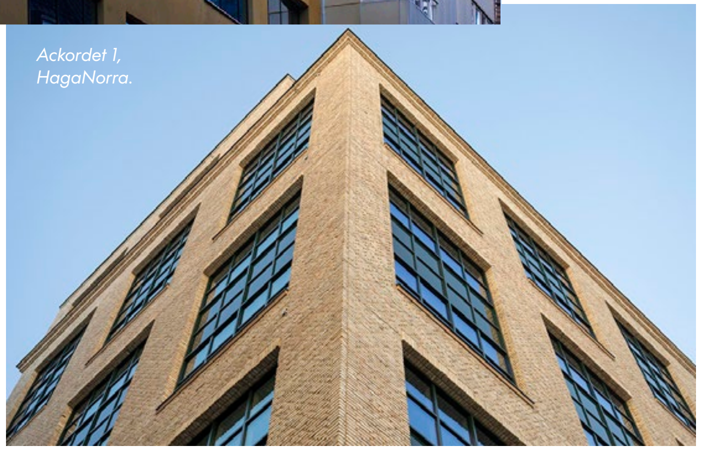
Bocken 39, central Stockholm.

Norrtälje 24, central Stockholm.



Bocken 46, central Stockholm.

Läraren 13, central Stockholm.



Ackordet 1, HagaNorra.

Property portfolio cont.

Property-related KPIs

Year	2024	2023	2022	2021	2020
No. of properties	100	100	102	94	94
Lettable area, 000 sqm	1,271	1,246	1,290	1,247	1,245
Financial occupancy rate, %	88	91	89	90	91
Rental value, SEKm	4,172	3,872	3,724	3,359	3,242
Surplus ratio, %	74	75	74	76	75

Average yield requirement per area, %

Stockholm inner city	4.12
Solna	4.73
Hammarby Sjöstad	5.37
Flemingsberg	5.42
Other markets	5.42
Average yield	**5.54**

Property acquisitions

No acquisitions during the year.

Property sales

No sales were made during the year.

Largest customers

Customer	Share, %[1]	Year of expiry
Skandinaviska Enskilda Banken AB	6.8	2037
Convendum Stockholm City AB	3.7	2034
Ica Fastigheter AB	3.2	2030
Telia Sverige AB	3.0	2031
Carnegie Investment Bank AB	2.1	2027
Svea Bank AB	1.8	2029
Tietoevry AB	1.3	2029
Telenor Sverige AB	1.3	2028
The North Alliance Sverige AB	1.2	2027
Bilia AB	1.2	2041
Total	**25.6**	

1) Percentage of contractual rent.

10 highest valued properties at 31 December 2024

Property name	Area	Lettable area, sqm
Pyramiden 4	Arenastaden	72,234
Apotekaren 22	Norrmalm	28,330
Bocken 39	Norrmalm	20,598
Nationalarenan 8	Arenastaden	41,903
Bocken 35 & 46	Norrmalm	14,865
Barnhusväderkv. 36	Norrmalm	25,914
Luma 1	Hammarby Sjöstad	38,353
Nöten 4	Solna Strand	52,179
Fräsaren 11	Solna Business Park	38,842
Signalen 3	Arenastaden	31,040

Average remaining lease term by submarket, 31 December 2024

Area	No. of properties	No. of leases	Lease length, years
Stockholm inner city	26	613	3.51
Solna	51	440	6.19
Hammarby Sjöstad	10	250	3.16
Flemingsberg	9	76	7.26
Other markets[1]	4	39	1.9
Total/average	**100**	**1,418**	**4.77**

1) Two residential properties in Borås (Other markets) are not included in the table.

Lease maturity structure

Year of maturity	No. of leases	Annual rent, SEKm	%
2025[1]	587	470	14
2026	340	646	19
2027	218	529	16
2028	129	233	7
2029	68	342	10
2030+	110	970	29
Commercial	1,452	3,190	96
Residential contract	181	24	1
Garage and parking	601	115	3
Total	**2,234**	**3,329**	**100**

1) Of which just over SEK 134m has already been renegotiated as current leases expire.

Changes in property values

	Market value, SEKm
Opening amount at 01/01/2024	78,093
+ Acquisitions	–
– Sales, disposals and other	–
+ Investments in new builds, extensions and conversions	2,376
+/– Unrealised changes in value	–1,218
+/– Reclassifications	–347
Closing amount at 31/12/2024	**78,904**

Property portfolio cont.

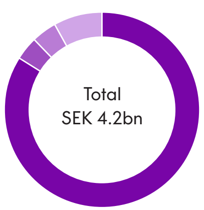
Breakdown by lettable area, 31 December 2024

	Offices	Retail	Industrial/ warehouse	Hotel	Residential	Garage	Total
Stockholm inner city	224	20	20	10	7	33	313
Solna	529	29	30	36	1	74	699
Hammarby Sjöstad	100	10	19	0	1	8	139
Flemingsberg	26	1	52	0	0	1	80
Other markets	21	0	2	0	5	12	40
Total	**900**	**61**	**123**	**46**	**14**	**128**	**1,271**

Property table

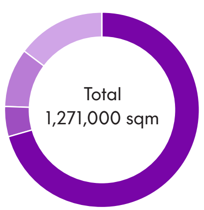
	No. of properties	Lettable area, 000 sqm	Market value, SEKm	Rental value, SEKm	Financial occupancy rate, %
Management properties	64	970	64,773	3,587	88
Improvement properties[1]	13	179	5,310	374	
Land and project properties[1]	23	123	8,820	211	
Total	**100**	**1,271**	**78,903**	**4,172**	**88**
Of which Stockholm inner city	26	313	29,380	1,591	91
Of which, Solna	51	699	37,300	1,913	86
Of which, Hammarby Sjöstad	10	139	7,932	483	82
Of which Flemingsberg	9	80	3,294	111	100
Of which, other	4	40	997	74	88
Total	**100**	**1,271**	**78,903**	**4,172**	**88**

Rental value per category



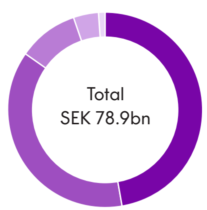
- Offices: 84%
- Retail: 4%
- Industrial/logistics: 4%
- Miscellaneous: 8%

Lettable area by category



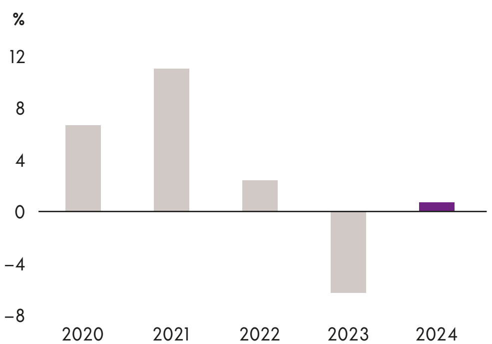
- Offices: 70.8%
- Retail: 4.8%
- Industrial/warehouse: 9.7%
- Miscellaneous: 14.7%

