

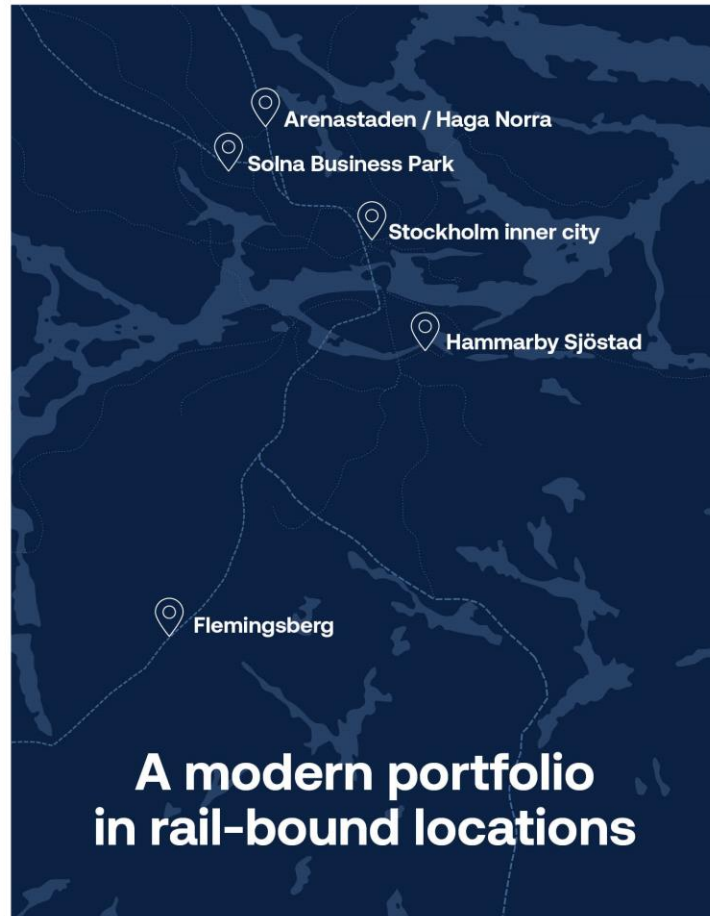
Fabege Interim Report

Jan-Sep 2023

Stefan Dahlbo, CEO
Åsa Bergström, CFO



FABEGE IN BRIEF



102

Properties

SEK 82.7bn

Property value | 83% management portfolio

4,25 %

Average yeild

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

Summary Jan-Sep 2023

- Increased rental income and operating surplus
- Increased interest costs
- Slightly lower management profit
- Negative value changes in the property portfolio
- Net letting SEK -3m
- Increased occupancy rate
- LOI signed regarding the rental of entire Nöten 4 at Solna Strand (66,000 sqm)



Condensed income statement

SEKm	Jan- Sep 2023	Jan-Sep 2022
Rental income	2,539	2,251
Sales residential projects	486	132
Other income	11	0
Net sales	3,036	2,383
Property expenses	-650	-584
Residential projects expenses	-463	122
Gross profit	1,923	1,667
Central administration	-81	-77
Net interest expense	-725	-423
Ground rents	-35	-31
Share in profits of associated companies	31	-8
Profit from property management	1,113	1,138
Realized changes in value, properties	0	74
Unrealized changes in value, properties	-5,415	3,432
Changes in value, derivatives and equities	-157	1,814
Profit before tax	-4,419	6,458
Tax	829	-1,353
Profit for the period	-3,527	5,105



- Rental growth in identical portfolio: approx. 12% (5)
- Surplus ratio: 75% (74)
- Value changes SEK -5,415m, equal to -6,3%
- Earnings per share: SEK - 11.21 (16.05)



Property valuation Q3 2023

Property value SEK 82.7bn of which management portfolio SEK 68.5bn

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Externally valued	55%	60%	74%	80%
Value change	SEK -1,591m	SEK -1,715m	SEK -2,110m	SEK -3,665mm
Yield	4.25%	4.17%	4.11%	3.99%

Value change Q3 2023

- Yield (+0.08) SEK -1.7bn
- Cash flow incl. index SEK +0.2bn
- Project and development properties SEK -0.1bn

Value change Q2 2023

- Yield (+0.06) SEK -1.2bn
- Cash flow incl. index SEK + 0 bn
- 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
30/09/2023		SEK 131	47%	42%
5%	SEK -3,283m	SEK 118	45%	44%
10%	SEK -6,566m	SEK 108	43%	46%
20%	SEK -9,850m	SEK 97	41%	49%
25%	SEK -13,133m	SEK 87	39%	52%

