

An aerial photograph of a cityscape. In the foreground, a tall, light-colored apartment building with many windows and balconies stands prominently. To its right, a multi-story brick apartment building is visible. In the background, a large warehouse with a grey roof and a sign that reads "Öppet alla dagar 7-22" is situated next to a parking lot filled with cars and trucks. A road with a few vehicles runs between the buildings. The city extends into the distance with various other buildings and a body of water visible on the left.

Year-end report 2019

JohnMattson



Presentation, 19 February 2020



Siv Malmgren
CEO



Maria Sidén
CFO

Significant events

- Agreement to acquire 541 rental units in Rotsunda and Rotebro in the municipality of Sollentuna.



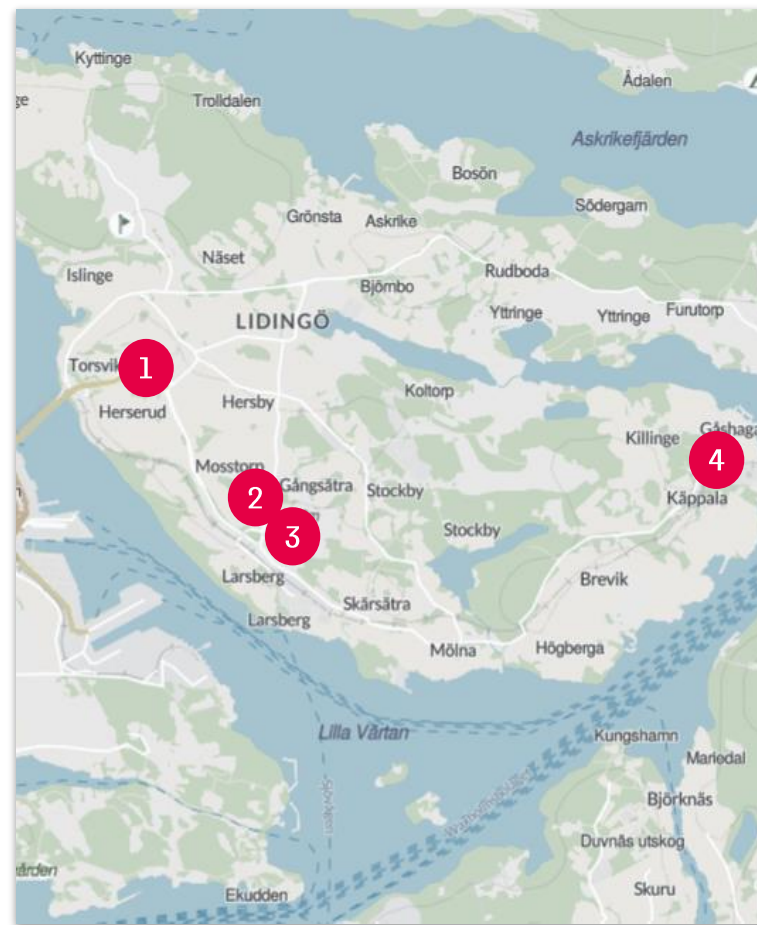
Sollentuna acquisition

- 541 apartments in Rotsunda and Rotebro
- 29 properties
- 37,200 sq m lettable area
- Acquisition price: SEK 765 million after deduction of deferred tax of SEK 40 million
- Rental revenues, fully let (2019): approx. SEK 42 million
- Date of transfer: 4 May 2020
- Favourable size for management
- Close to commuter train and E4/E18 motorways