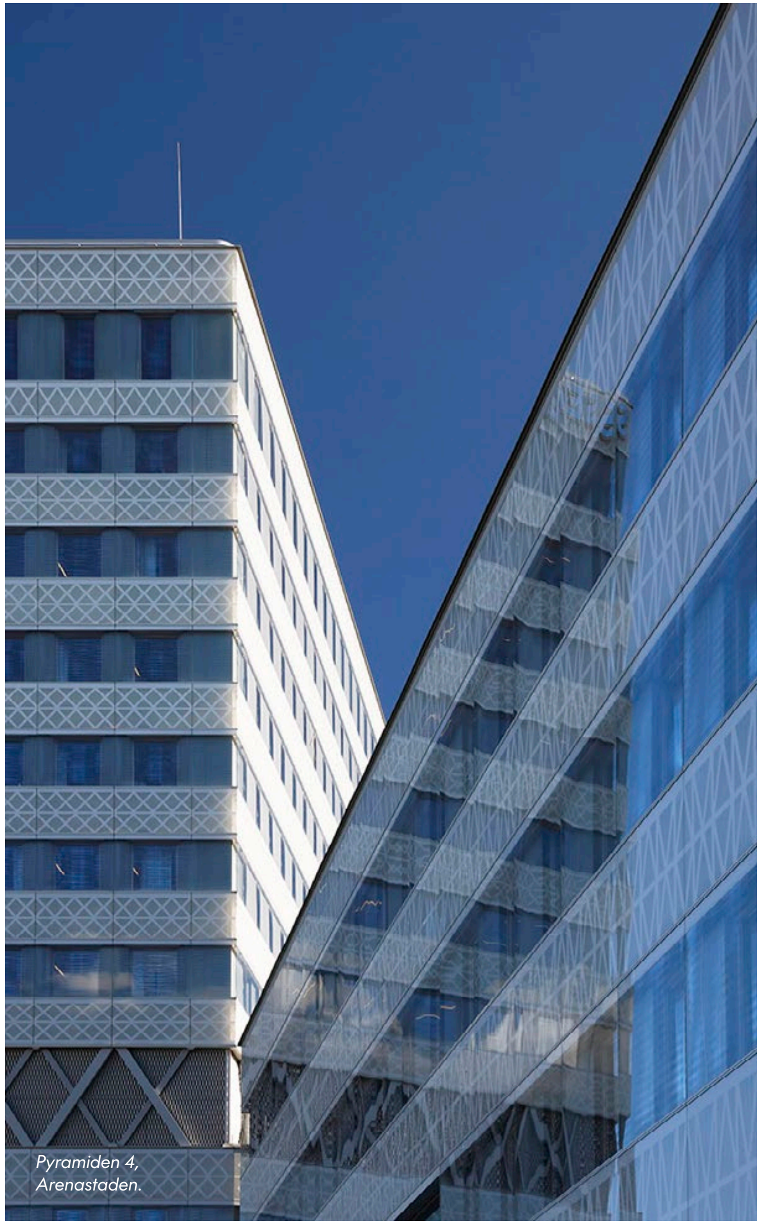
Property value by area



- Solna: 47%
- Inner city: 37%
- Hammarby Sjöstad: 10%
- Flemingsberg: 4%
- Other markets: 2%

Total return on the property portfolio, %





Pyramiden 4, Arenastaden.

Projects

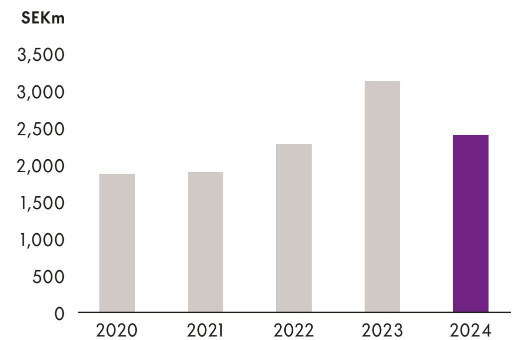
Ongoing projects > SEK 50m, 31/12/2024

Property listing	Category	Area	Completed	Lettable area, sqm	Occupancy rate, % space[1]	Rental value, SEKm[2]	Carrying amount, SEKm	Estimated investment, SEKm	Of which used, SEKm
Ackordet 1	Offices	Haga Norra	Q1 2025	27,000	66	101	1,688	1,441	1,126
Påsen 1	Offices	Hammarby Sjöstad	Q1 2025	11,500	62	42	791	486	406
Separatorn 1	Offices	Flemingsberg	Q2 2025	23,400	95	59	979	1,060	976
Nöten 4	Offices	Solna Strand	Q3 2025	66,000	100	157	2,265	1,196	632
Total				**127,900**	87	**359**	**5,723**	**4,183**	**3,140**
Other Land and project properties							1,946		
Other Improvement properties							7,174		
Total project, land and improvement properties							**14,843**		

[1] Operational occupancy rate at 31/12/2024.

[2] Rental value including supplements. The annual rent for the largest projects in progress could increase to SEK 357m (fully let) from SEK 50m in annualised current rent at 31 December 2024.

Investments



Development rights 31/12/2024

Commercial, sqm	Sqm GFA	Legal approval, %	Carrying amount, SEK/sqm
Stockholm inner city	32,400	57	14,200
Solna	336,000	52	8,800
Hammarby Sjöstad	49,000	75	5,400
Flemingsberg	268,900	6	4,700
Birger Bostad	–	–	–
Other	20,000	100	1,500
Total	**706,300**	**38**	**7,000**

Residential, sqm	Sqm GFA	Legal approval, %	Carrying amount, SEK/sqm
Stockholm inner city	7,800	100	28,900
Solna	188,400	55	10,700
Hammarby Sjöstad	24,600	17	14,800
Flemingsberg	264,500	0	5,100
Birger Bostad	88,000	88	6,200
Other	–	–	–
Total	**573,300**	**34**	**7,800**

Birger Bostad ongoing projects, 31/12/2024

Projects	Area	GFA, sqm	RFA, sqm	No. of residential units	Selling rate, %	Completed	Carrying amount, SEKm	Estimated investment, SEKm	Of which used, SEKm
Haga Norra rental apartments	Solna	3,227	2,338	78	–	Q4 2025			
Haga Norra owner-occupied apartments	Solna	3,124	2,246	50	60	Q4 2026			
Haga Norra tenant-owned apartments	Solna	14,516	11,263	160	11	Q2 2025 – Q3 2026			
Total Haga Norra		**20,867**	**15,847**	**288**			**550**	**867**	**341**
Total		**20,867**	**15,847**	**288**			**550**	**867**	**341**

