

Fabege Interim Report

Jan-Jun 2023

Stefan Dahlbo, CEO
Åsa Bergström, CFO

FABEGE IN BRIEF

Solna

Property value	SEK 40,520m
Lettable area	727,000 sqm
Rental value	SEK 1,906m

Stockholm inner city

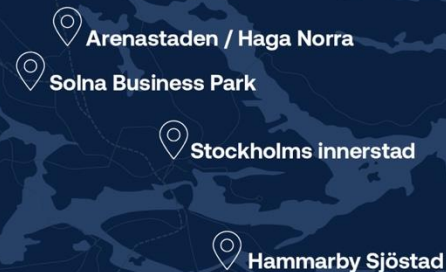
Property value	SEK 31,211m
Lettable area	325,000 sqm
Rental value	SEK 1,544m

Hammarby Sjöstad

Property value	SEK 8,200m
Lettable area	138,000 sqm
Rental value	SEK 429m

Flemingsberg

Property value	SEK 2,566m
Lettable area	68,000 sqm
Rental value	SEK 73m



102

Properties

SEK 83.5bn

Property value | 83% management portfolio

4,17 %

Average yeild

**A modern portfolio
in rail-bound locations**

Summary Jan-Jun 2023

- Increased rental income and operating surplus
- Increased interest costs
- Slightly lower management profit
- Negative value changes in the property portfolio
- Net letting SEK +22m
- LOI signed regarding the rental of entire Nöten 4 at Solna Strand (66,000 sqm)



Condensed income statement

SEKm	Jan- Jun 2023	Jan-Jun 2022
Rental income	1,685	1,480
Sales residential projects	308	28
Net sales	1,993	1,508
Property expenses	-444	-399
Residential projects expenses	-281	-23
Gross profit	1,268	1,086
Central administration	-55	-55
Net interest expense	-460	-264
Ground rents	-23	-20
Share in profits of associated companies	-27	-18
Profit from property management	703	729
Realized changes in value, properties	0	74
Unrealized changes in value, properties	-3,824	3,179
Changes in value, derivatives and equities	-100	1,537
Profit before tax	-3,222	5,519
Tax	687	-1,142
Profit for the period	-2,535	4,377



- Rental growth in identical portfolio: approx. 12% (4)
- Surplus ratio: 74% (73)
- Value changes
SEK -3,824m, equal to
-4.4%
- Earnings per share:
SEK -8.06 (13.71)



Property valuation Q2 2023

Property value SEK 83,5bn of which management portfolio SEK 69.7bn

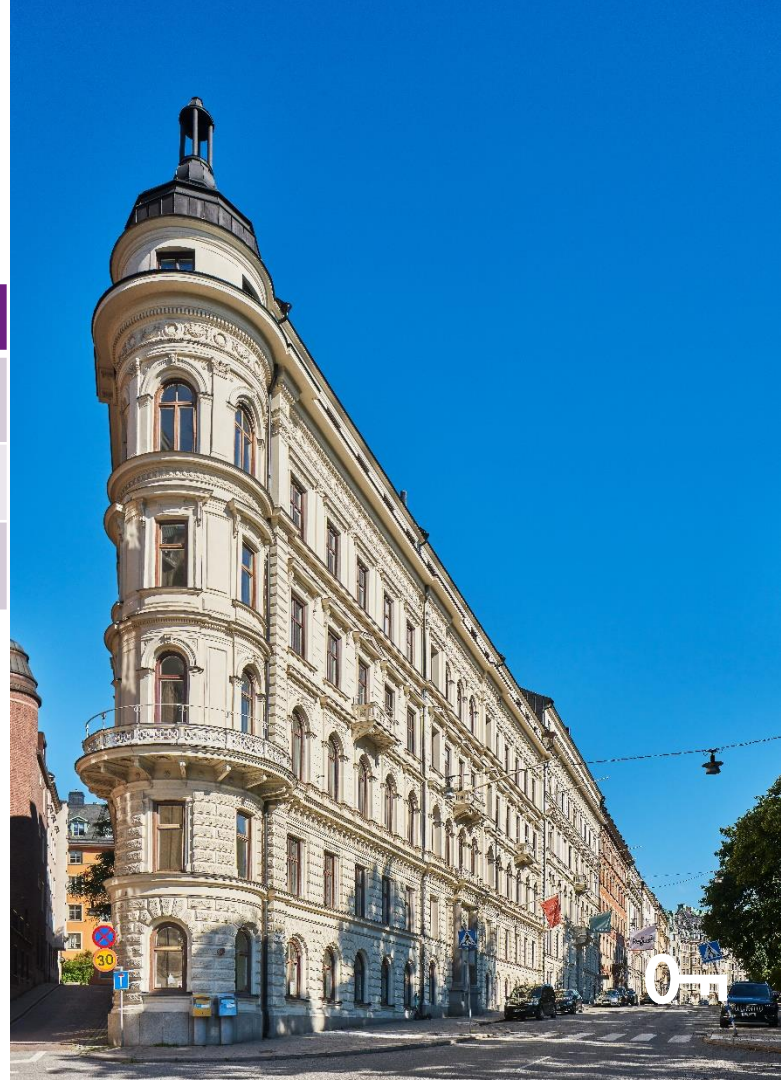
	Q1 2023	Q2 2023	Q4 2022	Q3 2022
Externally valued	60%	47%	80%	35%
Value change	SEK -1,715m	SEK -2,110m	SEK -3,665m	SEK 253m
Yield	4.17%	4.11%	3.99%	3.77%