Based on property value 30/09/2023: SEK 82.7bn



Key ratios, 30 September 2023

	2023 Jan-Sep	2022 Jan-Sep	Target
Equity per share, SEK	131	153	
EPRA NRV, SEK per share	157	185	
Total return properties, %	-4.0	6.0	
Surplus ratio, %	75	74	75
Equity/assets ratio , %	47	51	>35
Loan-to-value ratio, %	42	36	<50
Debt ratio, multiple	14.5	15.4	<13
Interest coverage ratio, multiple	2.5	3.7	>2.2



Financing

Over view

Total debt	SEK 34.6bn
Undrawn credit facilities,	SEK 4.4bn*
Loan-to-value	42%
Sustainability	100% Green financing
Fixed-term maturity	4.1 years
Fixed-interest term	2.1 years
Interest coverage ratio	2.6 (r 12m)
Rating	Baa2 negativ outlook (Moody's)

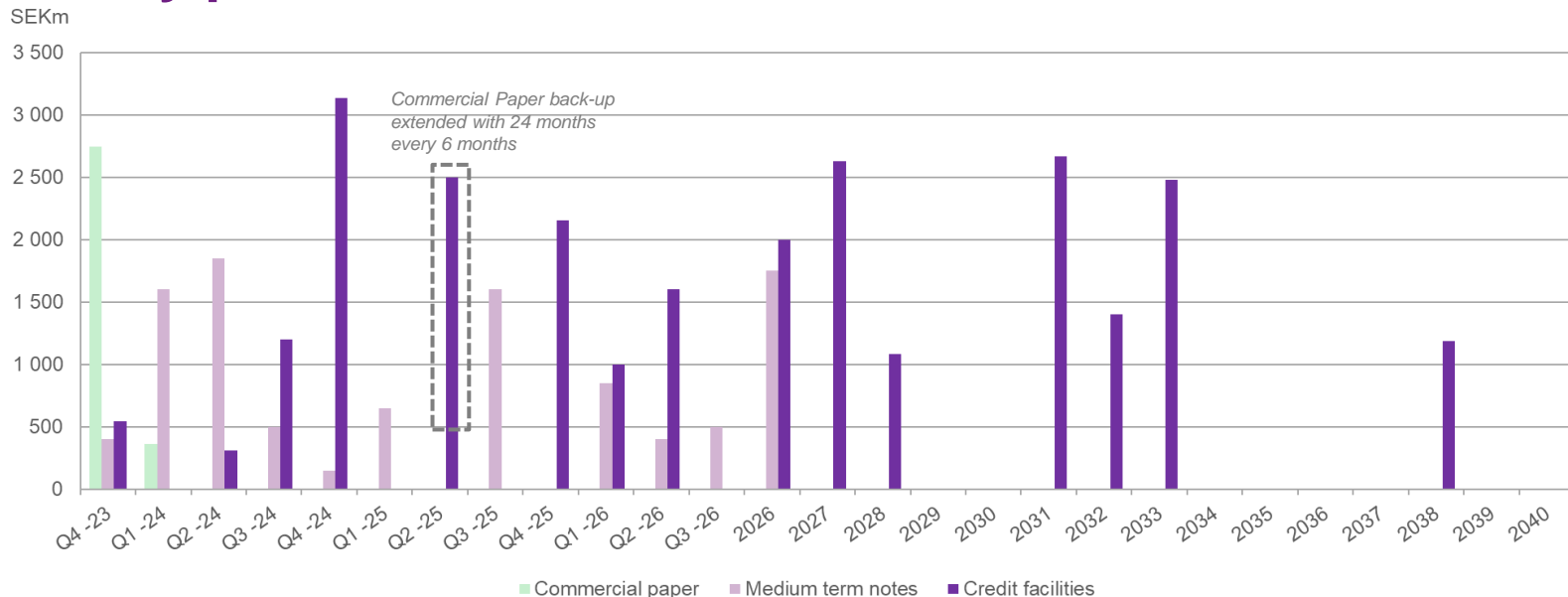
*Of which SEK 2bn back-up for CP

Activities during Jan-Sep

- Still good demand for commercial paper
- Updated MTN-prospectus
- New bank facilities of SEK 2.9bn
- Repaid bonds of SEK 2.0bn
- Bond issue SEK 950m of which SEK 700m in September
- Ongoing refinancing maturities until Q3 2024 completed
- Agreed, not yet paid out new bank facilities of SEK 2.6bn
- Net cash for Orgeln 7 and Glädjen 12, SEK 2.5bn in October
- Another bond issue SEK 300m in October