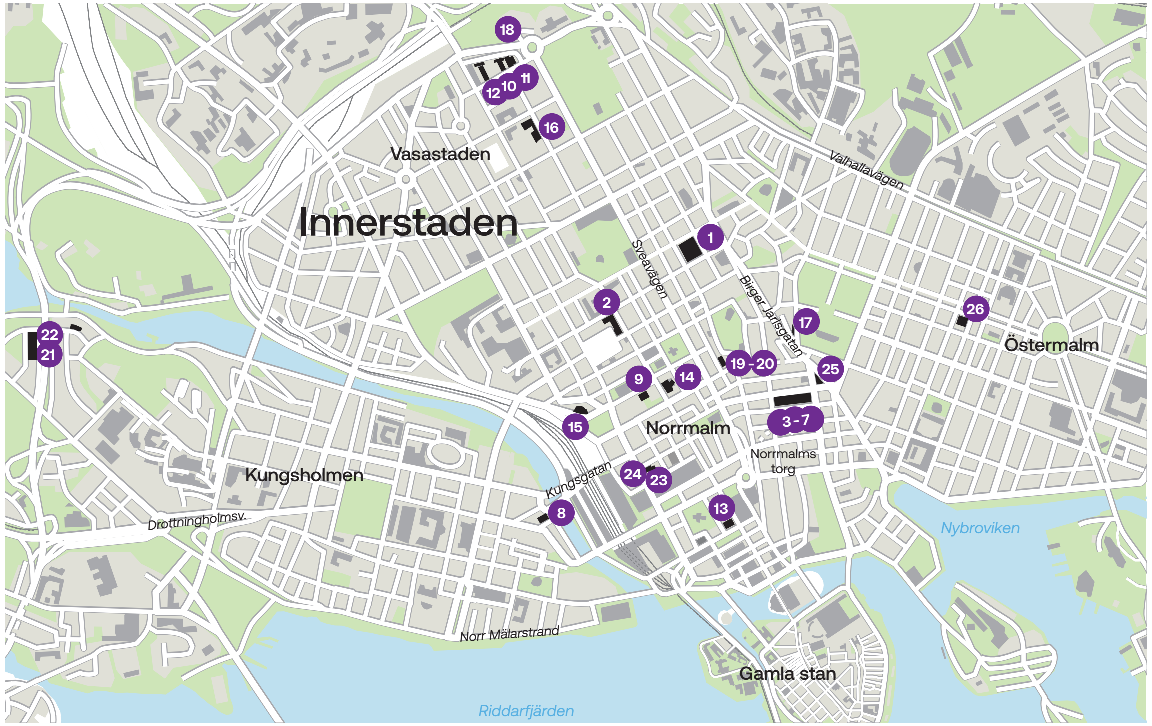
Property listings

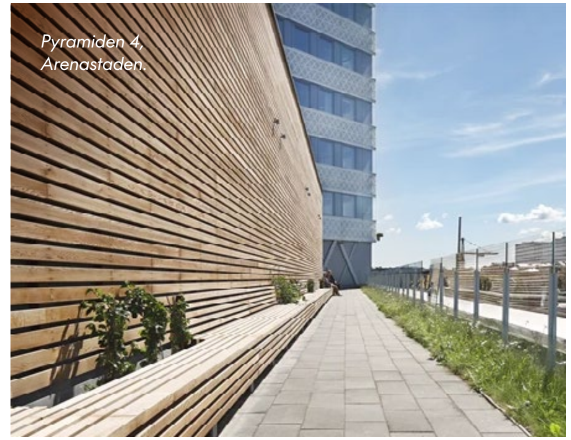
Stockholm inner city, 31 December 2024

	Property name	Area	Street address	Construction year	Office/sqm	Retail/sqm	Industrial + warehouse/sqm	Residential/sqm	Hotel/sqm	Parking + other/sqm	Total lettable area/sqm	Tax value SEK 000s, 31/12/2024
●	1 Apotekaren 22	Norrmalm	Döbelnsg 20, 24, Kungstensg 21–23, Rådmansg 40, 42, Tuleg 7 A–B 13	1902/2002	25,271	680	1,458	0	0	921	28,330	1,186,000
●	2 Barnhusväderkvarnen 36	Norrmalm	Rådmansg 61–65	1963	13,821	1,156	2,375	0	0	8,562	25,914	678,000
●	3 Bocken 35	Norrmalm	Lästmakarg 22–24	1951	14,389	282	194	0	0	0	14,865	1,298,000
●	4 Bocken 39	Norrmalm	Lästmakarg 20, Kungsg 7–15	1931	16,846	2,089	1,587	0	0	76	20,598	1,151,376
●	5 Bocken 46	Norrmalm	Regeringsgatan 56	1977	0	0	0	0	0	0	0	0
●	6 Bocken 47	Norrmalm	Lästmakarg 8	1929	531	665	0	0	0	0	1,196	67,000
	7 Bocken 52	Norrmalm	Lästmakarg 14–16		145	0	0	2,213	0	0	2,358	163,200
●	8 Drabanten 3	Kungsholmen	Kungsbroplan 3, etc.	1907	6,370	0	249	0	0	0	6,619	243,000
●	9 Fenix 1	Norrmalm	Barnhusgatan 3	1929	3,504	48	199	0	0	0	3,751	137,886
●	10 Getingen 13	Vasastan	Sveavägen 149	1963	11,106	839	2,902	0	0	2,415	17,261	409,000
●	11 Getingen 14	Vasastan	Sveavägen 143–147	1953	8,340	2,505	928	0	0	1,123	12,896	284,000
●	12 Getingen 15	Vasastan	Sveavägen 159	1963	13,407	2,502	4,552	0	0	5,001	25,462	434,000
●	13 Hägern Mindre 7	Normalm	Drottninggatan 27–29	1971	9,651	1,319	654	0	0	2,167	13,791	658,426
●	14 Islandet 3	Norrmalm	Holländargatan 11–13	1904	8,243	0	12	0	0	255	8,510	280,148
●	15 Läraren 13	Norrmalm	Torsgatan 4	1904/1929	6,883	0	1	0	0	0	6,884	292,000
●	16 Mimer 5	Vasastan	Hagagatan 25 A–C, Vanadisvägen 9	1957	11,749	0	18	0	0	5	11,772	0
●	17 Norrtälje 24	Norrmalm	Engelbrektsgatan 5–7	1881	6,342	0	221	0	0	561	7,124	423,000
●	18 Ormträsket 10	Vasastan	Sveavägen 166–170, 186	1962/1967	15,370	1,837	763	0	0	2,071	20,041	511,000
●	19 Oxen Mindre 33	Norrmalm	Luntmakarg 18	1979	6,694	0	295	0	0	3,284	10,273	352,000
	20 Oxen Mindre 38	Norrmalm	Malmskillnadsg 47 A, B	1979	122	0	0	2,822	0	3	2,947	158,094
●	21 Paradiset 23[1]	Stadshagen	Strandbergsg 53–57	1944	10,292	89	650	0	0	2,808	13,839	260,000
	22 Paradiset 27[1]	Stadshagen	Strandbergsg 59–65	1959	19,330	3,093	1,908	0	0	2,229	26,560	538,000
●	23 Pilen 27	Norrmalm	Bryggarg 12A	1907	1,865	0	192	0	0	0	2,057	124,160
●	24 Pilen 31	Norrmalm	Gamla Brog 27–29, Vasag 38	1988	4,610	598	218	0	3,542	584	9,552	601,000
●	25 Sparven 18	Östermalm	Birger Jarlsg 21–23, Kungsg 2	1929	1,626	948	49	0	6,026	0	8,649	550,000
●	26 Ynglingen 10[3]	Östermalm	Jungfrug 23, 27, Karlav 58–60	1929	7,075	1,252	400	2,401	0	526	11,654	449,000
	Total Stockholm inner city				**223,582**	**19,901**	**19,823**	**7,436**	**9,568**	**32,591**	**312,900**	**11,248,290**

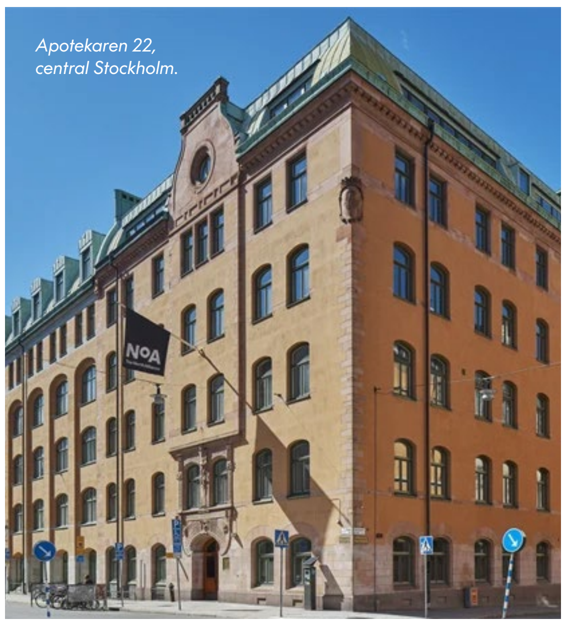
● Certified/Registered for certification.

