

Sveafastigheter AB (publ)

Sveafastigheter AB (publ)'s (Svea) ratings and the Rating Watch Positive (RWP) reflect Svea's announced plans to merge with KlaraBo Sverige AB (publ) in an all-equity transaction. KlaraBo's SEK17.6 billion Swedish residential-for-rent portfolio complements Svea's properties. The combined portfolio will have wider diversification within Sweden, a larger scale and a larger share of older properties with affordable rents and upgrade potential. Svea intends to issue long-term unsecured bonds and extend its secured debt maturity.

Fitch Ratings may resolve the RWP with an upgrade to 'BBB' once Svea completes the merger with KlaraBo and makes further progress in extending its average debt maturity to four years. We expect Svea's financial profile to remain robust following the merger, given the all-equity transaction and the resultant higher share of income-producing properties. The resolution of the RWP could take more than six months.

Key Rating Drivers

Synergies from Larger Swedish Portfolio: The combined SEK47 billion residential-for-rent portfolio (EUR4.3 billion) will remain focused on growing Swedish cities with high tenant demand, albeit with a higher share of assets outside the largest cities. The portfolio will remain exposed to a single country and Sweden's regulatory environment. We expect cost savings primarily in the central administration. Fitch expects the integration of KlaraBo to benefit from Svea's experience in already managing SBB - Samhällsbyggnadsbolaget i Norden AB's (CCC) recently owned SEK6.8 billion portfolio, which KlaraBo will acquire in connection with the merger, and some of KlaraBo's own assets.

Portfolio Comparison: KlaraBo's total SEK17.6 billion portfolio is more regional than that of Svea, with no exposure to the greater Stockholm area and higher exposure to smaller cities. About 60% by value is in cities with populations below 50,000, compared with around a quarter for Svea before the merger. At least half of the cities in the target portfolio have seen population growth in recent years.

The geographic profile, together with KlaraBo's higher share of older properties with affordable rents, is reflected in lower rent and value per square metre (sq m). This reduces the portfolio's average rent per sq m by 5% and value per sq m by 10% after the merger.

Affordable Rents with Upgrade Potential: With 73% of KlaraBo's apartments not yet upgraded (Svea: 60%), the merger increases the scope for renovations that could support larger rental uplifts. In Sweden, in negotiations with the Tenants' Unions, annual rent increases track CPI, while further uplifts linked to upgrade capex are usually achieved on tenant turnover.

All-Equity Transaction: KlaraBo's shareholders will receive newly issued shares in Svea as payment in this all-equity deal priced at net asset value. The merger is subject to approval from the two parties' respective shareholders. The extraordinary general meetings are expected to be held in June 2026. Svea's shareholder, SBB, is also a shareholder in KlaraBo with a 14.4% stake at the time of the announcement. This stake is increased through the portfolio disposal to KlaraBo linked to the merger. Following the merger, Svea plans to revise its dividend policy and instead partly fund its property development pipeline using proceeds from disposals of completed projects.

Post-Merger Shareholders: SBB will remain Svea's largest shareholder following the merger, with a 58% stake (1Q26: 62%), and Aker ASA will hold 5% (7.5%). Svea's existing ringfencing provisions will remain in place, including its limitation of SBB's board representation; the requirement to have a majority of independent board members to make restricted payments (including dividends); and stricter incurrence financial covenants (loan-to-value below 55%, interest cover above 1.5x) compared with standard bond covenants (loan-to-value below 60%-65%). These provisions are included in Svea's EMTN and MTN programme documentation.

Extending Debt Maturities: Svea plans to issue long-dated unsecured bonds and extend its secured debt, lengthening its short average debt maturity to four years (1Q26: 2.7 years). This will reduce its debt maturity concentration and refinancing risk. Svea made progress in 1Q26 by reducing its 2027 maturities with the issue of a EUR300 million unsecured bond to refinance legacy bonds. Remaining 2027 debt maturities (1Q26: 46% of debt, 2025: 71%) comprise secured bank loans. Extension of Svea's remaining 2027 debt is in progress.

High Rental Growth: Svea has achieved high like-for-like rental growth (1Q26: 4.9%; 2025: 4.8%), driven by phased growth from previous years' high inflation and by reducing vacancy (1Q26: 4.5%; 2025: 4.7%; 2024: 5.4%). Svea's rental growth is boosted by apartment upgrades and energy projects investments that provide attractive yield-on-costs (above 6% and 10%, respectively). We see further growth in 2026, as yearly rent negotiations with tenant unions are settled at an average increase of 3.4% and vacancy has improved. Fitch expects lower rental growth in 2027, assuming inflation rates remain lower than in past years (March 2026: 0.5%).

Further Leverage Reduction: Fitch forecasts the enlarged group's net debt/EBITDA to reduce to 14.4x in 2026 (2025: 15.7x) and to 13.3x by 2028, supported by the merger's non-cash consideration, planned asset disposals to fund capex, resultant rental growth and CPI indexation. Fitch forecasts rental growth to keep EBITDA net interest coverage broadly in line with 2025's 1.9x, despite refinancing lower-coupon legacy debt at higher costs. The ex-SBB Residential Property AB portfolio that KlaraBo brings to the merger does not include the SEK2.4 billion high-coupon preference shares that were in place before KlaraBo acquired the portfolio from SBB.