Maturity profile



2023:

- Maturity: Commercial Paper 2,7bn (extended on average 3 months)
- Maturity: MTNs 0.4bn (3/10)
- Undrawn facilities 4.4bn

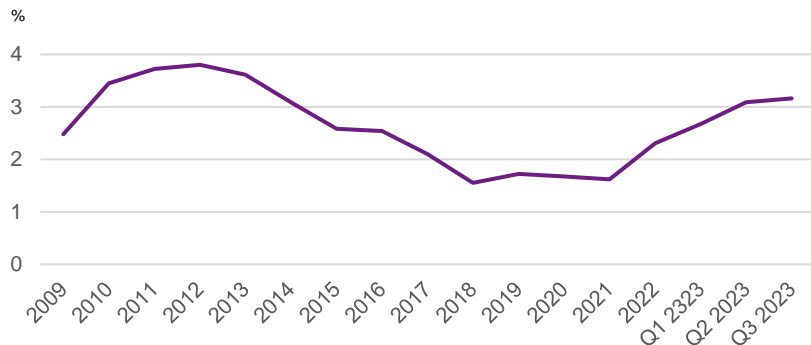
2024:

- Q1: MTNs SEK 1.6bn, CP SEK 0.4bn
- Q2: MTNs SEK 1.9bn, bank SEK 1.7bn
- Q3: MTNs SEK 0.5bn, bank SEK 1.2bn
- Q4: MTNs SEK 0.2bn, bank SEK 3.2bn



Fixed-rate period 30/09/2023

Average interest rate



- 60 per cent of the portfolio fixed
- Average fixed-rate term 2.1 years
- Fixed interest derivatives between -0.15% and 1.30%
- Sensitivity analysis rolling 12 months:
 - +1% in market interest generates increased cost of SEK 133m
 - Assumes unchanged loan volume and unchanged margins

Maturity	Swaps	FXD MTN & Loan	Total
2023	750	412	1,162
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	17,350	3,424	20,774

* Total volume of swaps amounts to SEK 20,850m, the table excludes closeable swaps as these can be closed within 6-9 months.



Transactions

- Few office transactions
- Large institutional ownership,
- No stressed sellers
- Pending market