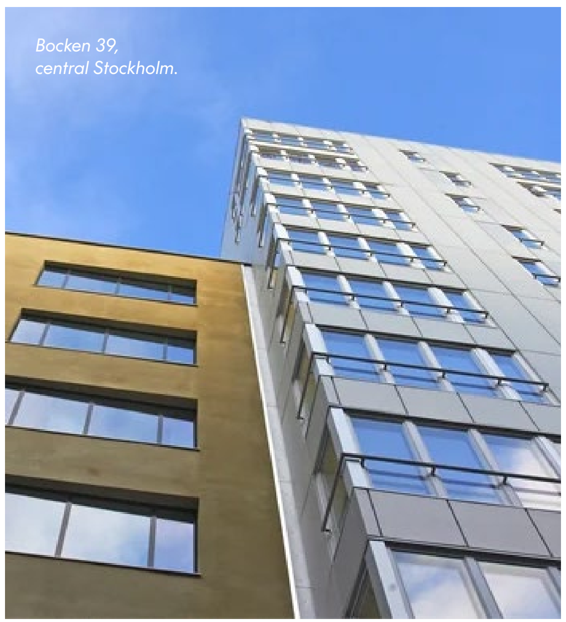
1) Improvement property
2) Land & project property
3) Disposed of and vacated 4 March 2025

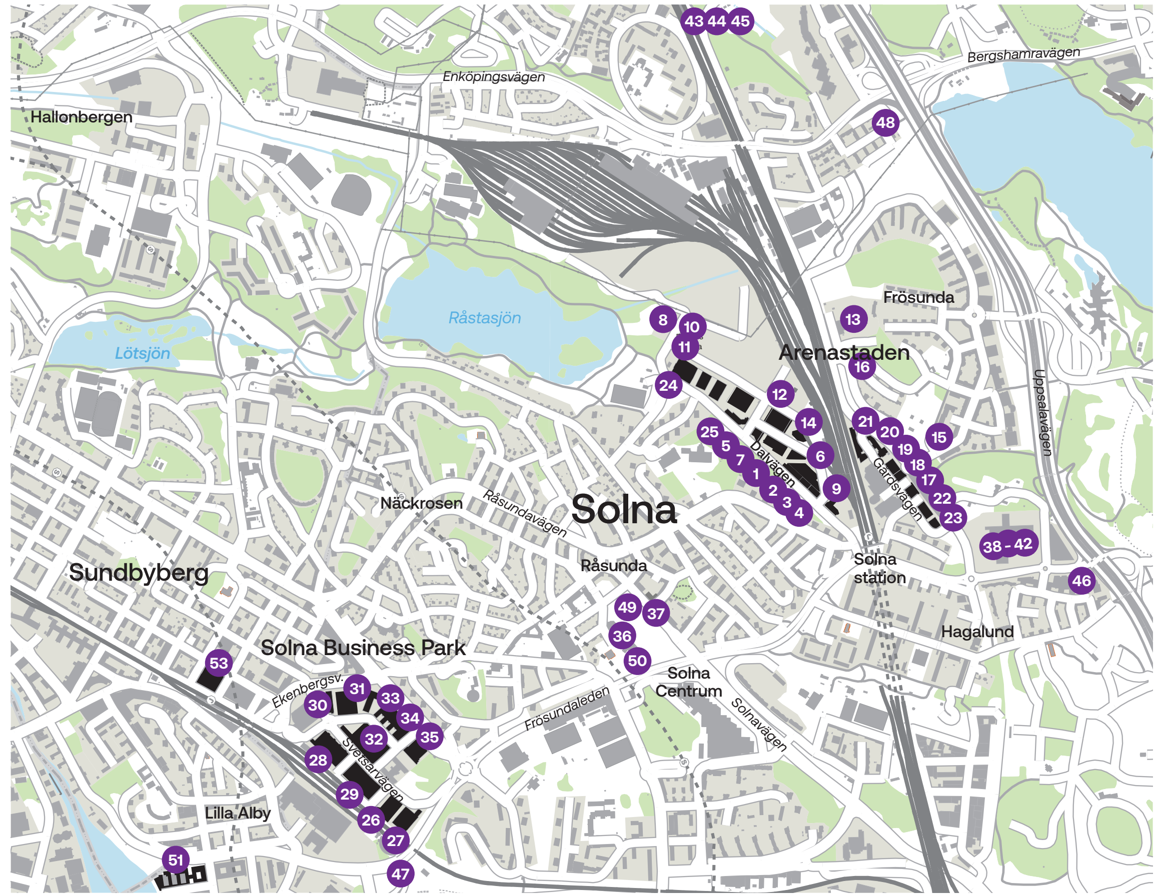



Pyramiden 4, Arenastaden.


Smeden 1, Solna Business Park.


Apotekaren 22, central Stockholm.


Bocken 39, central Stockholm.



Solna, 31 December 2024

Solna, Arenastaden

		Property name	Area	Street address	Construction year	Office/sqm	Retail/sqm	Industrial + warehouse/sqm	Residential/sqm	Hotel/sqm	Parking + other/sqm	Total lettable area/sqm	Tax value SEK 000s, 31/12/2024
	1	Farao 14[2)]	Arenastaden	Dalvägen 10, Pyramidvägen 7, 9	1967	0	0	0	0	0	0	0	76,330
	2	Farao 15[1)]	Arenastaden	Dalvägen 8, Pyramidvägen 5	1981	6,427	723	1,001	0	0	1,020	9,171	74,200
	3	Farao 16[1)]	Arenastaden	Dalvägen 4–6, Pyramidvägen 3	1973	2,792	1,297	1,722	0	0	0	5,811	47,041
	4	Farao 17[1)]	Arenastaden	Dalvägen 2, Pyramidvägen	1975	3,180	786	2,861	0	0	365	7,192	47,600
	5	Farao 19[2)]	Arenastaden	Magasinsvägen		0	0	0	0	0	0	0	0
●	6	Farao 20	Arenastaden	Pyramidvägen 7	1964	7,352	0	127	0	0	375	7,854	208,000
●	7	Farao 8	Arenastaden	Dalvägen 12, Pyramidvägen 11	2001	5,839	0	347	0	0	0	6,186	142,000
	8	Järva 3:7[2)]	Arenastaden	Evenemangsgatan		0	0	0	0	0	0	0	822
	9	Kairo 1[1)]	Arenastaden	Pyramidvägen 2	1983	10,741	0	0	0	0	0	10,741	84,200
●	10	Nationalarenan 3	Arenastaden	Evenemangsgatan 48		2,488	0	0	0	16,677	0	19,165	574,000
	11	Nationalarenan 5	Arenastaden	Evenemangsgatan 32	2013	0	0	0	0	0	25,500	25,500	74,000
●	12	Nationalarenan 8	Arenastaden	Stjärntorget 1, Råsta strandväg 15C, Evenemangsgatan 2C	2018	41,556	0	347	0	0	0	41,903	1,134,000
●	13	Poolen 1	Arenastaden	Kolonnvägen 24	2022	27,108	912	122	0	0	0	28,142	489,000
●	14	Pyramiden 4	Arenastaden	Stjärntorget 3–5, Pyramidvägen 4–22, Magasinsvägen 6–12, Råsta strandväg 5–9	2018	72,234	0	0	0	0	0	72,234	2,081,000
	15	Semaforen 1[2)]	Arenastaden	Gustav III:s boulevard		0	0	0	0	0	159	159	0
●	16	Signalen 3	Arenastaden	Kolonnvägen 22	2019	30,664	0	376	0	0	0	31,040	704,000
●	17	Stigbygeln 2	Arenastaden	Gårdsvägen 6	1955	7,646	95	326	0	0	349	8,416	163,000
●	18	Stigbygeln 3[2)]	Arenastaden	Gårdsvägen 8	1960	5,047	262	608	0	0	0	5,917	97,026
●	19	Stigbygeln 5	Arenastaden	Gårdsvägen 10 A, B	1963	6,794	0	50	0	0	570	7,414	143,000
●	20	Stigbygeln 6	Arenastaden	Gårdsvägen 12–18	2001	8,975	581	372	0	0	0	9,928	248,000
●	21	Tygeln 3	Arenastaden	Gårdsvägen 13–21	2001	2,437	0	0	0	0	5,290	7,727	131,599
	22	Tömmen 1[1)]	Arenastaden	Gårdsvägen 2–4	1952	3,083	0	1,320	0		2,630	7,033	27,543
	23	Tömmen 2	Arenastaden	Gårdsvägen 2		0	0	0	0	0	2,610	2,610	0
●	24	Uarda 1	Arenastaden	Dalvägen 30, Evenemangsgatan 27–31, Vintervägen 33	1987	22,681	1,248	480	0	0	30	24,439	655,000
●	25	Uarda 4[1)]	Arenastaden	Dalvägen 14–16	1992	6,539	0	1,333	0	0	0	7,872	143,198
		Total Solna, Arenastaden				**273,583**	**5,904**	**11,392**	**0**	**16,677**	**38,898**	**346,454**	**7,344,559**

● Certified/Registered for certification.