Kev metrics 2019

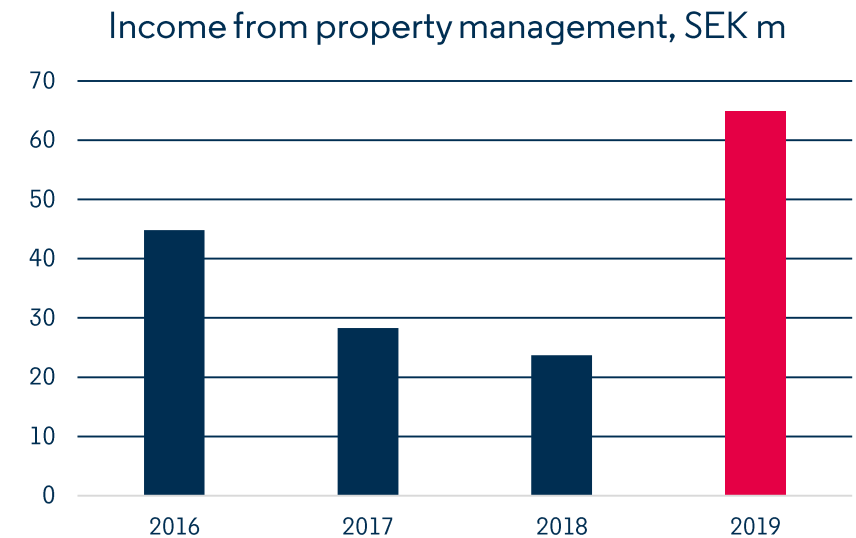
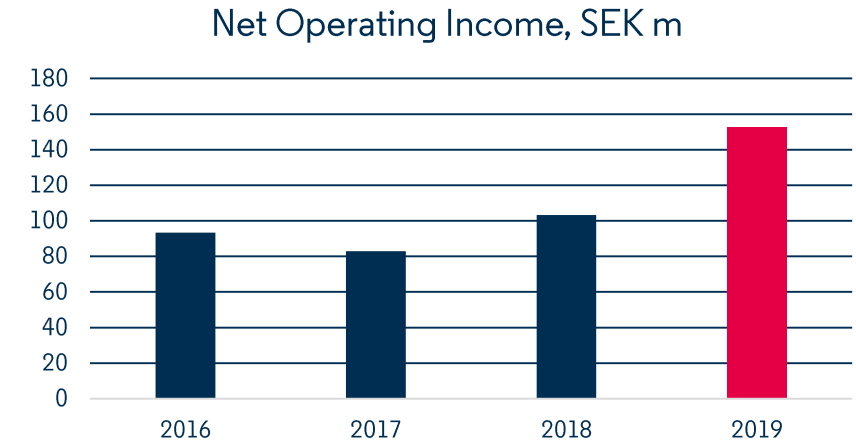
- Property value: SEK 6.4 billion
- Number of apartments: 2,251
- Rental value, SEK 275 million
- Rental value/sq m: SEK 1,605/yr
- Income from property management, SEK 65 million
- EPRA NAV: SEK 3.7 billion
- Loan-to-value (LTV) ratio: 41%