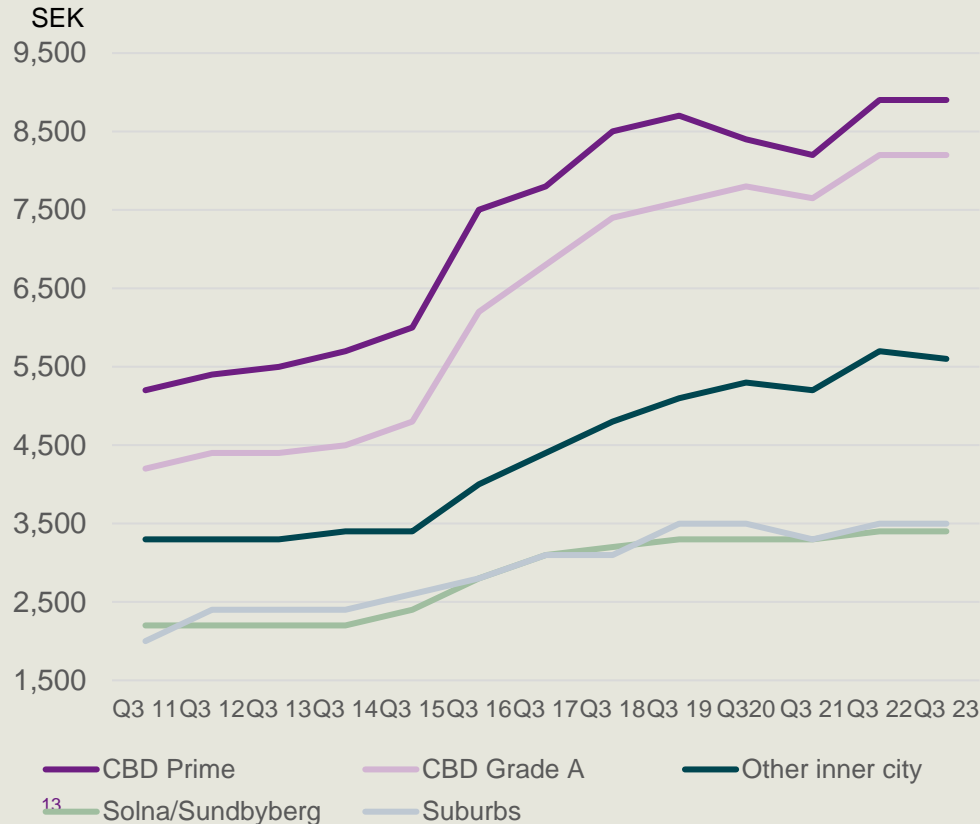
Transactions

SEK 3.4bn to Nrep

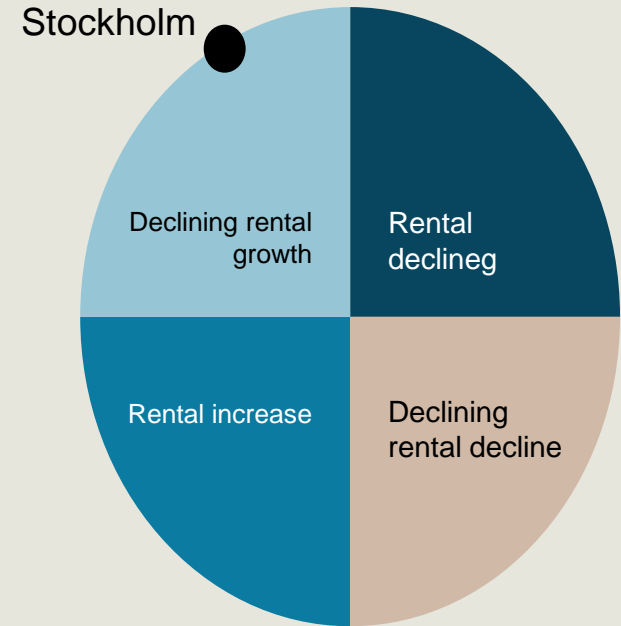
- Orgeln 7
 - 39,200 sqm, Sundbyberg
 - BREEAM-SE Excellent
- Glädjen 12,