1) Improvement property.

2) Land & project property.

Solna Business Park

	Property name	Area	Street address	Construction year	Office/sqm	Retail/sqm	Industrial + warehouse/sqm	Residential/sqm	Hotel/sqm	Parking + other/sqm	Total lettable area/sqm	Tax value SEK 000s, 31/12/2024
	26 Fräsaren 9[1]	Solna Business Park	Svetsarvägen 22	1962	6,090	0	3,625	0	0	0	9,715	20,449
●	27 Fräsaren 10	Solna Business Park	Svetsarvägen 24	1964	7,245	4,241	138	0	0	9	11,633	191,000
●	28 Fräsaren 11	Solna Business Park	Englundavägen 2–4, Svetsarvägen 4–10	1962	32,450	255	923	0	1,840	3,014	38,482	672,000
●	29 Fräsaren 12	Solna Business Park	Svetsarvägen 12–18, 20, 20A	1964	19,369	10,163	1,053	0	0	6,840	37,425	652,000
	30 Sliparen 1[1]	Solna Business Park	Ekensbergsv 115, Svetsarv 1–3	1963	0	0	693	0	0	0	693	23,000
●	31 Sliparen 2	Solna Business Park	Ekensbergsv 113, Svetsarv 3–5	1964	17,306	344	547	0	0	3,315	21,512	261,287
●	32 Smeden 1	Solna Business Park	Englundav 6–14, Smidesv 5–7, Svetsarv 5–17	1967	34,540	3,959	1,818	467	0	3,809	44,593	728,447
●	33 Svetsaren 1	Solna Business Park	Englundavägen 7	1964	12,410	742	588	0	0	2,430	16,170	191,000
	34 Svetsaren 3[1]	Solna Business Park	Enlundavägen 9–13		15,014	329	2,470	436	2,491	3,660	24,400	293,997
	35 Yrket 3[1]	Solna Business Park	Smidesvägen 2–8	1982	2,456	0	3,356	0	0	1,470	7,282	39,000
	Total Solna Business Park				**146,880**	**20,033**	**15,210**	**903**	**4,331**	**24,547**	**211,904**	**3,072,180**

Solna, Haga Norra

	Property name	Area	Street address	Construction year	Office/sqm	Retail/sqm	Industrial + warehouse/sqm	Residential/sqm	Hotel/sqm	Parking + other/sqm	Total lettable area/sqm	Tax value SEK 000s, 31/12/2024
●	36 Ackordet 1[2]				18,165	1,056	859	0	0	564	20,644	368,040
	37 Ackordet 2[2]				0	0	0	0	0	0	0	181,300
	38 Kvarten 1[2]	Råsunda	Frösundaleden 4		0	0	0	0	0	0	0	366,165
	39 Kvinten 1[2]	Råsunda	Frösundaleden 4		0	0	0	0	0	0	0	485,548
	40 Tersen 1[2]	Råsunda	Frösundaleden 4		0	0	0	0	0	0	0	90,103
	41 Hagalund 2:16[2]	Haga Norra	Frösundaleden 4		0	0	0	0	0	0	0	0
●	42 Hagalund 2:11	Haga Norra	Kolonnvägen	2021	15,017	158	180	0	0	0	15,355	284,800
	Total Solna, Haga Norra				**33,182**	**1,214**	**1,039**	**0**	**0**	**564**	**35,999**	**1,775,956**

Other parts of Solna

	Property name	Area	Street address	Construction year	Office/sqm	Retail/sqm	Industrial + warehouse/sqm	Residential/sqm	Hotel/sqm	Parking + other/sqm	Total lettable area/sqm	Tax value SEK 000s, 31/12/2024
	43 Distansen 4[2]	Ulriksdal		2016	0	0	0	0	0	0	0	18,900
●	44 Distansen 6	Ulriksdal	Kolonnvägen 43–55	2016	10,500	542	0	0	0	0	11,042	162,200
	45 Distansen 7	Ulriksdal	Kolonnvägen 57–59	2016	0	0	0	0	0	9,810	9,810	41,762
●	46 Fortet 2	Arenastaden	Råsundavägen 1–3, Hagavägen 1	1958	0	0	0	0	7,533	15	7,548	76,000
●	47 Hörnan 1	Råsunda	Solnavägen 31–35, Garvis Carlssons gata 1–9	2018	15,970	458	32	0	0	0	16,460	487,000
●	48 Järvakrogen 3	Frösunda	Enköpingsvägen 1	2015	0	0	0	0	7,423	0	7,423	239,000
	49 Klacken 2 (50%)	Råsunda	Garvis Carlssons gata		0	0	0	0	0	0	0	14,000
	50 Lagern 2[2]	Råsunda	Solnavägen 37, Idrottsgatan 7	1985	0	0	0	0	0	0	0	0
●	51 Nöten 4[2]	Solna Strand	Solna strandväg 2–60	1971	48,903	956	2,320	0	0	0	52,179	979,000
	Total, Other parts of Solna				**75,374**	**1,956**	**2,352**	**0**	**14,956**	**9,825**	**104,463**	**2,017,862**
	Total Solna (Arenastaden + Solna Business Park + Haga Norra + Other)				**529,019**	**29,107**	**29,993**	**903**	**35,964**	**73,834**	**698,820**	**14,210,557**

● Certified/Registered for certification.

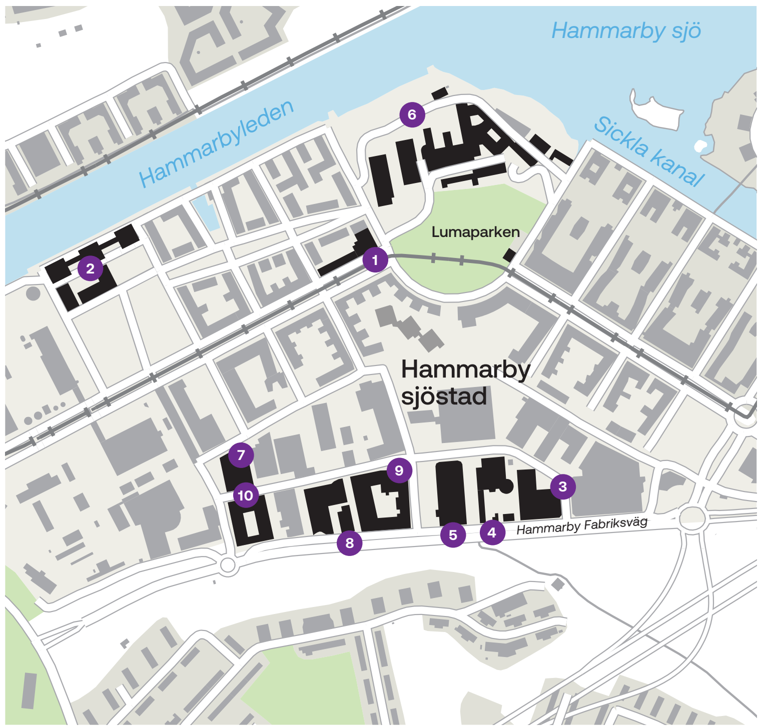
1) Improvement property.
2) Land & project property.