Value change Q2 2023

- Yield (+0,06) SEK -1.2bn
- Cash flow incl. index SEK 0 bn
- Project and development properties SEK -0.5bn

Value change Q1 2023

- Yield (+0.12) SEK -2,4bn
- Cash flow incl. index SEK + 0.8bn
- Project and development properties SEK -0.5bn



Sensitivity analysis – Property values

Change in value	Impact on earnings after tax	Equity per share	Equity/ratio	Loan-to-value
30/06/2023		SEK 134	47%	40%
5%	SEK -3,316m	SEK 124	46%	43%
10%	SEK -6,631m	SEK 111	44%	45%
20%	SEK -13,263m	SEK 90	40%	51%
25%	SEK -16,579m	SEK 80	38%	54%

Based on property value 30/06/2023: SEK 83.5bn



Key ratios, 30 June 2023

	2023 Jan-Jun	2022 Jan-JUn	Target
Equity per share, SEK	134	151	
EPRA NRV, SEK per share	161	183	
Total return properties, %	-3,0	5.1	
Surplus ratio, %	74	73	75
Equity/assets ratio , %	47	51	>35
Loan-to-value ratio, %	40	36	<50
Debt ratio, multiple	14.6	15.1	<13
Interest coverage ratio, multiple	2.6	3.8	>2.2



Financing

Over view

Total debt	SEK 33.8bn
Undrawn credit facilities,	SEK 5.9bn*
Loan-to-value	40%
Sustainability	100% Green financing
Fixed-term maturity	4.3 years
Fixed-interest term	2.3 years
Interest coverage ratio	2.9 (r 12m)
Rating	Baa2 negativ outlook (Moody's)