 - 10,800 sqm, Stadshagen
 - BREEAM-SE Excellent
- The properties was taken over on October 12



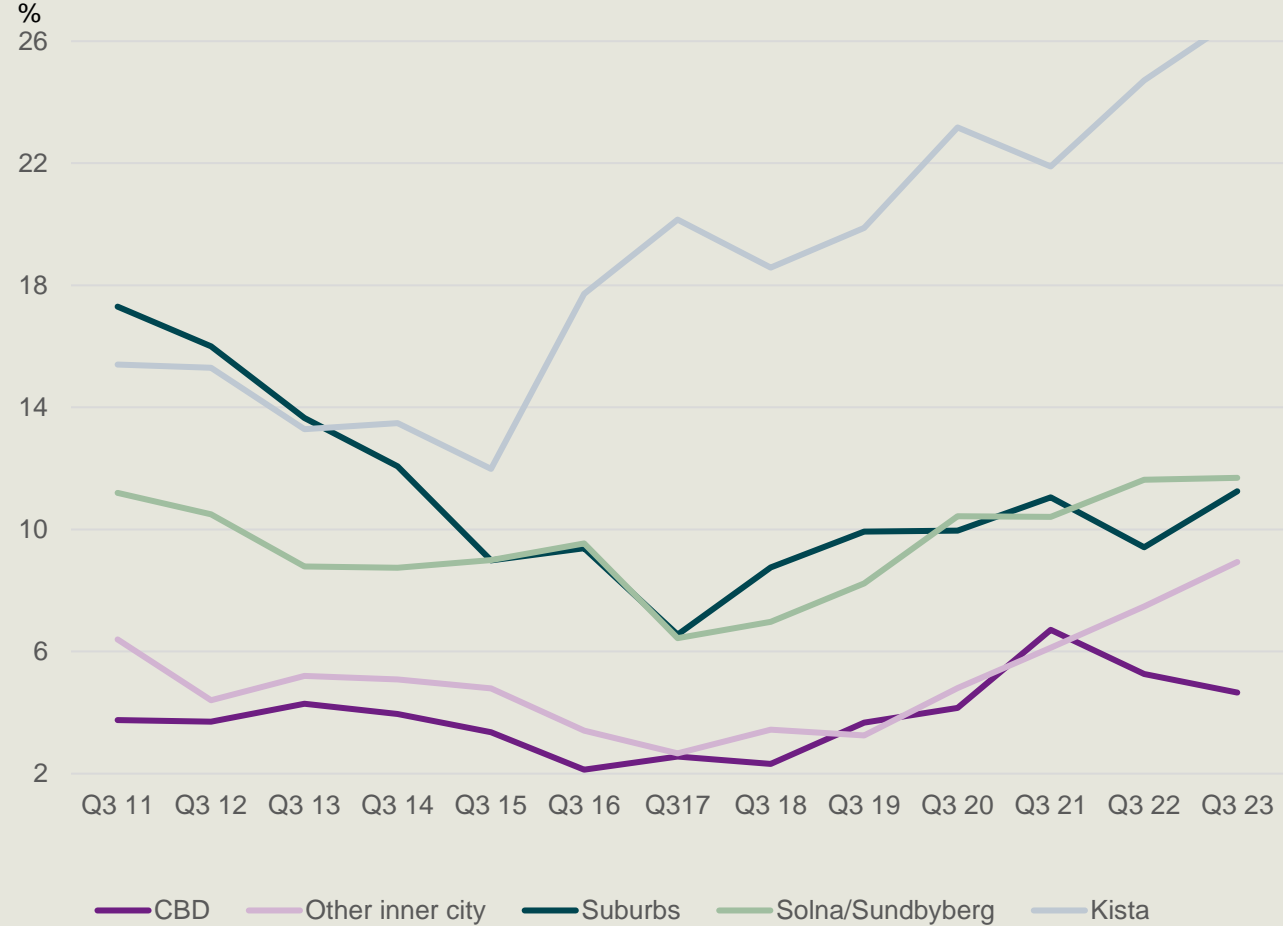
Rent development Stockholm Q3 2011 – Q3 2023