Hammarby Sjöstad, 31 December 2024

	Property name	Area	Street address	Construction year	Office/sqm	Retail/sqm	Industrial + warehouse/sqm	Residential/sqm	Hotel/sqm	Parking + other/sqm	Total lettable area/sqm	Tax value SEK 000s, 31/12/2024
●	1 Fartygstrafiken 2	Hammarby Sjöstad	Hammarby Allé 93	1955	6,695	1,840	165	0	0	9	8,709	191,000
●	2 Båtturen 2	Hammarby Sjöstad	Hammarby Kaj 12, Hammarby Kaj 14–18	1937	16,109	276	457	0	0	1,230	18,072	521,000
●	3 Korphoppet 1	Hammarby Sjöstad	Virkesvägen 24–26	1949	8,473	575	3,812	0	0	1,208	14,068	185,400
	4 Korphoppet 5[2]	Hammarby Sjöstad	Hammarby Fabriksväg 37–39	1968	0	0	0	0	0	0	0	8,400
●	5 Korphoppet 6	Hammarby Sjöstad	Hammarby Fabriksväg 33	1988	0	428	4,254	0	0	0	4,682	95,000
●	6 Luma 1	Hammarby Sjöstad	Ljusslingan 1–17, 2–26, Glödlampsgränd 1–6, Lumaparksv 2–18, 5–15, Kölnag 3	1930	30,102	2,394	1,318	691	0	3,848	38,353	605,696
●	7 Påsen 1[2]	Hammarby Sjöstad	Textilgatan 41–43		8,666	2,558	458	0	0	32	11,714	108,073
	8 Trikåfabriken 12[1]	Hammarby Sjöstad	Hammarby Fabriksväg 27, Virkesvägen 8–10	1942	4,693	891	4,291	0	0	978	10,853	158,504
●	9 Trikåfabriken 8[1]	Hammarby Sjöstad	Virkesvägen 12, Heliosgatan 1–3	1930	10,953	1,037	3,338	0	0	9	15,337	251,000
●	10 Trikåfabriken 9	Hammarby Sjöstad	Virkesvägen 2–4	1928	14,671	375	565	0	0	1,065	16,676	548,000
	Total, Hammarby Sjöstad				**100,362**	**10,374**	**18,658**	**691**	**0**	**8,379**	**138,464**	**2,672,073**

● Certified/Registered for certification.

[1] Improvement property.
[2] Land & project property.



Luma 1, Hammarby Sjöstad.

Flemingsberg, 31 December 2024

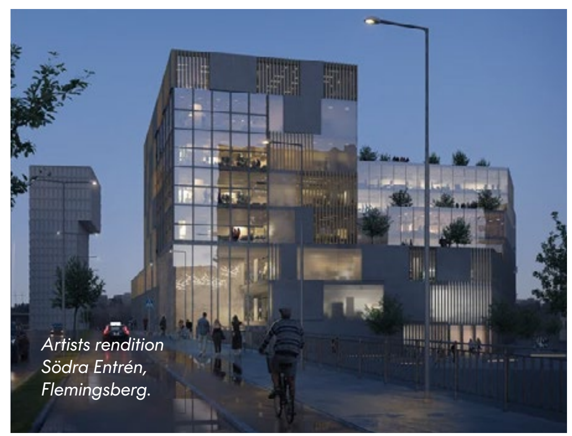
		Property name	Area	Street address	Construction year	Office/sqm	Retail/sqm	Industrial + warehouse/sqm	Residential/sqm	Hotel/sqm	Parking + other/sqm	Total lettable area/sqm	Tax value SEK 000s, 31/12/2024
	1	Anoden 4 [1]	Flemingsberg			0	0	1,000	0	0	0	1,000	12,314
	2	Batteriet 3 [1]	Flemingsberg	Regulatorvägen 15	1981	0	0	800	0	0	0	800	5,728
	3	Batteriet 4 [2]	Flemingsberg	Regulatorvägen 17		0	0	0	0	0	0	0	3,604
	4	Generatorn 10 [2]	Flemingsberg			0	0	0	0	0	0	0	0
	5	Generatorn 11 [2]	Flemingsberg	Björnkullavägen		0	0	0	0	0	0	0	0
	6	Regulatorn 3 [1]	Flemingsberg	Jonvägen 1, 3; Elektronvägen 2, 4, 6; Regulatorvägen 6, 8	1963	10,135	1,058	12,439	0	0	0	23,632	111,138
	7	Regulatorn 2 [1]	Flemingsberg	Elektronvägen 1		3,867	0	37,914	0	0	1,149	42,930	173,508
●	8	Regulatorn 4 [2]	Flemingsberg	Elektronvägen		11,775	0	0	0	0	0	11,775	13,500
●	9	Separatorn 1 [2]	Flemingsberg			0	0	0	0	0	0	0	29,369
		Total, Flemingsberg				**25,777**	**1,058**	**52,153**	**0**	**0**	**1,149**	**80,137**	**349,161**

Other, 31 December 2024

Sollentuna and Borås

		Property name	Area	Street address	Construction year	Office/sqm	Retail/sqm	Industrial + warehouse/sqm	Residential/sqm	Hotel/sqm	Parking + other/sqm	Total lettable area/sqm	Tax value SEK 000s, 31/12/2024
	1	Tekniken 1 [2]	Sollentuna			0	0	0	0	0	0	0	126
●	2	Kabelverket 2	Älvsjö	Glasfibergatan 6–14 and others	1996	19,254	485	2,075	0		11,663	33,477	251,000
●	3	Daggkåpan 2	Borås	Backadalsstigen 4 A–D, 6 A–F	2021	1,775	0	0	3,818	0	0	5,593	106,520
	4	Solrosen 16	Borås	Druveforsvägen 31	2021	0	0	0	1,283			1,283	36,600
		Total, Other				**21,029**	**485**	**2,075**	**5,101**	**0**	**11,663**	**40,353**	**394,246**

● Certified / Registered for certification.


Artists rendition Södra Entrén, Flemingsberg.

The property listings contain all properties in our ownership at 31 December 2024.

Unless otherwise stated, the property is classified as an investment property, meaning a property under regular and active management.

[1] Improvement property – Properties in which a conversion or extension is in progress or planned that has a significant impact on the property's net operating income. Net operating income is affected either directly by the project or by limitations on lettings prior to impending improvement work. Recently acquired properties (within one year) with work in progress to significantly improve the property's net operating income in relation to the date of acquisition.

[2] Land & project property – Land and development properties and properties in which a new build/complete redevelopment is in progress.