Sveafastigheter AB Property Portfolio at End-2026PF

Asset class	Residential-for-Rent
Geography (by fair value)	Sweden: 100%
Portfolio size	SEK47bn
Number of units	26,500
Gross leasable area	1.9 million sq m (including ground floor commercial)
Occupancy	95% (including ground floor commercial)
Net initial yield (NIY)	4.3%

PF = pro forma
 Source: Fitch Ratings, Sveafastigheter AB (publ)

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Net debt/EBITDA above 21.0x (2026 Fitch rating case: 14.4x)
- EBITDA net interest cover below 1.5x (2026: 1.9x)
- Weighted average debt maturity under three years (1Q26: 2.7 years)
- A 12-month liquidity score below 1.2x
- Loosening in financial policy linked to increased shareholder distributions

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Weighted-average debt maturity above four years, with well-spread maturities
- Net debt/EBITDA below 17.0x
- EBITDA net interest cover above 1.7x
- For the senior unsecured debt rating (rated above the IDR): secured debt/total debt below 20% (1Q26: 55%), while maintaining unencumbered investment property/unsecured debt cover above 2.0x (1Q26: 2.0x)

Financial Summary

(SEKm)	2023	2024	2025	2026F	2027F	2028F
Gross revenue	1,126	1,361	1,536	2,833	2,930	3,057
EBITDA after associates and minorities	501	597	778	1,463	1,528	1,595
EBITDA margin (%)	44.5	43.9	50.7	51.6	52.2	52.2
EBITDA net interest coverage (x)	1.1	1.2	2.0	1.9	1.8	1.8
EBITDA net debt/EBITDA (x)	32.8	19.8	15.7	14.4	13.7	13.3

Source: Fitch Ratings, Fitch Solutions

Corporate Rating Tool Inputs and Scores

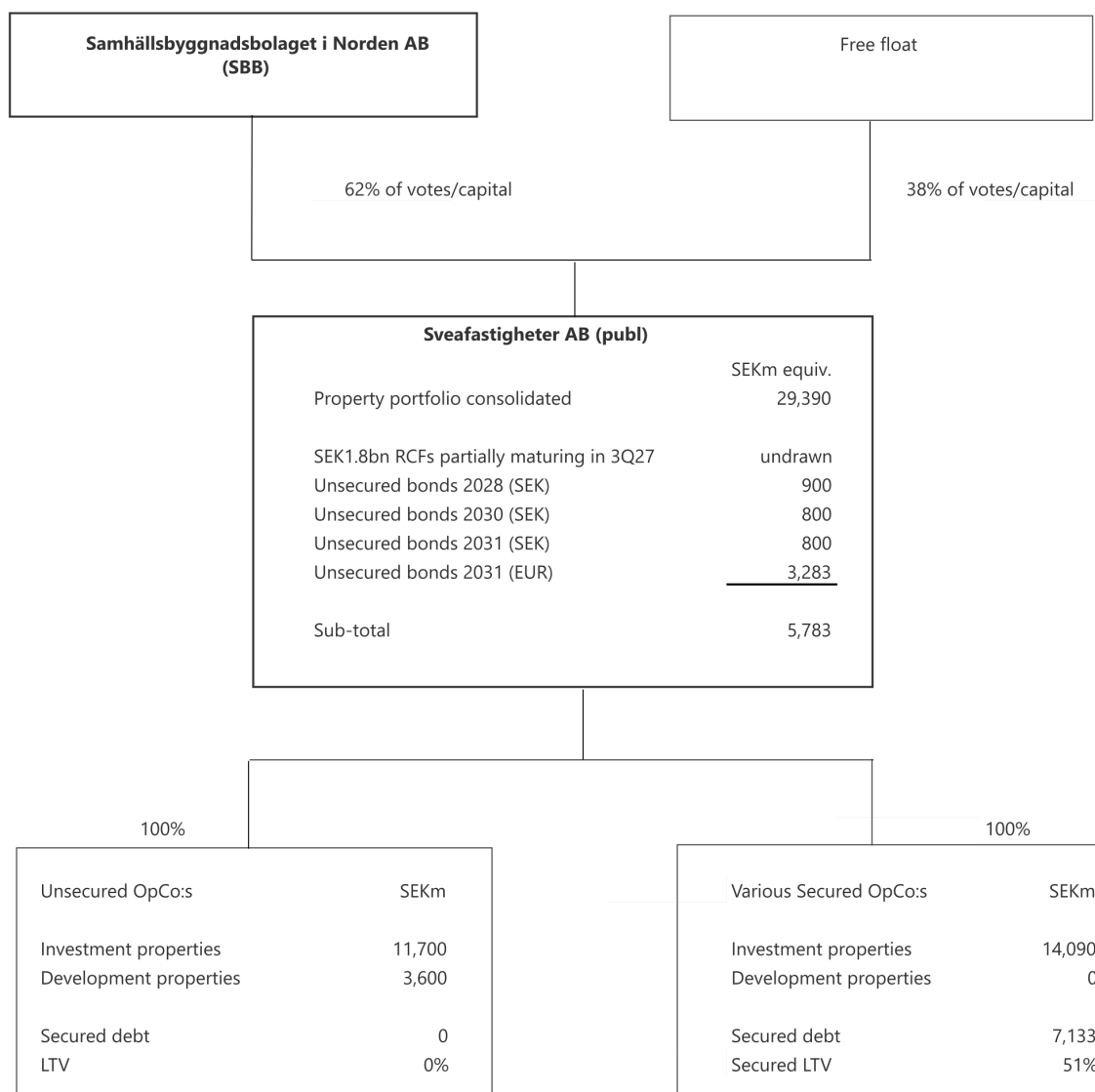
Fitch Scored the Issuer as Follows, using our Corporate Rating Tool (CRT) to Produce the Standalone Credit Profile (SCP):