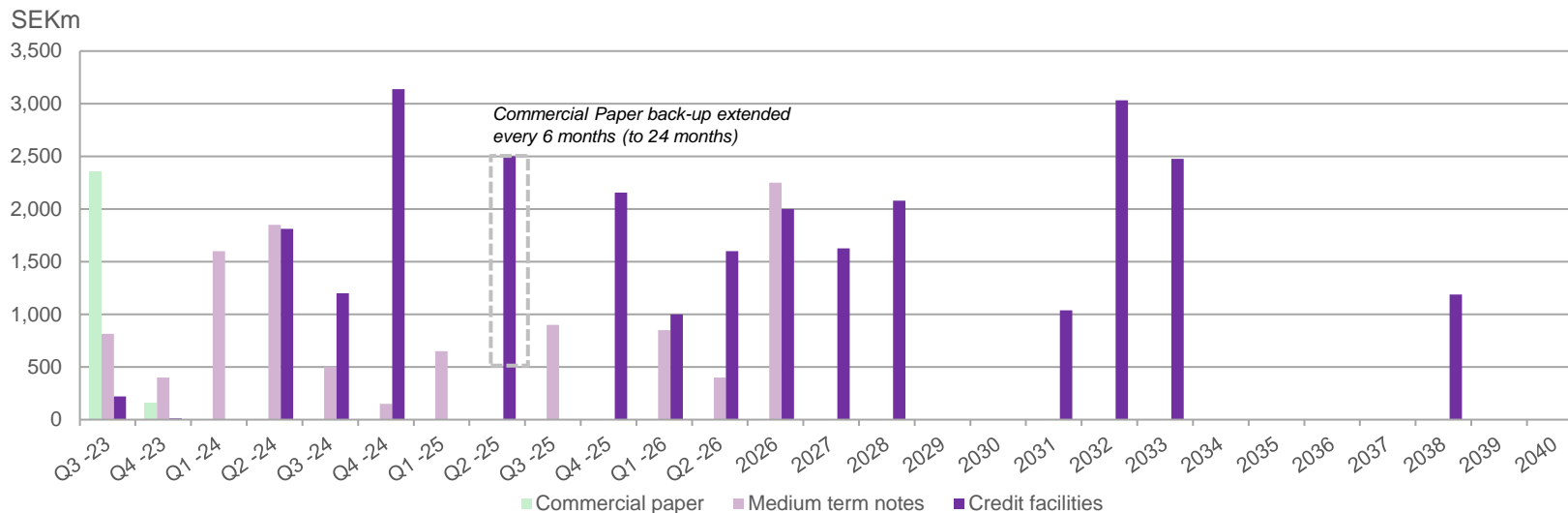
*Of which SEK 2bn back-up for CP

Activities during H1

- Still good demand for commercial paper
- New bank facilities of SEK 2.9bn
- Bond issue SEK 250m (February)
- Repaid bonds of SEK 1.2bn
- Updated MTN-prospectus
- Ongoing refinancing due Q2-Q3 2024, total SEK 3bn, completion this autumn
- Term sheet for increased RCF and term loan SEK 1bn, completion this autumn



Maturity profile



2023:

- Maturity: Commercial Paper 2,5bn (extended on average 3 months)
- Maturity: MTNs 1.2bn
- Undrawn facilities 5.9bn

2024:

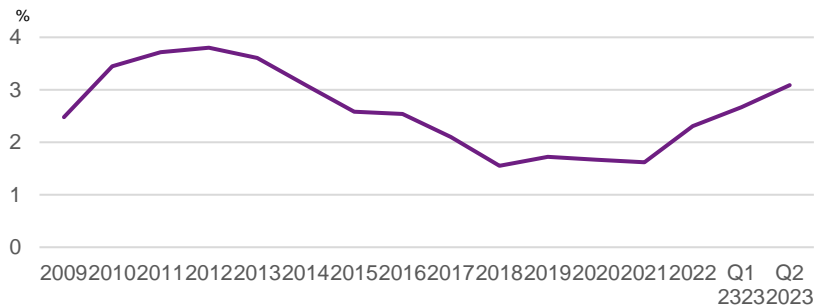
- Q1: MTNs 1.6bn
- Q2: MTNs 1.4bn, bank 1.7bn
- Q3: MTNs 0.5bn, bank 1.2bn
- Q4: MTNs 0.7bn, bank 3.2bn



Fixed-rate period 30/06/2023

- 61 per cent of the portfolio fixed
- Average fixed-rate term 2.3 years
- Fixed interest derivatives between -0.15% and 1.30%
- Sensitivity analysis rolling 12 months:
 - +1% in market interest generates increased cost of SEK 127m
 - Assumes unchanged loan volume and unchanged margins

Average interest rate



Maturity	Swaps	FXD MTN & Loan	Total
2023	1,050	114	1,164
2024	2,400	786	3,186
2025	2,200	400	2,600
2026	2,700	400	3,100
2027	2,800	450	3,250
2028	2,300	976	3,276
2029	2,000		2,000
2030	800		800
2031	900		900
2032	500		500
Total	17,650	3,126	20,776

* Total volume of swaps amounts to SEK 18,150m, the table excludes closeable swaps as these can be closed within 3-6 months.



TRANSACTIONS ON THE STOCKHOLM MARKET



Urban Escape (1/3 of)