Five-year summary

	2024	2023	2022	2021	2020
Profit and loss accounts, SEKm					
Rental income	3,438	3,366	3,032	2,889	2,806
Gross earnings	2,532	2,528	2,161	2,176	2,112
of which gross earnings for Property Management – net operating income	2,553	2,524	2,240	2,185	2,112
of which gross earnings from residential development	–21	4	–79	–9	–
Realised changes in value/Gain from property sales	3	0	74	56	49
Unrealised changes in value, properties	–1,218	–7,831	–233	4,585	2,715
Profit/loss from Property Management	1,345	1,458	1,373	1,537	1,474
Profit/loss before tax	–89	–7,380	2,964	6,712	4,007
Profit/loss after tax	–213	–5,518	2,376	5,400	3,167
Balance sheet, SEKm					
Goodwill	205	205	205	205	–
Properties	78,904	78,093	86,348	83,257	76,648
Right-of-use asset	1,371	949	1,243	1,092	897
Other property, plant and equipment	34	30	25	22	15
Derivatives	702	925	1,689	121	20
Non-current financial assets	728	1,319	456	832	1,108
Project and developable properties	754	519	892	821	–
Other current assets	1,247	997	1,042	1,411	350
Short-term investments	100	98	96	96	108
Cash and cash equivalents	64	85	87	131	20
Equity	38,445	39,244	45,514	45,174	41,542
Deferred tax	8,424	8,305	10,195	9,603	8,288
Other provisions	175	158			
Interest-bearing liabilities	34,400	32,982	33,341	30,399	26,669
Lease liability	1,371	949	1,243	1,093	897
Derivatives	159	240	0	186	617
Non-interest-bearing liabilities	1,135	1,342	1,633	1,336	970
Total assets	84,109	83,220	92,083	87,988	79,166

	2024	2023	2022	2021	2020
Key performance indicators[1]					
Surplus ratio, %	74	75	74	76	75
Interest coverage ratio, multiple	2.5	2.5	3.4	4.1	4.3
Equity/assets ratio, %	46	47	49	51	52
Debt ratio, times	14.1	13.5	15.6	14.7	13.2
Debt/equity ratio, times	0.9	0.8	0.7	0.7	0.6
Loan-to-value ratio, properties, %	43	42	38	36	35
Return on equity, %	–0.5	–13.0	5.2	12.5	7.8
Average interest rate on interest-bearing liabilities, %	2.98	3.13	2.31	1.62	1.67
Total return on properties	1.7	–6.2	2.4	8.7	6.6
Property acquisitions and investments in existing properties, SEKm	2,376	3,101	3,325	2,626	1,854
Property sales, selling price, SEKm	–	3,859	–	–	3,541
Average no. of employees	209	217	206	196	180
Data per share, SEK[1]					
Earnings	–0.89	–17.54	7.49	16.73	9.65
Equity	122	125	145	141	127
Cash flow from operating activities	5.20	4.99	6.29	4.7	4.11
Dividend[2]	2.00	1.80	2.40	4.00	3.60
Yield, %	2.4	1.7	2.7	2.6	2.8
Share price at year-end[3]	82.9	108.2	88.7	151.6	129.4
No. of shares outstanding at year-end before dilution, million	314.6	314.6	314.6	321.3	326.2
No. of shares outstanding at year-end after dilution, million	314.6	314.6	314.6	321.3	326.2

[1] KPIs based on the average number of shares, shareholders' equity, capital employed and interest-bearing liabilities have been calculated on a weighted average basis. Adjustment following 2:1 share split.

[2] The 2024 cash dividend according to proposal is to be paid quarterly on four occasions at SEK 0.50 per share on each occasion.

[3] Last paid.

Reconciliation of KPIs

The key performance indicators that are not according to ESMA are industry-specific KPIs and those of interest to analysts, stakeholders and investors.

	2024	2023
Return on equity		
Profit/loss for the period, SEKm	–213	–5,518
Average capital, SEKm	38,845	42,379
Return on equity, %	**–0.5**	**–13.0**
Equity/assets ratio		
Shareholders' equity, SEKm	38,445	39,244
Total assets, SEKm	84,109	83,220
Equity/assets ratio, %	**46**	**47**
Loan-to-value ratio, properties		
Interest-bearing liabilities, SEKm	34,400	32,982
Carrying amount, properties, SEKm	78,904	78,093
Carrying amount project & developable properties	754	519
Loan-to-value ratio, properties, %	**43**	**42**
Debt ratio		
Gross earnings, SEKm	2,532	2,528
Reversal of impairment losses, projects and developable properties	–	6
Central administration, SEKm	–93	–97
Total, SEKm	**2,439**	**2,437**
Interest-bearing liabilities, SEKm	34,400	32,982
Debt ratio, times	**14.1**	**13.5**
Interest coverage ratio		
Gross earnings, SEKm	2,532	2,528
Reversal of impairment losses, projects and developable properties	–	6
Ground rent, SEKm	–41	–45
Central administration, SEKm	–93	–97
Total, SEKm	**2,398**	**2,392**
Net interest expense, SEKm	–962	–962
Interest coverage ratio, multiple	**2.5**	**2.5**
Debt/equity ratio		
Interest-bearing liabilities, SEKm	34,400	32,982
Equity, SEKm	38,445	39,244
Debt/equity ratio, times	**0.9**	**0.8**

	2024	2023
Total return on properties		
Net operating income, SEKm	2,553	2,524
Realised and unrealised changes in value, properties, SEKm	–1,218	–7,831
Market value incl. investments for the period, SEKm	80,118	85,924
Total return on properties, %	**1.7**	**–6.2**

	2024	2023
Equity per share		
Shareholders' equity, SEKm	38,445	39,244
No. of shares outstanding at end of period, millions	315	315
Equity, SEK per share	**122**	125

	2024	2023
Cash flow per share		
Cash flow from operating activities, SEKm	1,635	1,570
Average number of shares, millions	315	315
Cash flow, SEK per share	**5.2**	**5,0**

	2024	2023
Yield, %		
Dividend per share for the year	2.0	1.8
Share price at year-end	82.80	108.2
	2.4	**1.7**

Financial targets

The following financial targets have been established by the Board of Directors:

- The equity/assets ratio shall be at least 35 per cent
- The loan-to-value ratio is not to exceed 50 per cent
- The debt ratio shall be a maximum of 13
- The interest coverage ratio is to be at least 2.2

EPRA key performance indicators

EPRA key performance indicators

	2024	2023
EPRA Earnings (prof. from prop. man. after tax paid), SEKm	1,227	1,314
EPRA Earnings (EPS), SEK/share	3.90	4.18
EPRA NRV (net reinstatement value), SEKm	46,468	47,052
EPRA NRV, SEK/share	148	150
EPRA NTA (net tangible assets), SEKm	43,514	44,177
EPRA NTA, SEK/share	138	140
EPRA NDV (net disposal value), SEKm	38,382	39,228
EPRA NDV, SEK/share	122	125
EPRA Vacancy rate, %	12	9
EPRA Rental income change like-for-like, %	5	11
EPRA investments	2,376	3,179

Reconciliation of KPIs

	2024	2023
EPRA EPS		
Profit/loss from Property Management, SEKm	1,345	1,458
Deduction for tax depreciations, SEKm	–770	–758
Total, SEKm	**575**	**700**
Nominal tax, SEKm	118	144
Total EPRA profit/loss (earnings from property management less nominal tax), SEKm	**1,227**	**1,314**
Number of shares, million	314.6	314.6
EPRA EPS, SEK/share	**3.90**	**4.18**
EPRA NRV, EPRA NTA & EPRA NDV		
Shareholders' equity, SEKm	38,445	39,244
Reversal of approved, unpaid dividends, SEKm	142	189
Reversal of fixed-income derivatives, SEKm	–543	–686
Reversal of deferred tax	8,424	8,305
according to the balance sheet, SEKm		
EPRA NRV (net reinstatement value), SEKm	46,468	47,052
Number of shares, million	314.6	314.6
EPRA NRV (net reinstatement value), SEK/share	**148**	**150**
Reversal of goodwill according to balance sheet, SEKm	–205	–205
Deduction of actual deferred tax, SEKm	–2,749	–2,670
EPRA NTA (net tangible assets), SEKm	**43,514**	**44,177**
Number of shares, million	314.6	314.6
EPRA NTA (net tangible assets), SEK/share	**138**	**140**
Deduction of fixed-income derivatives	543	686
Deduction of deferred tax according to balance sheet after adjustment of estimated actual deferred tax, SEKm	–5,675	–5,634
EPRA NDV (net disposal value), SEKm	38,382	39,229
Number of shares, million	314.6	314.6
EPRA NDV (net disposal value), SEK/share	**122**	**125**
EPRA vacancy rate		
Estimated market value for vacant rents, SEKm	445	318
Annual rental value, entire portfolio	3,587	3,406
EPRA Vacancy rate, %	**12**	**9**
EPRA Rental growth in identical portfolio		
Change, %	4.5	11.0
Change, SEKm	139	322
Rental income, identical portfolio, current period, SEKm	3,196	3,203
Rental income, identical portfolio, previous period, SEKm	3,057	2,881
EPRA investments		
Acquisitions, SEKm	0	78
Investment in development and project properties, SEKm	1,606	2,094
Investment in investment properties, SEKm	770	1,007
of which capitalised interest	93	63
Total EPRA investments	**2,376**	**3,179**