- Business and financial profile factors (assessment, relative importance): management (bbb, Lower), access to capital (bbb, Moderate), liability profile (bb, Higher), property portfolio (bbb+, Higher), rental income risk profile (a-, Moderate), profitability (bbb+, Lower), financial structure (bbb+, Moderate), and financial flexibility (bbb, Moderate).
- Assessments of the quantitative financial subfactors include bespoke calculations.
- The governance assessment of 'good' results in no adjustment.
- The operating environment assessment of 'aa' results in no adjustment.
- The SCP is 'bbb-'.

To Derive the Long-Term IDR:

- Application of Fitch's Parent and Subsidiary Linkage Rating Criteria results in a standalone approach.

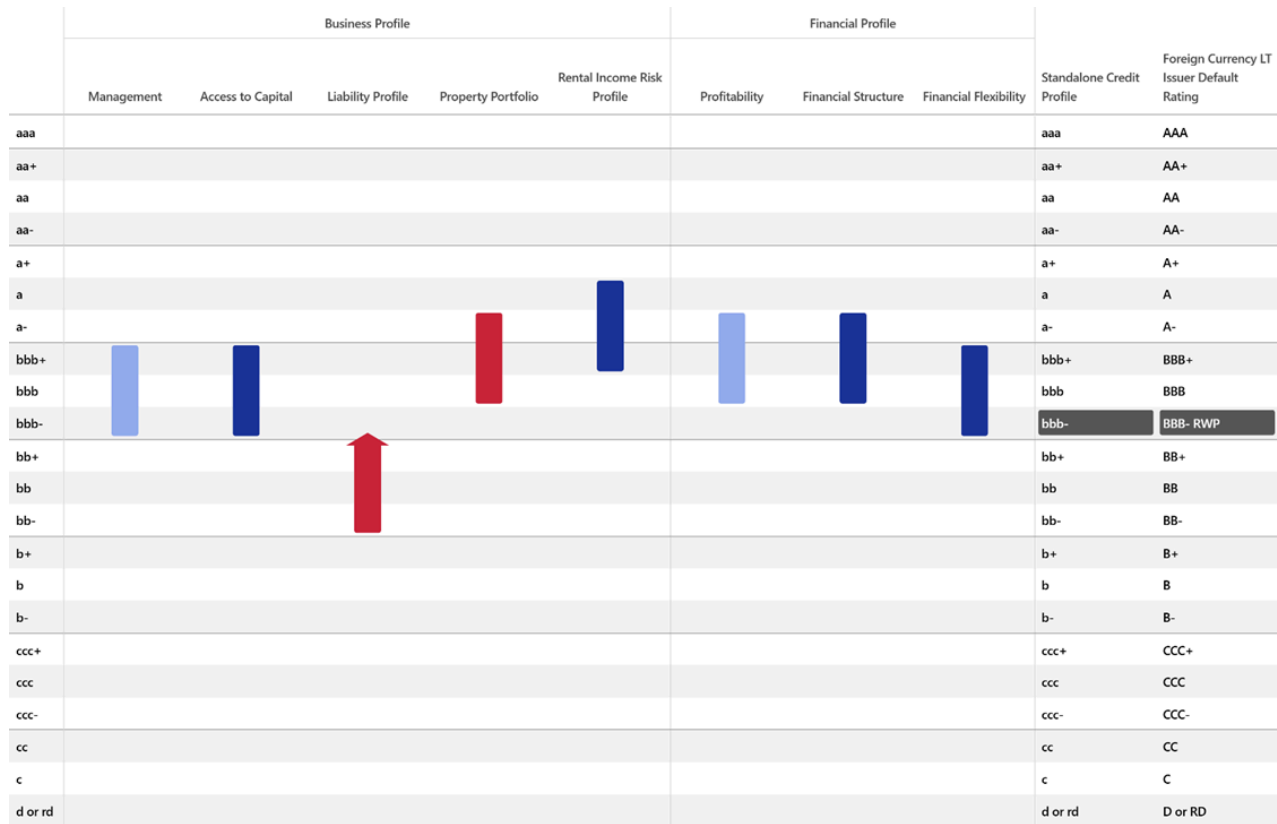
Simplified Group Structure Diagram



Source: Fitch Ratings, Fitch Solutions, Sveafastigheter AB (publ). As at end-1Q26.