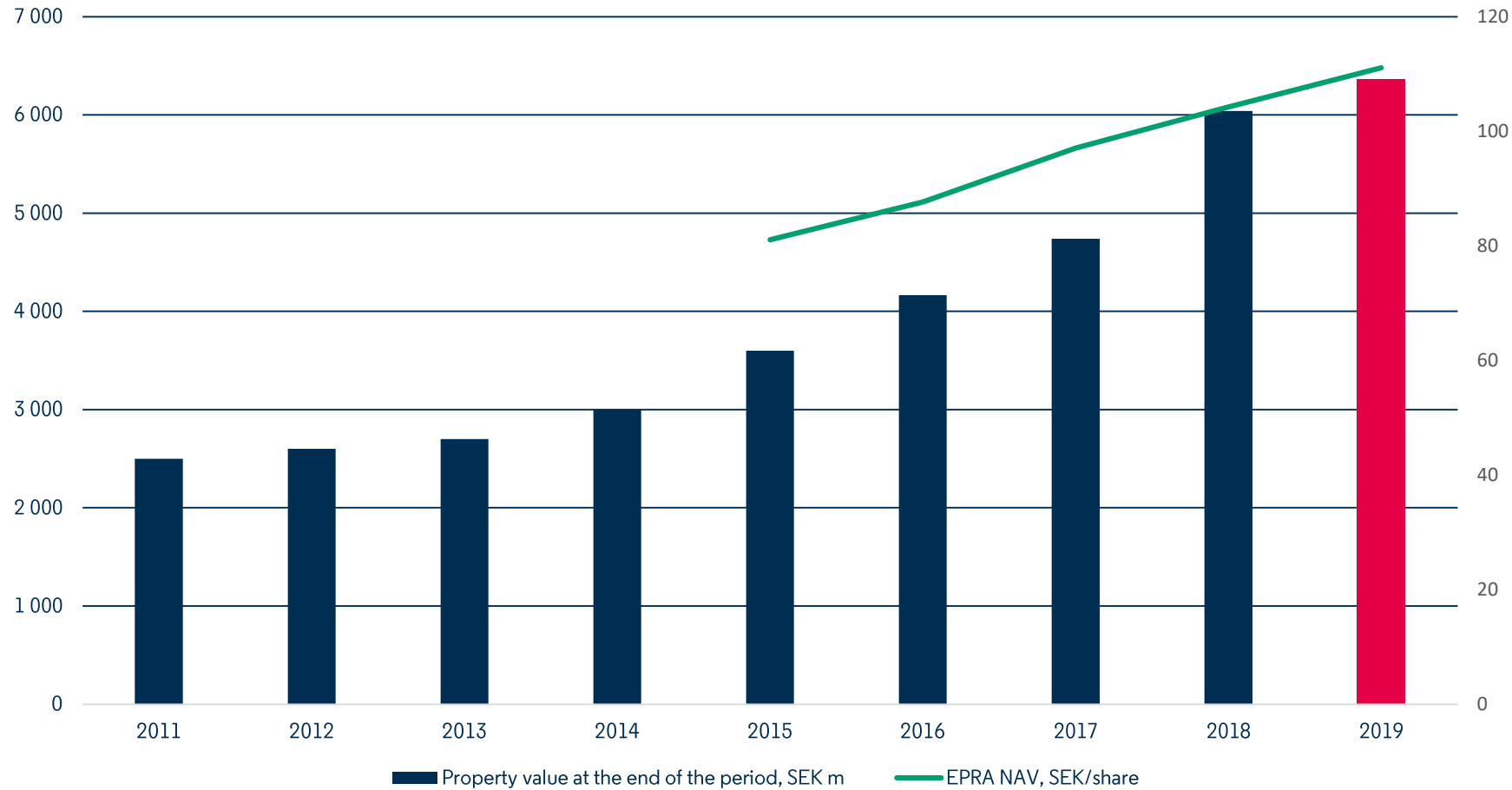
- 1 Baggeby
83 apartments
5.7 thousand sq m
- 2 Larsberg
1,541 apartments
126.5 thousand sq m
- 3 Dalén
146 apartments
9.2 thousand sq m
- 4 Käppala
481 apartments
30.1 thousand sq m

Income from property management

Amounts in SEK m	Oct–Dec 2019	Oct–Dec 2018	Jan–Dec 2019	Jan–Dec 2018
Rental revenues	64.8	61.4	253.0	218.3
Operating expenses	-14.9	-15.7	-57.4	-46.9
Maintenance	-3.5	-10.1	-19.4	-43.3
Property tax	-1.2	-1.1	-4.5	-4.0
Property administration	-5.0	-7.0	-18.8	-20.9
Net operating income	40.2	27.4	152.8	103.2
Central administration cost	-7.6	-17.0	-38.0	-37.4
Net financial items	-12.9	-7.1	-49.8	-42.1
Income from property management	19.8	3.4	64.9	23.7