Definitions

We present certain financial performance measures in the Annual Report that are not defined according to IFRS. The company believes that these measures, which are more specific to the industry sector, 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 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 change 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.

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

EPRA NDV – NET DISPOSAL VALUE
Equity according to the balance sheet with reversal of goodwill according to the balance sheet. Reversal of approved, unpaid dividends.

EPRA NDV PER SHARE
EPRA NDV divided by the number of shares at the end of the period.

EPRA NRV – NET REINSTATEMENT VALUE
Shareholders' equity according to the balance sheet following the reversal of fixed-income derivatives and deferred tax according to the balance sheet. Reversal of approved, unpaid dividends.

EPRA NRV PER SHARE
EPRA NRV divided by the number of shares at the end of the period

EPRA NTA – NET TANGIBLE ASSETS
Shareholders' equity according to the balance sheet following the reversal of fixed-income derivatives, goodwill and deferred tax according to the balance sheet. Adjusted for actual deferred tax instead of nominal deferred tax. Reversal of approved, unpaid dividends.

EPRA NTA PER SHARE
EPRA NTA divided by the number of shares at the end of the period.

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

EPRA Rental income change like-for-like portfolio
The difference between rental income like-for-like portfolio in the current period and rental income like-for-like portfolio in the previous period divided by rental income like-for-like portfolio in the previous period.

[1] This KPI is operational and is not regarded as an alternative performance measure according to ESMA's guidelines.

Definitions cont.

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 at the end of the period.

Exploraion property[1)]
Properties held for the purpose of developing and disposing of housing, including rental and tenant-owner apartments and public-services property.

Financial occupancy rate [1)]
Lease value divided by rental value at the end of the period.

Improvement property[1)]
Properties for which a redevelopment or extension is in progress or planned that has a significant impact on the property's net operating income. Net operating income is affected by limitations on lettings prior to imminent development work.

Interest coverage ratio
Gross earnings less central administration in relation to net interest items (interest expenses less interest income).

Land and project properties[1)]
Land and developable properties and properties in which a new build/complete redevelopment is in progress.

Lease value [1)]
Stated as an annual value. Index-adjusted basic rent under leases plus rent supplements.

Like-for-like portfolio[1)]
The properties owned by Fabege throughout the financial period and during the corresponding financial period in the previous year.

Loan-to-value ratio, properties
Interest-bearing liabilities divided by the carrying amount of the properties at the end of the period.

Managment property[1)]
Properties that are being actively managed on an ongoing basis.

Net lettings [1)]
New lettings during the period less leases terminated due to departure.

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

Rental value[1)]
Lease value plus estimated annual rent for vacant premises after a reasonable general renovation.

Retention rate[1)]
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[1)]
The change in the value of project and development properties, divided by the capital invested (excluding the initial value) in project and improvement properties during the period.

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

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.

Surplus ratio [1)]
Net operating income divided by rental income.

1) This KPI is operational and is not regarded as an alternative performance measure according to ESMA's guidelines.

Shareholder and contact information

2025 Annual General Meeting
The general meeting will be held at Scenen Konferens, Englundavägen 5B, Solna, on Wednesday 23 April 2025 at 3 pm. Registration for the AGM begins at 2.15 pm CET. The meeting will be held live online and shareholders will be able to ask questions digitally via a chat function. Advance postal voting is available.

Registration
Shareholders wishing to participate in the AGM must firstly be registered as a shareholder in the share register maintained by Euroclear Sweden AB (formerly VPC AB) on Friday 11 April 2025, and secondly notify the company of their intention to participate, stating the names of any advisors they wish to invite, by no later than 4 pm CET on Tuesday 15 April 2025.

Notification of participation at the Annual General Meeting:

By post:
Fabege AB (publ),
"Fabeges Årsstämma"
c/o Euroclear Sweden AB,
Box 191, SE-101 23 Stockholm

By telephone: +46 (0)8 402 90 68

By email:
generalmeetingservice@euroclear.com

Via Euroclear's website:
anmalan.vpc.se/euroclearproxy

When registering, shareholders must state their name, personal ID or corporate registration number, address and telephone number, shareholding and the names of any advisors. Shareholders whose shares are held in the name of a trustee must temporarily reregister the shares in their own name at Euroclear Sweden AB to be entitled to participate in the AGM. Such re-registration must be completed no later than Friday 11 April 2025. For this to be possible, the shareholder must make such a request to their trustee well in advance of this date. If participation is to be based on a power of attorney, such a document, together with a registration certificate or another document proving authorisation to vote, must be submitted in connection with registration.

Postal voting
To vote by post, a special form must be used. The form is available on our website, www.fabege.com/agm. Further information regarding the voting procedure is available on the website. Postal votes must have been received by Euroclear Sweden AB by no later than 15 April 2025.

Postal voting is to some extent subject to the same rules as for in-person attendance. These rules require shareholders, firstly to be registered in the company's share register, and secondly to notify their intention to attend the meeting, and, if the shares are registered in the name of a trustee to have ensured that the shares are re-registered in their own name by no later than the date indicated above.

In the case of postal voting, shareholders may not attach special instructions or conditions to their postal vote. If any such are attached, the vote will be declared null and void.

In the case of postal voting via a representative, the shareholder must issue a written and dated power of attorney for the representative. If the shareholder is a legal entity, an appropriate registration certificate or other documents proving authorisation to vote must be submitted in connection with registration for postal voting.

Information for shareholders
We publish our Annual Report and interim reports in Swedish and English. All publications are available as PDF files on our website, fabege.se/en.

We send annual reports by post to shareholders that have requested this. All financial reports and press releases are available in Swedish and English on our website.

Information is also provided via a subscription service on our website. Our website also provides current information about our share price. In addition, we provide quarterly presentations in connection with each interim report.

Calendar 2025

2025 Annual General Meeting	23 April 2025
Interim Report Jan–Mar 2025	14 April 2025
Interim Report Jan–June 2025	7 July 2025
Interim Report Jan–Sep 2025	21 October 2025

Fabege AB

Street address
Gårdsvägen 6, 7tr
SE-169 70 Solna

Postal address
Box 730,
SE-169 27 Solna

Telephone reception:
+46 (0)8 555 148 00

Contact information

Åsa Bergström
CFO
+46 (0)8 555 148 40
asa.bergstrom@fabege.se

Peter Kangert
IR Manager
+46 (0)8 555 148 40
peter.kangert@fabege.se

Mia Häggström
Head of Sustainability
+46 (0)8 555 148 00
mia.haggstrom@fabege.se

Produced in cooperation with Sthlm Kommunikation & IR AB
Published: 17 March 2025