Ratings Navigator

EMEA Real Estate and Property



Factor Outlook: Stable (grey square), Evolving (grey diamond), Positive (grey triangle up), Negative (grey triangle down)
 Relative Importance: Lower (light blue square), Moderate (dark blue square), Higher (red square)

Additional Adjustments to the Standalone Credit Profile

	Assessment	Impact
Weakest link considerations	Not applied	0
Additional sector considerations	Not applied	0
B+ to CC considerations	Not applied	0
Governance	Good	0
Operating environment	aa	0
Other risk elements	Not applied	0
Calibration	Not applied	0
Standalone Credit Profile		bbb-
Parent subsidiary linkage	Not applied	—
Government related entities	Not applied	—
Other criteria considerations	Not applied	0
Country ceiling considerations	Not applied	0

Factor/Subfactor	Score/Outlook/Importance	Description
Management	bbb/stable/lower	
Risk tolerance	bbb/moderate	Management committed to conservative risk profile. Only modest/short-term deviations from strategy allowed.
Management strategy	bbb/moderate	Good track record of implementing coherent and stable strategy.
Management quality	bbb/moderate	Experienced management or proven track record. Management composition is broadly stable. No evidence of material risk management weaknesses.

Factor/Subfactor	Score/Outlook/Importance	Description
Access to capital	bbb/stable/moderate	
Sources of capital	bbb/moderate	Solid access to all common and preferred equity, unsecured bonds/bank debt, secured debt, and/or joint ventures.
Unencumbered asset pool	bbb/moderate	Leveragable unencumbered pool with limited adverse selection.
Scale — assets	bbb+/moderate	Rent-yielding property assets of at least EUR1.5bn.

Factor/Subfactor	Score/Outlook/Importance	Description
Liability profile	bb/positive/higher	
Debt maturity profile	bb/moderate	Average debt tenor above three years. No year represents more than 25% of total debt.
Interest rate hedging profile	bb/moderate	Fixed or hedged debt above 50% of total debt (recent period-end measured) with average interest rate maturity above three years. However, no clear hedging policy or lack of record.

Factor/Subfactor	Score/Outlook/Importance	Description
Property portfolio	bbb+/stable/higher	
Portfolio liquidity and ability to leverage assets	a/moderate	Good institutional appetite (buyers/sellers/lenders) in best markets, indicating high liquidity and ability to leverage assets.
Investment granularity	a/moderate	Very high portfolio granularity. Top 10 assets comprise less than 20% of net rental income or value.
Asset quality	bbb/higher	Prime and good secondary.
Development exposure	a/moderate	Committed development cost to complete of up to 5% of investment properties. Limited speculative development.
Geographic strategy	bbb/moderate	A strong and focused presence in a prime market; or focus on two to three markets with appropriate scale. Markets display different economic and business cycles.

Factor/Subfactor	Score/Outlook/Importance	Description
Rental income risk profile	a-/stable/moderate	
Occupancy	a/moderate	Limited occupancy volatility through cycles. Occupancy consistently above 95%. Track record of limited tenant defaults.
Lease duration, renewal and lease maturity profile	bbb/moderate	Lease duration (or average tenure for residential) of above five years with most renewed. Smoothed lease maturity profile with no large lease expiries in the near term.
Rental income volatility	a/moderate	Sustained rental income growth and/or low volatility in rental income compared to sector levels. Evidence of realisable reversionary potential in rents in the near term.
Tenant concentration and tenant credit	a/moderate	Top 10 tenants comprise less than 15% of annual passing rent ; below-average tenant credit risk.

Factor/Subfactor	Score/Outlook/Importance	Description
Profitability	bbb+/stable/lower	
FFO dividend cover (x)	a/moderate	1.4
Asset class volatility	bbb/moderate	Portfolio values change less than 30% peak to trough with a track record of recovery

Factor/Subfactor	Score/Outlook/Importance	Description
Financial structure	bbb+/stable/moderate	
Loan-to-value (%)	bbb+/moderate	50.0
Unencumbered asset cover (x)	bbb/moderate	2.0
EBITDA net leverage (x)	bbb+/higher	9.0
Managing balance sheet through the cycle	bbb/moderate	Maintenance of a suitable LTV taking asset volatility into account.

Factor/Subfactor	Score/Outlook/Importance	Description
Financial flexibility	bbb/stable/moderate	
Financial access	a-/moderate	Unequivocal access through the cycle to: Local financial markets with FMD of 'a' and above, or International financial markets with (primarily) FMD of 'a' and above. If the issuer is an infrequent/ untested issuer, the issuer must be very likely to be able to freely access these markets through the cycle.
Liquidity coverage	bbb/higher	One-year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.
Recurring income EBITDA interest cover (x)	bbb/moderate	1.75
FX exposure	aa/lower	No material FX mismatch.