Q2 2023

Price: approx. 165,000 SEK/sqm

Space: 45,000 sqm

Buyer: AP7



Rotundan 1

Q1 2023

Price: approx 138,000 SEK/sqm

Space: 4,100 sqm

Buyer: Folksam Sak



Elefanten 17

Q1 2023

Price: Not public

Space: 4,700 sqm

Buyer: Nordea Liv & Pension



Skotten 6

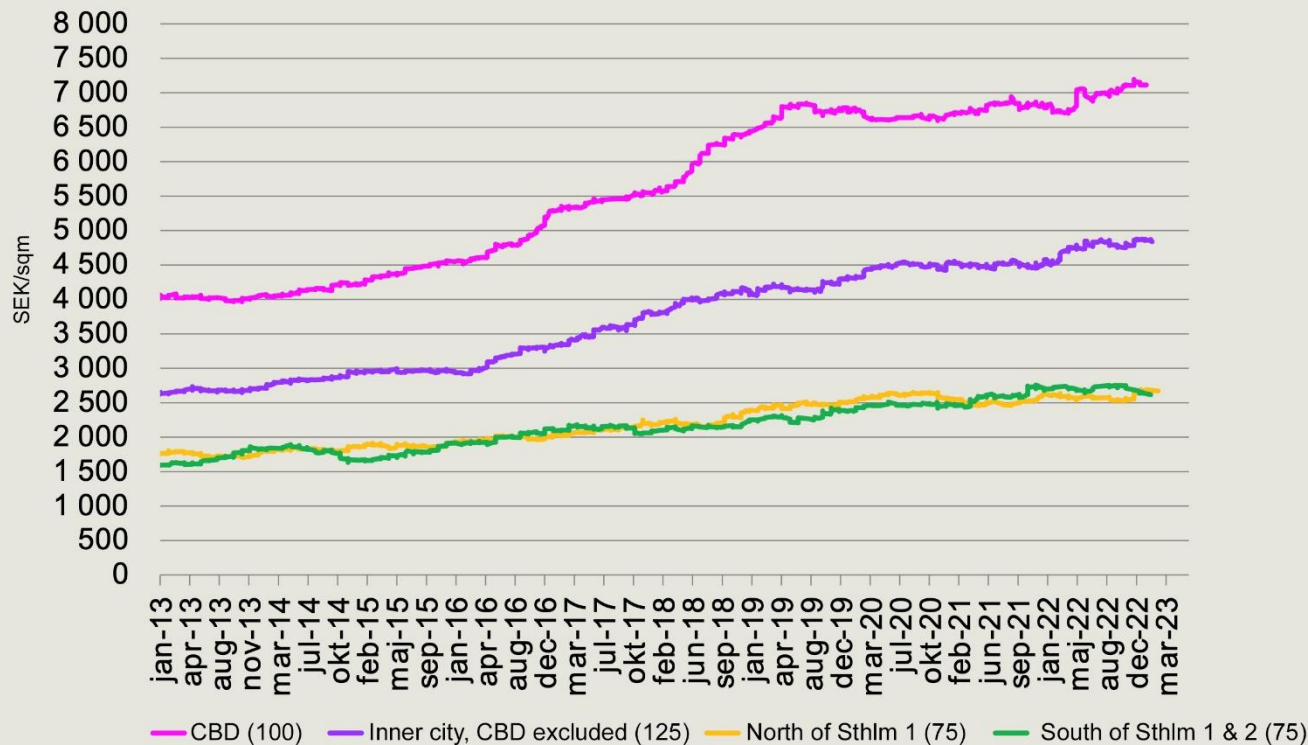
Q1 2023

Price: approx. 141,000 SEK/sqm

Space: 13,500 sqm

Buyer: Axfast

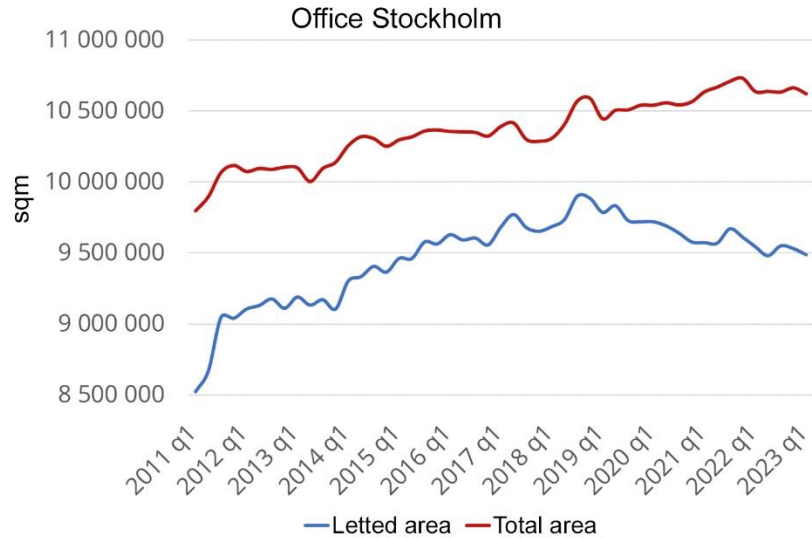
Rent development in Stockholm