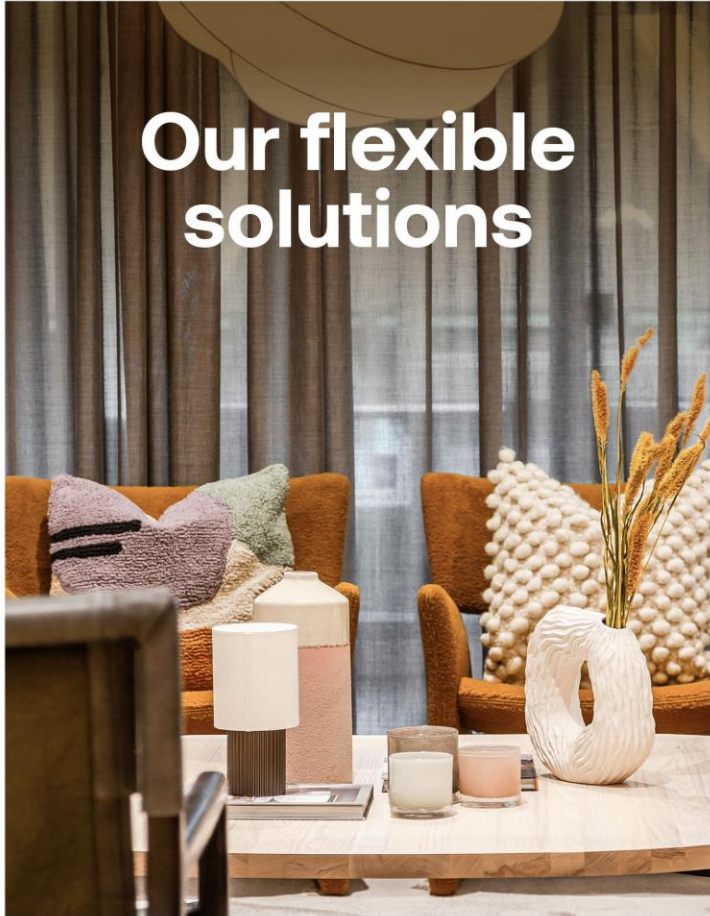
JLLs Property clock Q3 2023



Vacancies Q3 2011 – Q3 2023



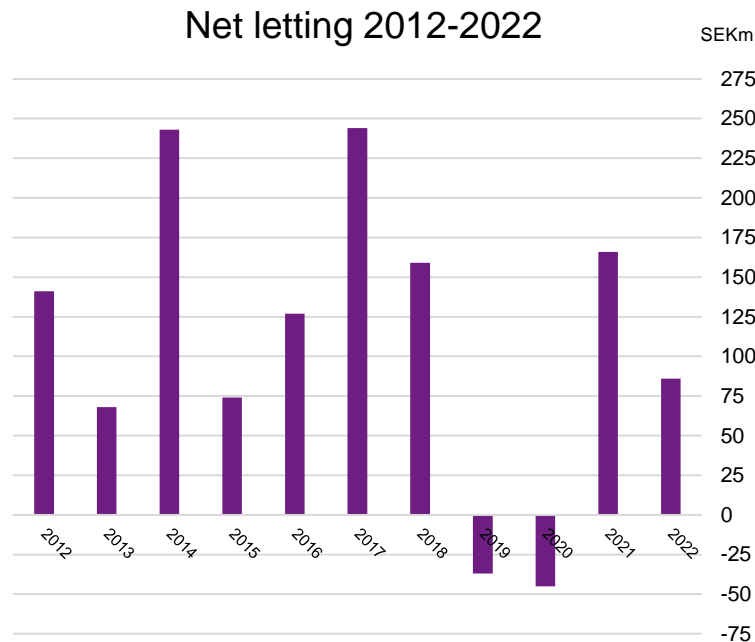
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Net letting Jan-Sep 2023

SEKm	Acu Q3 2023	Acu Q3 2022
New lettings	160	175
Terminations	-163	-107
Net letting	-3	66

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	6.3%	2037
ICA Fastigheter Sverige	3.7%	2030
Convendum	3.5%	2034
Telia Company	3.4%	2031
Tieto Sweden	2.6%	2029
Carnegie Investment Bank	2.0%	2027
Bilia	1.6%	2041
The Swedish National Agency for Education	1.4%	2024
Svea Bank	1.4%	2027
Telenor	1.3%	2028
Total	27%	

Renegotiations Q3 2023

- Renegotiations
 - SEK 287m extended on unchanged terms
 - SEK 73m 1.0%
 - SEK 252m has already been renegotiated when the current agreement expires

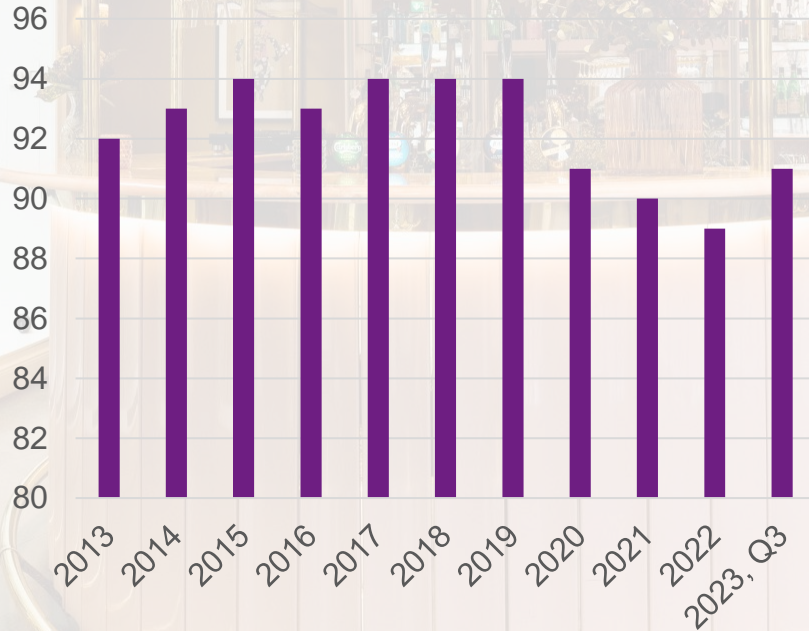
Lease maturity structure

Maturity, year	Annual		Percentage, %
	No. of leases	rent, SEKm	
2023 ¹	248	111	3%
2024 ¹	437	551	16%
2025	276	509	15%
2026	274	553	16%
2027	120	443	13%
2028+	126	1,135	33%
Commercial	1,481	3,303	95%
Housing leases	211	23	1%
Indoor and outdoor parking	661	136	4%
Total	2,353	3,462	100%

¹ Of which just over SEK 252m has already been renegotiated.