Property value & net asset value



SEK 6.4 billion
property value
at year-end
2019

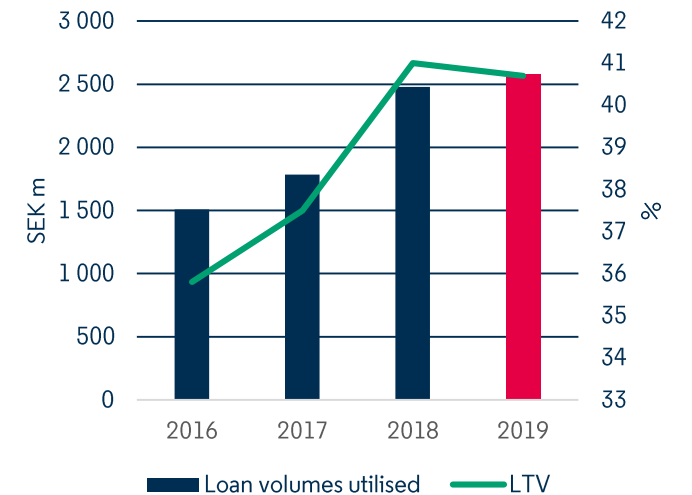
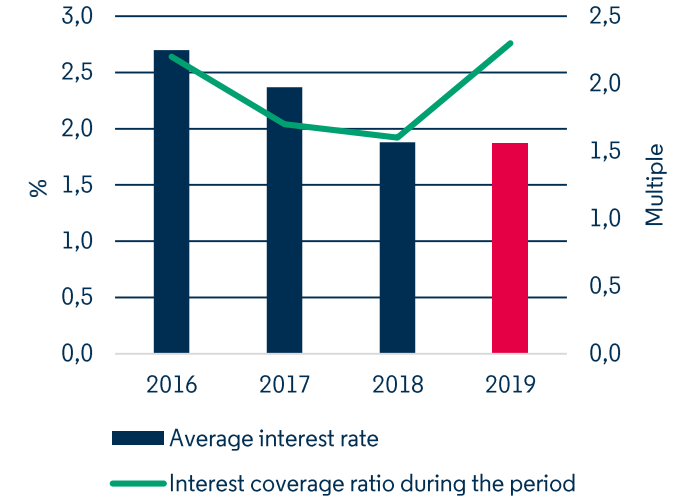
SEK 160 million
invested in
2019

7%
average growth
in net asset
value per share
2019

Financing

Fixed-interest and loan-to-maturity periods at 31 December 2019

Fixed-interest period				Loan-to-maturity			Interest-rate swaps	
Maturity	Volume	Average interest	Share (%)	Credit agreement volume	Utilised	Share (%)	Volume	Average interest
0-1 year	964	2.53	37	1,805	555	21	-14	-
1-2 years	0	0.00	0	695	577	22	0	-
2-3 years	499	1.59	19	520	520	20	154	-
3-4 years	171	1.21	7	475	475	18	171	-
4-5 years	0	0	0	475	475	18	0	-
> 5 years	968	1.48	37	0	0	0	968	-
Total	2,602	1.87	100	3,970	2,602	100	1,279	1.77



41%

loan-to-value
ratio 2019

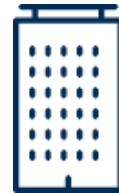
2.3x

interest
coverage ratio
2019

Goal fulfillment



7% growth in
net asset value



SEK 6.4 billion
in property
value



159% growth in
income from
property
management

Our business idea revolves around the long-term ownership, management and development of residential property and attractive local communities in the Stockholm region.

Financial targets

- +10% annual growth in net asset value/share
- +10% annual growth in income from property management/share
- SEK 10 billion in property value by 2023

Financial risk limitation

- < 50% loan-to-value ratio
- > 1.5 interest coverage ratio

Strategies

- Efficient management
- **Add value** through upgrades
 - Total upgrades: 100 apartments/year
 - ~ SEK 40 million annual investment
 - Base upgrades: 400 apartments in the next few years
 - ~ SEK 130 million in investment over two years
- **Infill development**
 - Around 1,000 apartments until 2025
 - ~ SEK 2 000 million in total investment
- **Acquisitions** with development potential

Dividend policy

50% of income from property management per year.
The company will prioritise value-creating investments over dividends in the years head.

Outlook

- Takeover of property management in Rotebro and Rotsunda, and planning started of the apartment upgrades
- Upgrade project in Käppala continues as planned
- Increased pace for total upgrades of empty apartments and total upgrades offered to residents in apartments with base upgrades.
- Continued focus on potential acquisitions in line with the company's growth strategy
- Continued efforts to obtain detailed development plans for densification projects in Larsberg and Käppala





Great neighbourhoods across generations

Questions

John Mattson

John Mattson in brief

- Properties of superior quality in an attractive part of Stockholm
- Clear strategies and a long-term overall perspective
- Considerable potential to continue adding value and for densification projects
- Financial position creates scope for continued investment