Take-up in Stockholm



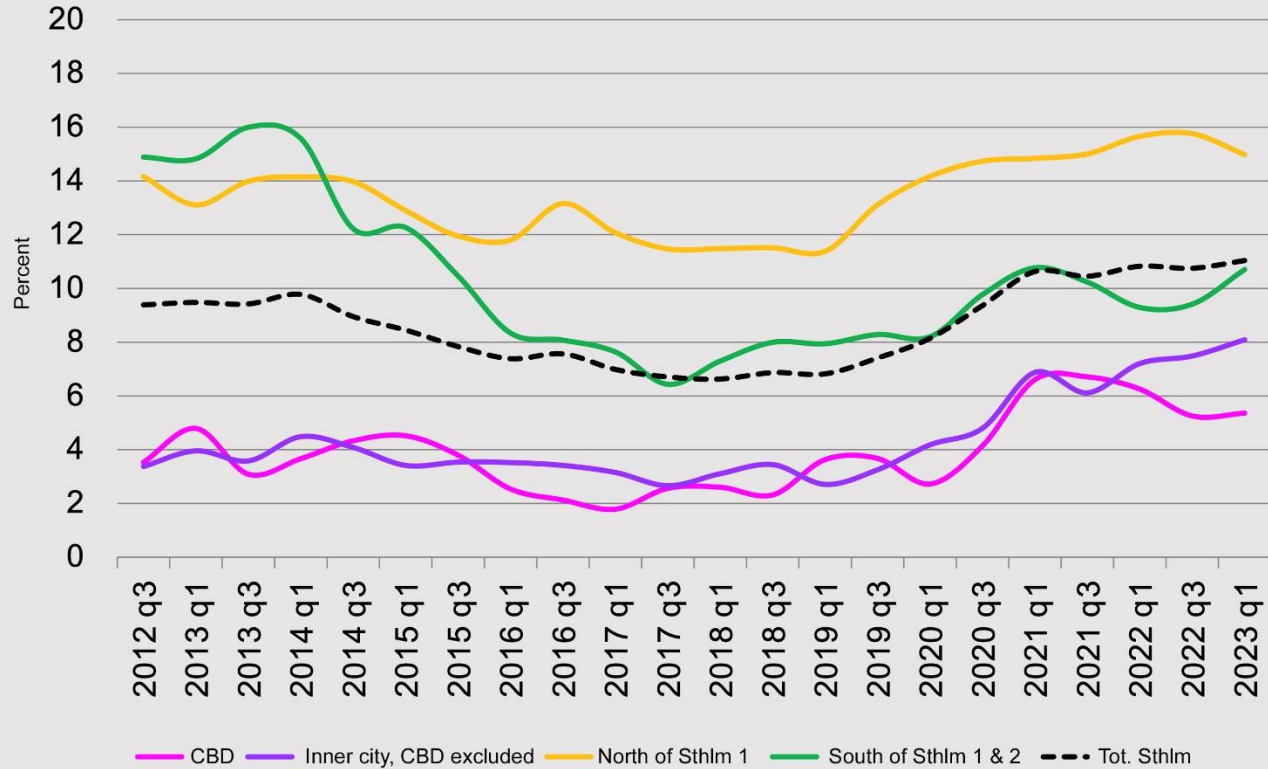
Office stock and office employment in Stockholm



Source: CityMark Analys



Vacancies in Stockholm



Source: CityMark Analys





Trends

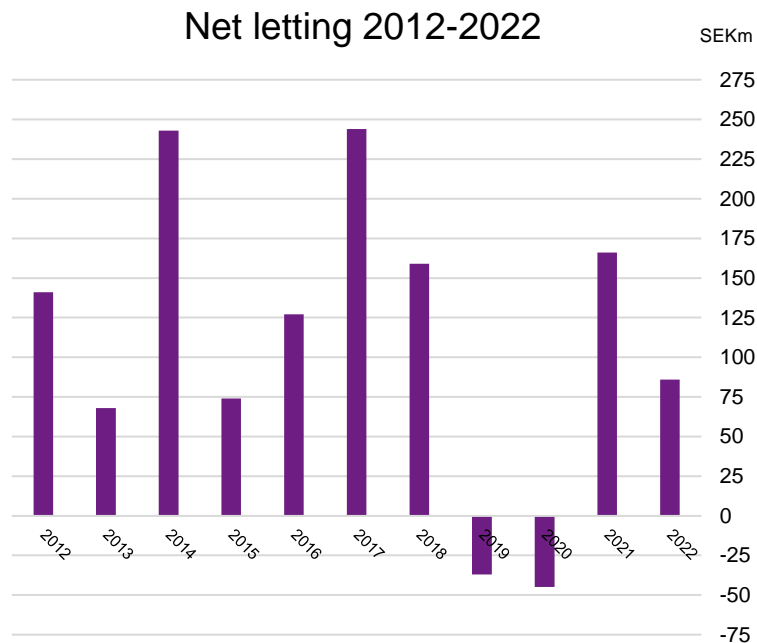
- A digital transformation that drives change
- Values, well-being and sustainability
- Need for flexibility, simplicity and service
- Availability more important
- The offices are still important, but need to be developed