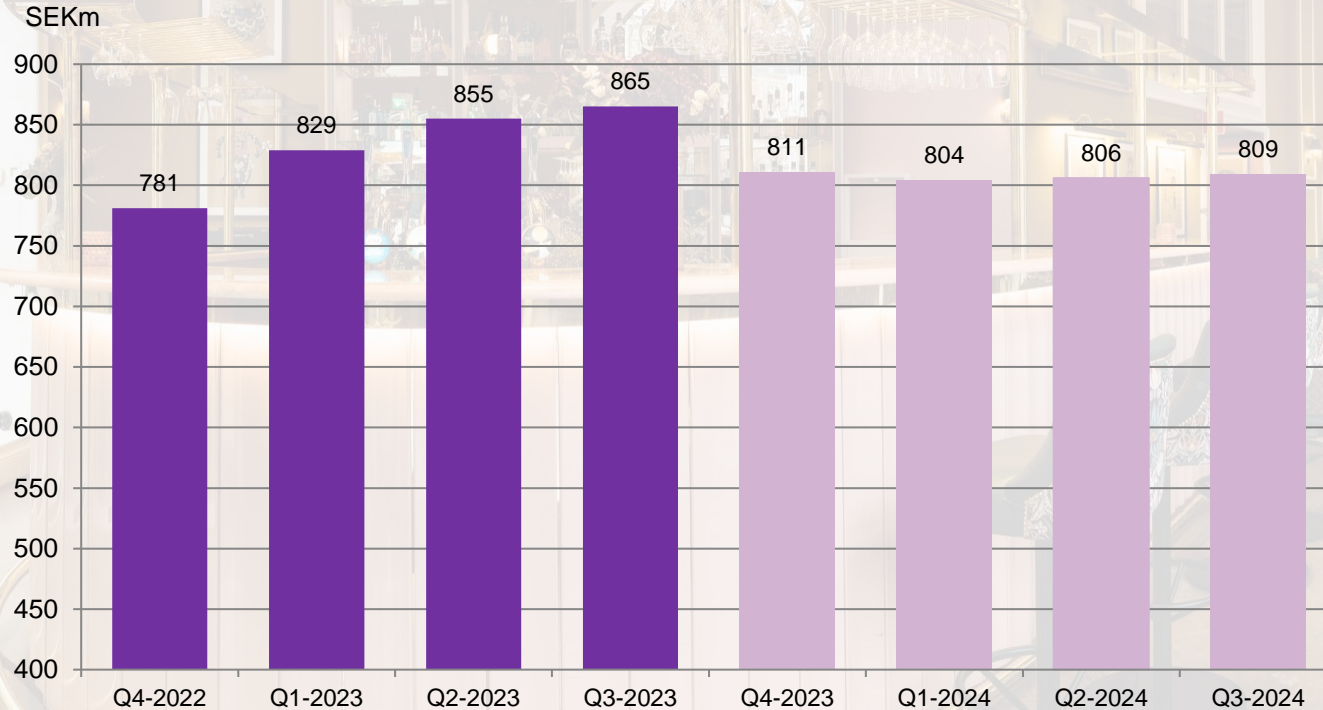
Occupancy rate 30/09/2023



- 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 148,000 is let
- Project portfolio
 - Estimated rental value SEK 364m
 - Occupancy rate, area 39 per cent
 - Occupation from fourth quarter 2023 until summer 2025



Rental development existing lease portfolio 30/09/2023

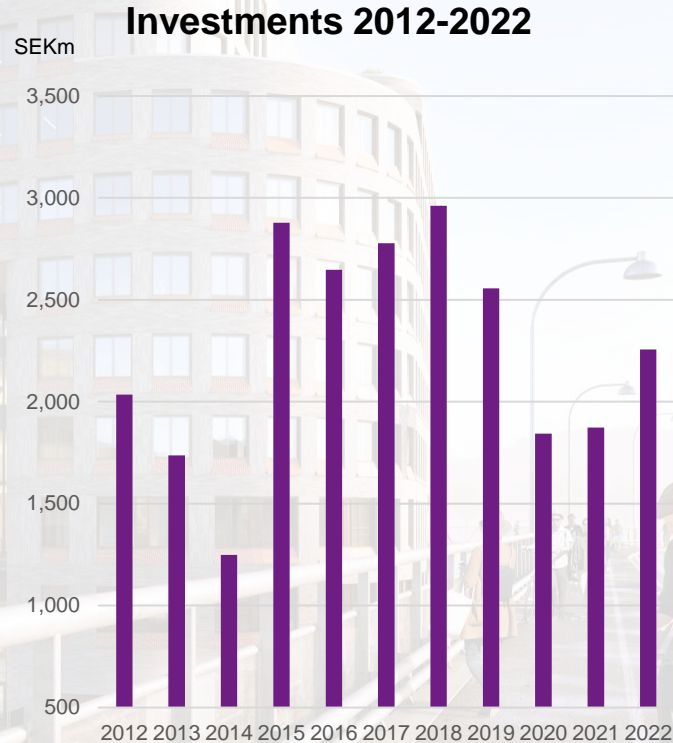


- Based on contracted leases including known occupations, relocations and renegotiations Q3 2023
- Excluding indexation, letting targets and assumptions of new signed agreements or terminations