Factor/Subfactor	Score/Outlook/Importance	Description
Governance	Good/—/—	
Ownership and decision-making concentration	Good/moderate	No concentration in ownership and/or decision-making. Presence of effective checks and balances. Key person risk is immaterial. Decision-making is defensible from a governance perspective.
Group structure transparency and contagion risk	Good/moderate	Transparent group structure. No contagion risks.
Information quality/transparency	Good/moderate	Timely and good provision of financial and operational information, facilitating the analysis of the credit profile.

Parent Subsidiary Linkage Analysis

Key Risk Factors and Notching Analysis

Parent	SBB – Samhällsbyggnadsbolaget i Norden AB
Parent Long-Term Issuer Default Rating	CCC
Subsidiary	Sveafastigheter AB (publ)
Subsidiary Long-term Issuer Default Rating	BBB-
Path	Stronger Subsidiary
Legal ring-fencing	Insulated
Access and control	Insulated
Notching matrix outcome	Standalone
Override applied	No
Notching approach	-
Source: Fitch Ratings	

Stronger Subsidiary Notching Matrix

Access and control	Open	Porous	Insulated
With open ring-fencing	Parent consolidated profile	Parent consolidated profile+1	Parent consolidated profile+2 ^b
With porous ring-fencing	Parent consolidated profile+1	Parent consolidated profile+2 ^b	Parent consolidated profile+2 ^b
With insulated ring-fencing	^a	Standalone	Standalone

^a It is unlikely that considerations for "insulated" legal ring-fencing would coexist with the conditions outlined under "open" for access and control. It is more likely that other factors relevant to legal ring-fencing or access and control, but not within this table, would move either one, or both, of the individual Linkage Factor Assessments (LFAs) to a "porous" level that would lead to a Parent consolidated+1, Parent consolidated+2 or standalone outcome.

^b Notching is capped at the subsidiary's Standalone Credit Profile.

Source: Fitch Ratings

Fitch's Key Rating-Case Assumptions

- Like-for-like rental growth of 3.4% in 2026, followed by 2.5% to 2029
- We have included full-year rental contributions for completed developments and for the KlaraBo merger, rather than part-year, to reflect their earnings capacity relative to debt

- Investments in new developments and upgrade capex totalling SEK1.6 billion a year on average until end-2030. Fitch assumes investments will gradually increase towards Svea's operational targets, subject to meeting its financial policy
- Average cost of debt includes future year's policy rates from Fitch's Global Economic Outlook, and the effect from Svea's and KlaraBo's existing derivatives which under our assumptions add SEK30 million-25 million in annual interest costs during 2026 to 2029

Liquidity and Debt Structure

Svea's liquidity at end-1Q26 comfortably covered SEK397 million of debt maturities in 2026 and comprised SEK279 million of readily available cash, SEK1.8 billion of undrawn revolving credit facilities (of which SEK800 million mature in 2027) and a committed but undrawn SEK1.2 billion secured loan maturing in 2029.

The extension of all SEK6 billion of secured debt maturities in 2027 by three to four years is currently underway, which would extend the group's average debt maturity to at least four years (pre-merger end-1Q26: 2.7 years).

Following the merger, Svea intends to issue longer-term unsecured debt to repay shorter-dated secured debt. Svea has procured a SEK4 billion bridge-to-bond facility to cover any of KlaraBo's debt where consent to waive the debts' change of control clause cannot be obtained. Most of KlaraBo's banks are Svea's existing lenders.

Liquidity and Debt Maturities

Liquidity Analysis

(EURm)	2Q26 to end-2026	2027F
Available liquidity		
Beginning cash balance	279	1,046
Rating case FCF after acquisitions and divestitures	-49	121
Unutilised secured loan (maturing 2029)	1,213	—
Total available liquidity (A)	1,443	1,167
Liquidity uses		
Debt maturities (excluding Klarabo)	-397	-5,998
Total liquidity uses (B)	-397	-5,998
Liquidity calculation		
Ending cash balance (A+B)	1,046	-4,831
Revolver availability (partially maturing in 3Q27)	1,830	850
Bridge facility (SEK4 billion to cover KlaraBo debt)	—	—
Ending liquidity	2,876	-3,981
Liquidity score (x)	8.2	0.3

Source: Fitch Ratings, Fitch Solutions, Sveafastigheter AB (publ)

Scheduled Debt Maturities

(EURm)	Svea 31 Mar 2026	Klarabo 31 Mar 2026
2026	397	—
2027 (most expiries are in September)	5,998	993
2028	1,639	1,506
2029	—	3,020
2030	800	
Thereafter	4,083	
Total	12,917	5,519

Source: Fitch Ratings, Fitch Solutions, Sveafastigheter AB (publ), KlaraBo Sverige AB (publ)