Net letting 2023

SEKm	H1 2023	H1 2022
New lettings	136	137
Terminations	-114	-93
Net letting	22	44

Target 2023 > SEK 80m



Stable customers with long agreements

- Approx 700 customers
- 25 largest customers represents 42% of rental value
- Average contract length 5.1 years
- Share of total rent



■ Office, 84%
■ Retail, 5%
■ Industry/logistics, 3%
■ Other, 8%

Customer	Share of total rent	Year of expiry
SEB	6.4%	2037
ICA Fastigheter Sverige	3.7%	2030
Telia Company	3.5%	2031
Convendum	3.3%	2034
TietoEvry	2.6%	2029
Carnegie Investment Bank	2.0%	2027
Swedbank	1.9%	2029
The Swedish National Agency for Migration	1.7%	2028
Bilia AB	1.6%	2041
The Swedish National Agency for Education	1.4%	2024
Total	28%	

Renegotiations Q2 2023

- Renegotiations
 - SEK 241m extended on unchanged terms
 - SEK 73m 1.5%
 - SEK 137m has already been renegotiated when the current agreement expires

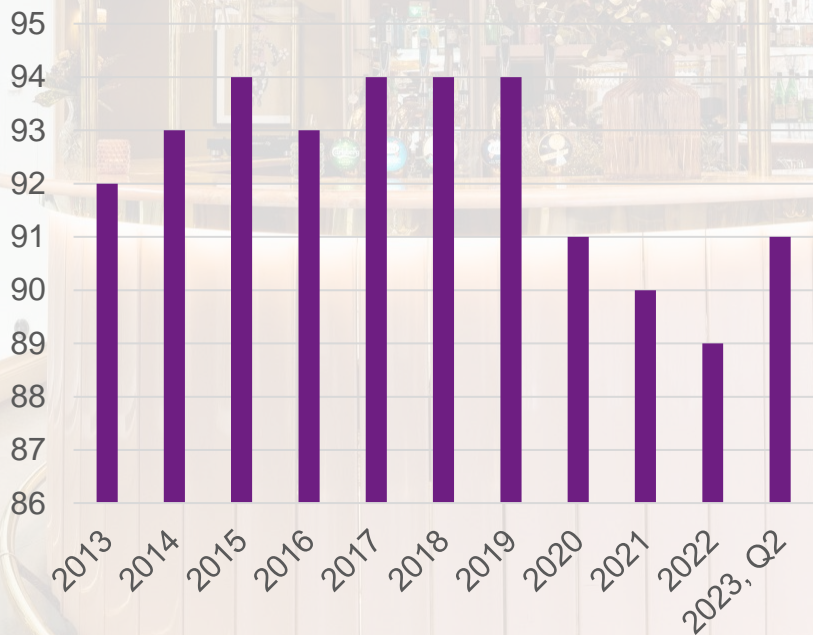
Lease maturity structure

Maturity, year	Annual		
	No. of leases	rent, SEKm	Percentage, %
2023 ¹	349	261	8%
2024 ¹	427	567	16%
2025	248	492	14%
2026 ¹	271	532	15%
2027	99	450	13%
2028+	98	1,019	29%
Commercial	1,492	3,322	95%
Housing leases	200	25	1%
Indoor and outdoor parking	570	134	4%
Total	2,262	3,480	100%

¹Of which just over SEK 137m has already been renegotiated.