Capex

Investments SEKm	2023 Jan-Sep	2022	2023E	2024E
Project- & developments properties	1,425	1,427		
Management properties	748	800		
Total	2,173	2,257	2,900	2,000



Project portfolio 30/09/2023

- Estimated capex: SEK 4.5bn
 - Of wich SEK 2.2bn spent

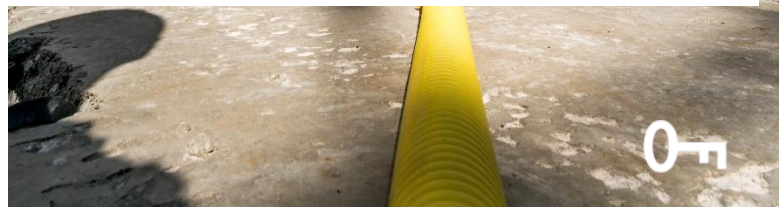


Property listing	Category	Area	Completed	Lettable area, sqm	Occupancy rate, % space ¹	Rental value ²	Book value, SEKm	Estimated investment, SEKm	of which spent, SEKm
Semaforen 1	Garage	Arenastaden	Q4-2023	18,000	0%	15	131	337	284
Regulatorn 4	Workshops etc	Flemingsberg	Q2-2024	11,900	100%	24	289	465	324
Ackordet 1	Offices	Haga Norra	Q3-2024	27,000	66%	98	1,170	1,441	770
Påsen 1	Offices	Hammarby Sjöstad	Q1-2025	11,000	0%	38	588	416	154
Nöten 4 ³	Offices	Solna Strand	Q1-2025	53,400	0%	130	1,781	770	232
Separatorn 1	Offices	Flemingsberg	Q2-2025	23,400	91%	59	442	1,060	431
Total				144,700	39%	364	4,401	4,489	2,195
Other land and project properties							2,171		
Other development properties							7,645		
Total project, land and development properties							14,217		

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

² Rental value including additions. The annual rent for the largest projects in progress could increase to SEK 364m (fully let) from SEK 0m in annualised current rent at 30 September 2023.

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





Birger Bostad

- Ongoing projects running as expected
- 6 completed projects during the period
- 27 apartments sold since the year-end

JV Haga Norra

- 39 apartments sold since the year-end



SUSTAINABILITY - NEWS

Energy use rolling 12 month reduced to 72 kWh/sgm

– taget to 2025 70 kWh/sgm

Solar cells today produce 1.98 kWh/sqm in the managment portfolio

Ackordet 1, Haga Norra, BREEAM-SE outstanding

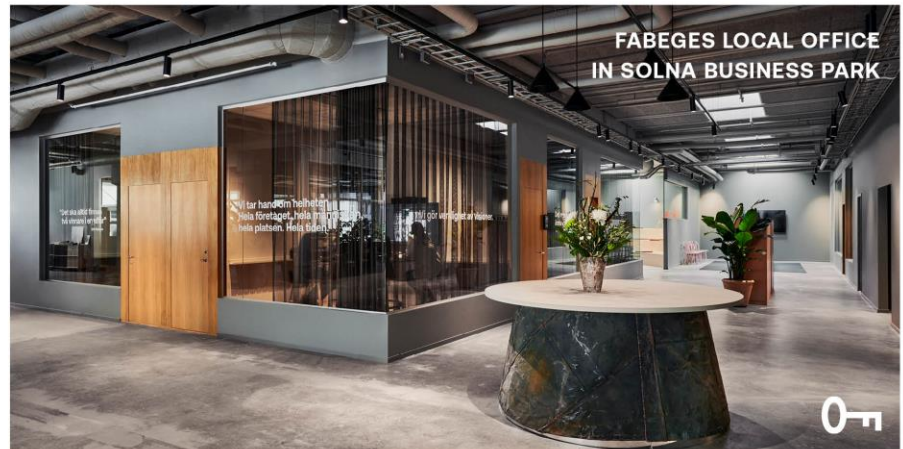
Recycling strategy

- Goal 20% of materials in projects should be recycled
- Our recycling hub enables smart and cost-effective recycling

GRESB



ÅTERBRUKSHUBBEN © Fabège



FABEGES LOCAL OFFICE IN SOLNA BUSINESS PARK

Fabege in GRESB 2023

Totalt
93 points

Average score
75 points

Total, participating companies
2,084







Questions

Our vision

The success factor for a new era