Financial Data

(SEKm)	2023	2024	2025	2026F	2027F	2028F
Summary income statement						
Gross revenue	1,126	1,361	1,536	2,833	2,930	3,057
Revenue growth (%)	—	20.9	12.9	84.4	3.4	4.3
EBITDA before income from associates	501	597	778	1,463	1,528	1,595
EBITDA margin (%)	44.5	43.9	50.7	51.6	52.2	52.2
EBITDA after associates and minorities	501	597	778	1,463	1,528	1,595
EBIT	501	597	778	1,463	1,528	1,595
EBIT margin (%)	44.5	43.9	50.7	51.6	52.2	52.2
Gross interest expense	-464	-491	-381	-768	-860	-867
Pretax income including associate income/loss	-5,061	-1,019	109	695	668	727
Summary balance sheet						
Readily available cash and equivalents	316	308	501	107	228	357
Debt	16,756	12,146	12,721	21,159	21,159	21,613
Net debt	16,440	11,838	12,220	21,051	20,930	21,256
Summary cash flow statement						
EBITDA	501	597	778	1,463	1,528	1,595
Cash interest paid	-464	-491	-401	-768	-860	-867
Cash tax	-22	-31	-19	-70	-67	-73
Dividends received less dividends paid to minorities (inflow/outflow)	—	—	—	—	—	—
Other items before FFO	-221	598	9	—	—	—
FFO	-197	681	375	626	601	655
FFO margin (%)	-17.5	50.0	24.4	22.1	20.5	21.4
Change in working capital	-12	47	282	—	—	—
CFO (Fitch-defined)	-209	728	657	626	601	655
Total nonoperating/nonrecurring cash flow	—	—	—	—	—	—
Capex	-1,286	-629	-953	—	—	—
Capital intensity (capex/revenue) (%)	114.2	46.2	62.0	—	—	—
Common dividends	—	—	—	—	—	—
FCF	-1,495	99	-296	—	—	—
FCF margin (%)	-132.8	7.3	-19.3	—	—	—
Net acquisitions and divestitures	-991	-285	-176	—	—	—
Other investing and financing cash flow items	1,291	-435	—	—	—	—
Net debt proceeds	-1,402	613	665	-233	—	455
Net equity proceeds	—	—	—	—	—	—
Total change in cash	-2,597	-8	193	-394	121	129
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-2,277	-914	-1,129	-690	-480	-980
FCF after acquisitions and divestitures	-2,486	-186	-472	-65	121	-325
FCF margin after net acquisitions (%)	-220.8	-13.7	-30.7	-2.3	4.1	-10.6
Gross leverage ratios (x)						
EBITDA leverage	33.5	20.4	16.4	14.5	13.8	13.6

(SEKm)	2023	2024	2025	2026F	2027F	2028F
(CFO-capex)/debt (%)	-8.9	0.8	-2.3	-4.4	-4.7	-4.4
Net leverage ratios (x)						
EBITDA net leverage	32.8	19.8	15.7	14.4	13.7	13.3
(CFO-capex)/net debt (%)	-9.1	0.8	-2.4	-4.4	-4.8	-4.4
Coverage ratios (x)						
EBITDA interest coverage	1.1	1.2	1.9	1.9	1.8	1.8

CFO — Cash flow from operations.
 Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Fitch Adjusted Financials

(SEKm as of 31 Dec 2025)	Notes and formulas	Standardised values	Other adjustments	Lease treatment	Other adjustments	Adjusted values
Income statement summary						
Revenue		1,536	—	—	—	1,536
EBITDA	(a)	533	—	—	245	778
Depreciation and amortization		—	—	—	—	—
EBIT		533	—	—	245	778
Balance sheet summary						
Debt	(b)	12,721	—	—	—	12,721
Of which other off-balance-sheet debt		—	—	—	—	—
Lease-equivalent debt		—	—	—	—	—
Lease-adjusted debt		12,721	—	—	—	12,721
Readily available cash and equivalents	(c)	501	—	—	—	501
Not readily available cash and equivalents		—	—	—	—	—
Cash flow summary						
EBITDA	(a)	533	—	—	245	778
Dividends received from associates less dividends paid to minorities	(d)	—	—	—	—	—
Interest paid	(e)	-381	—	—	-20	-401
Interest received	(f)	—	—	—	8	8
Preferred dividends paid	(g)	—	—	—	—	—
Cash tax paid		-19	—	—	—	-19
Other items before FFO		242	—	—	-233	9
FFO	(h)	375	—	—	—	375
Change in working capital		282	—	—	—	282
CFO	(i)	657	—	—	—	657
Nonoperating/nonrecurring cash flow		—	—	—	—	—
Capex	(j)	-953	—	—	—	-953
Common dividends paid		—	—	—	—	—
FCF		-296	—	—	—	-296
Gross leverage (x)						
EBITDA leverage	b/(a+d)	23.9	—	—	—	16.4
(CFO-capex)/debt (%)	(i+j)/b	-2.3	—	—	—	-2.3
Net leverage (x)						
EBITDA net leverage	(b-c)/(a+d)	22.9	—	—	—	15.7
(CFO-capex)/net debt (%)	(i+j)/(b-c)	-2.4	—	—	—	-2.4
Coverage (x)						
EBITDA interest coverage	(a+d)/(-e)	1.4	—	—	—	1.9

CFO — Cash flow from operations.

Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region.

Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.