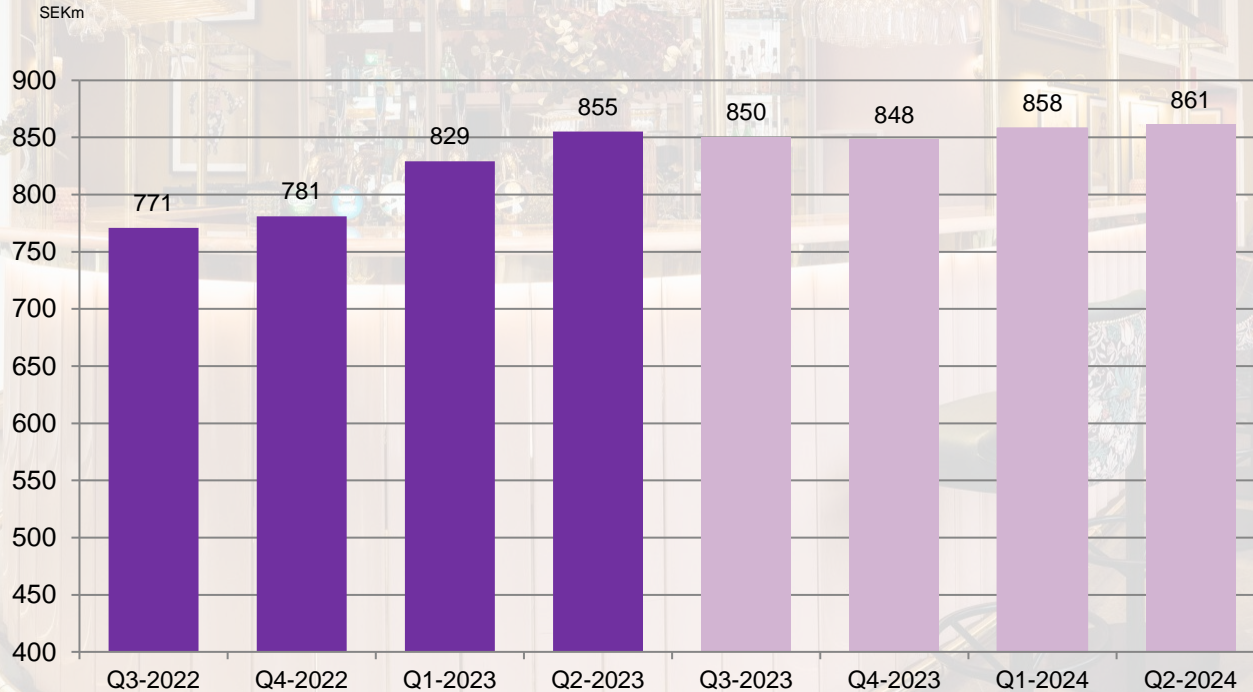
Occupancy rate 30/06/2023



- Management portfolio
 - Economic occupancy rate 91%
- Development portfolio
 - Relates to properties that are partly or fully vacated for project development, lettings are made for short-term contracts without a right of possession
 - In total approximately 234,000 sqm, of which 145,000 is let
- Project portfolio
 - Estimated rental value SEK 3,625m
 - Occupancy rate, area 39 per cent
 - Occupation from fourth quarter 2023 until summer 2025



Rental development existing lease portfolio 30/06/2023

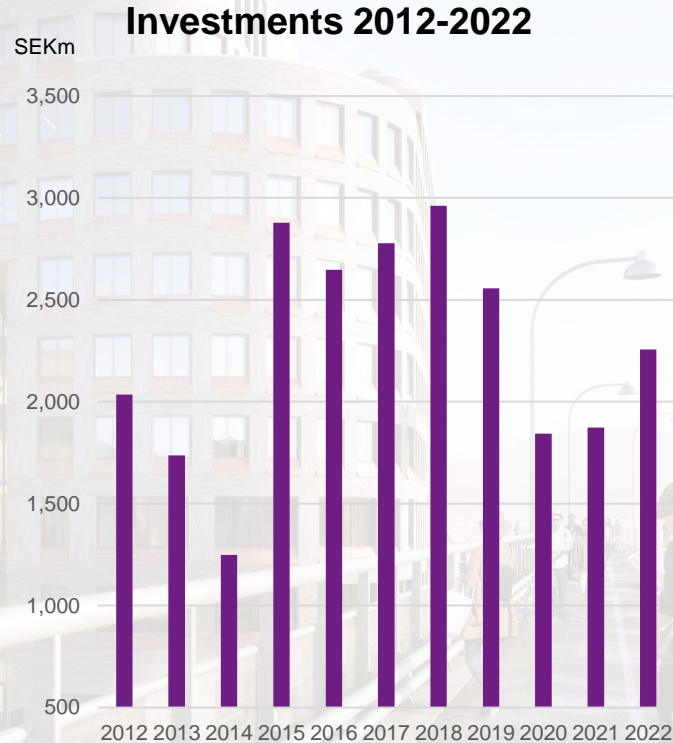


- Based on contracted leases including known occupations, relocations and renegotiations Q2 2023
- Excluding letting targets and assumptions of new signed agreements or terminations