Debt includes other off-balance-sheet debt.

Debt in the standardised values column excludes lease liabilities of SEK298 million.

Source: Fitch Ratings, Fitch Solutions, Sveafastigheter AB (publ)

Peer Analysis

Svea's SEK47 billion (EUR4.3 billion) post-merger Swedish residential-for-rent portfolio provides stable rental income with a similar profile to other portfolios in heavily regulated jurisdictions, such as Germany and France, including those owned by Heimstaden Bostad AB (BBB-/Stable), Vonovia SE (BBB+/Stable), SCI LAMARTINE (BBB+/Stable) and D.V.I. Deutsche Vermögens- und Immobilienverwaltungs GmbH (BBB-/Stable).

Svea's portfolio is comparable to Heimstaden Bostad's and Vonovia's Swedish portfolios, although with a greater focus on the largest cities than Vonovia. Svea lacks the geographical diversification and scale benefits of some peers' materially larger portfolios.

Svea's enlarged portfolio is more regional than the smaller, Stockholm-focused listed Heba Fastighets AB, which is reflected in Svea's lower value per sq m (SEK25,000 sq m versus SEK53,500 sq m) and higher valuation yields (residential: 4.5% versus 3.4%). Heimstaden Bostad's Swedish portfolio's value per sq m (SEK28,200) and running yield (3.7%) are similar to Svea's (3.9%).

Svea's financial policy is more conservative with target net debt/EBITDA below 15.0x (Fitch forecast: 14.4x in 2026) compared with Heimstaden Bostad's and Vonovia's 16.5x and 18.0x, respectively, for 2025. This results in stronger interest cover (about 2.0x) than Heimstaden Bostad (1.6x), despite a similar cost of debt at 3%-3.5%.

Svea's liability profile is more concentrated and its debt maturity is materially shorter (1Q26: 2.7 years) than those of its larger peers due to its reliance on short-term Swedish bank funding rather than long-term unsecured bonds or longer-dated German or Danish secured funding. This liability profile compares unfavourably with the average debt maturity of its larger peers (Heimstaden Bostad: 7.6 years; Vonovia: around eight years).

Navigator Peer Comparison

Issuer	Business profile (Score/Relative Importance)						Financial profile (Score/Relative Importance)			
	IDR/Outlook	Management	Access to Capital	Liability Profile	Property Portfolio	Rental Income Risk Profile	Profitability	Financial Structure	Financial Flexibility	
Sveafastigheter AB (publ)	BBB-/RWP	bbb	bbb	bb	bbb+	a-	bbb+	bbb+	bbb	
D.V.I.Deutsche Vermögens- und Immobilienverwaltungs GmbH	BBB-/Stable	bbb	bbb-	bbb+	bbb+	bbb+	bbb	bbb-	bbb+	
Heimstaden Bostad AB	BBB-/Stable	bbb	bbb-	bbb	a	a-	bbb	bbb-	bbb-	
PeachProperty Group AG	B/Stable	bbb	b	b+	bbb	bbb+	bbb	b+	ccc+	
SCI LAMARTINE	BBB+/Stable	bbb	bbb+	bbb-	bbb+	a-	bbb-	bbb+	bbb+	
Vonovia SE	BBB+/Stable	bbb	a-	a-	bbb+	a-	bbb+	bbb	bbb+	

Relative importance: ■ Higher ■ Moderate ■ Lower
Source: Fitch Ratings

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (EURm)	EBITDA margin (%)	EBITDA after associates and minorities (EURm)	EBITDA interest coverage (x)	EBITDA net leverage (x)
Sveafastigheter AB (publ)	BBB-						
	BBB-	2025	142	50.7	72	1.9	15.7
		2024	119	43.9	52	1.2	19.8
		2023	101	44.5	45	1.1	32.8
Heimstaden Bostad AB	BBB-						
	BBB-	2025	1,470	66.5	977	1.6	16.5
	BBB-	2024	1,387	62.7	869	1.4	19.6
	BBB	2023	1,342	60.6	813	1.6	21.4
Vonovia SE	BBB+						
	BBB+	2025	4,919	48.0	2,320	2.3	18.0
	BBB+	2024	5,087	44.2	2,203	2.5	19.2
		2023	4,875	48.5	2,323	3.2	18.8
SCI LAMARTINE	BBB+						
	BBB+	2025	78	62.8	49	1.9	15.5
	BBB+	2024	74	59.9	44	1.5	16.9
	BBB+	2023	60	56.9	34	1.2	23.0
D.V.I. Deutsche Vermögens- und Immobilienverwaltungs GmbH	BBB-						
	BBB-	2025	133	77.2	104	2.1	14.4
	BBB-	2024	127	72.9	92	2.3	15.7
	BBB-	2023	120	66.0	80	2.1	17.7
Grainger plc	BBB-						
	BBB-	2025	195	55.9	109	1.8	16.0
	BBB-	2024	185	53.0	98	1.6	18.5
	BBB-	2023	155	54.2	84	1.6	19.7
Peach Property Group AG	B						
	B	2025	105	43.9	46	1.5	22.5
	CCC+	2024	125	47.9	60	1.3	17.2
	BB	2023	121	52.9	64	1.4	22.5

Source: Fitch Ratings, Fitch Solutions

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify credits with higher exposure to climate-related risks. If Fitch identifies an entity as higher risk (i.e. its Climate.VS in 2035 is 50 or higher), the entity receives additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Fitch's latest [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#) report.