Capex

Investments SEKm	2023 Jan-Jun	2022	2023E	2024E
Project- & developments properties	884	1,427		
Management properties	518	800		
Total	1,402	2,257	2,900	2,000



Project portfolio 30/06/2023

- Estimated capex: SEK 4.4bn
- Capex H1 2023: SEK 882m

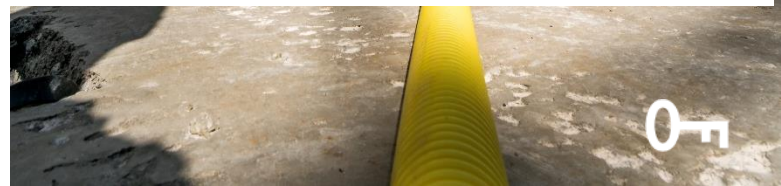


Property listing	Category	Area	Completed	Lettable area, sqm	Occupancy rate, % space ¹	Rental value ²	Book value, SEKm	Estimated investment, SEKm	of which spent, SEKm
Semaforen 1	Parking	Arenastaden	Q4-2023	18,000	0%	15	84	337	231
Regulatorn 4	Workshops etc	Flemingsberg	Q2-2024	11,900	100%	24	289	465	225
Ackordet 1	Offices	Haga Norra	Q3-2024	27,000	66%	96	1,047	1,390	674
Påsen 1	Offices	Hammarby Sjöstad	Q4-2024	11,000	0%	38	528	376	97
Nöten 4 ³	Offices	Solna Strand	Q1-2025	53,400	0%	130	1,834	770	199
Separatorn 1	Offices	Flemingsberg	Q2-2025	23,400	91%	59	350	1,060	323
Total				144,700	39%	362	4,132	4,398	1,749
Other land and project properties							2,006		
Other development properties							7,662		
Total project, land and development properties							13,800		

¹ Operational occupancy rate at 30 June 2023 exclusive Semaforen 1.

² Rental value including additions. The annual rent for the largest projects in progress could increase to SEK 362m (fully let) from SEK 0m in annualised current rent at 30 June 2023.

³ A letter of intent has been signed regarding the letting of the entire property.









Solna Business Park





Flemingsberg

1960: 350 INHABITANTS



FLEMINGSBERG IDAG

Workers: 15,000

Residents: 15,000

Students: 18,000

Campus Flemingsberg

Södertörn University

KTH Royal Institute of Technology

Karolinska Institutet

Swedish Red Cross University

Idun Lovén Art School

Stockholm University College of Music Education



FLEMINGSBERG VISION 2050

50,000 residents
50,000 workers
50,000 students



Södra Entrén

City area

Alfa Laval



Regulatorn 3



Operan & Dramaten



Flemingsberg

Property value	SEK 2,566m
Number of propertys	9
Lettable area	68,000 sqm
8th largest student city	
Initiative on social sustainability	





Birger Bostad

- Ongoing projects running as expected
- 5 completed projects during the period
- 21 apartments sold since the year-end

JV Haga Norra

- 34 apartments sold since the year-end





Building rights 30/06/2023

- Commercial building rights
 - 742,400 gross floor area, sqm
 - Approx. 19 % legal binding
 - Book value: SEK 6,400/sqm
- Residential building rights
 - 605,000 gross floor area, sqm
 - Approx. 33 % legal binding
 - Book value: SEK 6,700/sqm



Sustainability work continues

- Reduce energy consumption to 70 kWh/sqm 2025
- Increased number of charging points for cars
- The recycling hub, circularity goal
- The Sustainability House
- Efforts for social sustainability

The Sustainability House



In total, we have saved about 105 kg CO2e/sqm regarding recycled material and 18 kg CO2e/sqm regarding transport from suppliers that has been avoided.

Examples of recycled materials:

Stairs (exterior/interior)	100%
Doors (interior/exterior)	100%
HDF	100%
Cooling units	100%
Kitchenettes	100%
Toilets, washbasins	100%
Meeting room partitions/ wood-framed glass partitions	100%
Suspended ceiling tiles	95%
Flooring (textile floor coverings)	90%
Facades (sheet metal/windows/glass)	90%
Lighting	70%







Questions

Our vision

The success factor for a new era