The Climate.VS for 2035 is 34 out of 100. This reflects a VSp of 20 and a VSt of 30.

Sveafastigheter estimates that 95% of its portfolio was able to withstand climate risks at end-2025, and targets to increase this share to 100% by 2030.

Sveafastigheter targets high green and social credentials in its new developments with a minimum target of environmental certification 'Miljöbyggnad Silver' for future developments. The group also plans to invest in its property portfolio to improve energy performance. It also plans to use 100% renewable energy by 2030.

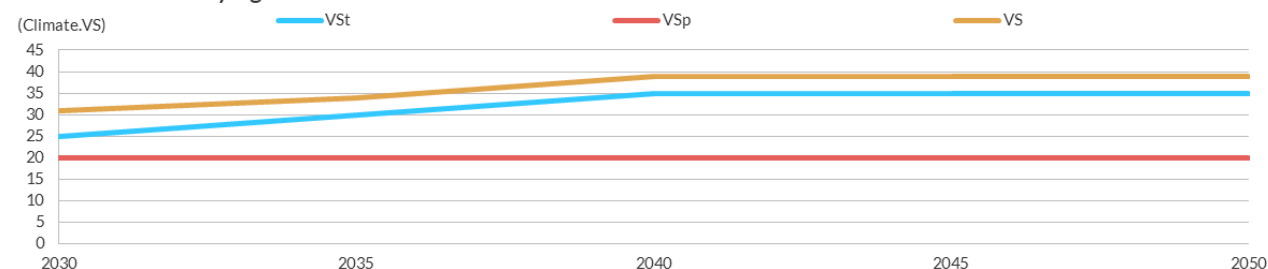
The group's portfolio's Swedish energy performance certificates range from A to G with more than half of the portfolio scored as D or better. Energy Performance Certificate scores are not fully comparable across countries as the requirements differ.

Sveafastigheter's Standalone Portfolio Energy Performance at End-2025

Energy Performance Certificate	Share of market value (%)	Cumulative share of market value (%)
A	1	1
B	18	19
C	11	30
D	25	55
E	29	84
F	13	97
G	2	99
Other	2	100

Source: Fitch Ratings, Sveafastigheter AB (publ)

Climate Vulnerability Signals



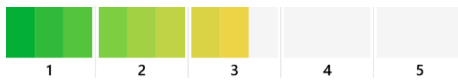
ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.



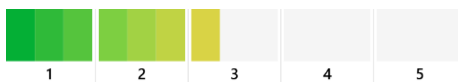
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	3	Focus on low-carbon new-builds and renovations	Property Portfolio; Rental Income Risk Profile; Access to Capital; Profitability
Energy Management	3	Buildings' energy consumption, focus on renewable sources	Property Portfolio; Rental Income Risk Profile; Access to Capital; Profitability
Water & Wastewater Management	2	Buildings' water consumption, recycling	Property Portfolio; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Sustainable building practices including Green building certificate credentials	Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility
Exposure to Environmental Impacts	3	Portfolio's exposure to climate change-related risk including flooding	Property Portfolio; Profitability; Financial Structure; Financial Flexibility



Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare — Fair Messaging, Privacy & Data Security	2	Data security	Property Portfolio; Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility
Labor Relations & Practices	2	Impact of labor negotiations and employee (dis)satisfaction	Rental Income Risk Profile; Profitability; Financial Flexibility
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	3	Shift in market preferences	Property Portfolio; Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Strategy development and implementation	Management; Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Governance
Group Structure	3	Complexity, transparency and related-party transactions	Governance
Financial Transparency	3	Quality and timing of financial disclosure	Governance



ESG Scoring






ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance subfactor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

Ratings

Long-Term Issuer Default Rating	BBB-
Senior Unsecured Debt — Long-Term Rating	BBB-
Outlook/Watch	
Long-Term Foreign Currency Issuer Default Rating	Watch Positive

[Click here for the full list of ratings](#)

ESG and Climate

Highest ESG Relevance Scores

Environmental	3
Social	3
Governance	3
2035 Climate Vulnerability Signal	34
Transition (Climate.VSt)	30
Physical (Climate.VSp)	20

Applicable Criteria

Corporates Recovery Ratings and Instrument Ratings Criteria (August 2024)
Parent and Subsidiary Linkage Rating Criteria (June 2025)
Corporate Rating Criteria (January 2026)
Sector Navigators — Addendum to the Corporate Rating Criteria (January 2026)

Related Research

Global Corporates Macro and Sector Forecasts
European Residential-for-Rent Property Companies — Peer Credit Analysis (December 2025)
European Real Estate Outlook 2026 (December 2025)
EMEA Real Estate — Refinancing Risk and Interest Coverage Resilience (December 2025)

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