

Fabege Year-end report 2023

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Summary Q4 2023

- Increased management profit SEK 345m (235)
- Strong net letting SEK +168m (17)
- Strong surplus ratio 76 per cent (73)
- Negative value changes in the property portfolio SEK -2,415m (-3,665)
- Result after tax -1,991 (-2,729)
- Vacated Orgel 7 and Glädjen 12
- Green share according to NASDAQ Green Designation



Summary 2023

- Increased rental income, growth identical portfolio 11%
- Increased interest costs
- Increased management result
- Surplus ratio 75% (74)
- Negative value changes in the property portfolio apprx 9% (-13% since peak Q3 2022)
- Strong net letting SEK 165m
- Improved occupancy rate to 91%
- Low energy consumption
- ³ Green share according to NASDAQ Green Designation



Condensed income statement

SEKm	2023 Jan-Dec	2022 Jan-Dec
Rental income	3,366	3,032
Sales residential projects	553	295
Other income	11	0
Net sales	3,390	3,327
Property expenses	-853	-792
Residential projects expenses	-549	-374
Gross profit	2,528	2,161
Central administration	-97	-102
Net interest expense	-962	-612
Ground rents	-45	-42
Share in profits of associated companies	34	-32
Profit from property management	1,458	1,374
Realized changes in value, properties	0	74
Unrealized changes in value, properties	-7,831	-233
Changes in value, derivatives and equities	-1,007	1,750
Profit before tax	7,380	2,964
Tax	1,862	-588
Profit for the period	-5,518	2,376



- Rental growth in identical portfolio: approx. 11% (5)
- Surplus ratio: 75% (74)
- Value changes SEK -7,831m, equal to -9%
- Earnings per share: SEK - 17.54 (7.49)



Property valuation Q4 2023

Property value SEK 78.1bn of which management portfolio SEK 63.7bn

	Q4 2023	Q2 2023	Q1 2023	Q1 2023
Externally valued	70%	55%	60%	47%
Value change	SEK -2.415m	SEK -1,591m	SEK -1.715m	SEK -2,110m
Yield	4.43%	4.25%	4.17%	4.11%

Breakdown of value changes 2023	SEKbn
Project	-1.6
Management - Cash flow	1.8
Management - Yield	-8.1
Total	-7.8



Sensitivity analysis – Property values

Change in value	Impact on earnings after tax	Equity per share	Equity/ratio	Loan-to-value
31/12/2023		SEK 125	47%	42%
5%	SEK -3,100m	SEK 112	46%	44%
10%	SEK -6,201m	SEK 103	44%	47%
15%	SEK -9,301m	SEK 93	42%	50%
20%	SEK -12,401m	SEK 83	40%	53%

Based on property value 31/12/2023: SEK 78.1bn



Key ratios, 31 December 2023

	2023 Jan-Dec	2022 Jan-Dec	Target
Equity per share, SEK	125	145	
EPRA NRV, SEK per share	150	173	
Total return properties, %	-6,2	2.4	
Surplus ratio, %	75	74	75
Equity/assets ratio , %	47	49	>35
Loan-to-value ratio, %	42	38	<50
Debt ratio, multiple	13.5	15.6	<13
Interest coverage ratio, multiple	2.5	3.6	>2.2



Financing

Over view

Total debt	SEK 32.9bn
Undrawn credit facilities,	SEK 7,0bn*
Loan-to-value	42%
Sustainability	100% Green financing
Fixed-term maturity	4.1 years
Fixed-interest term	2.1 years (3.1 years cancellable swaps)
Interest coverage ratio	2.5
Rating	Baa2 negativ outlook (Moody's)

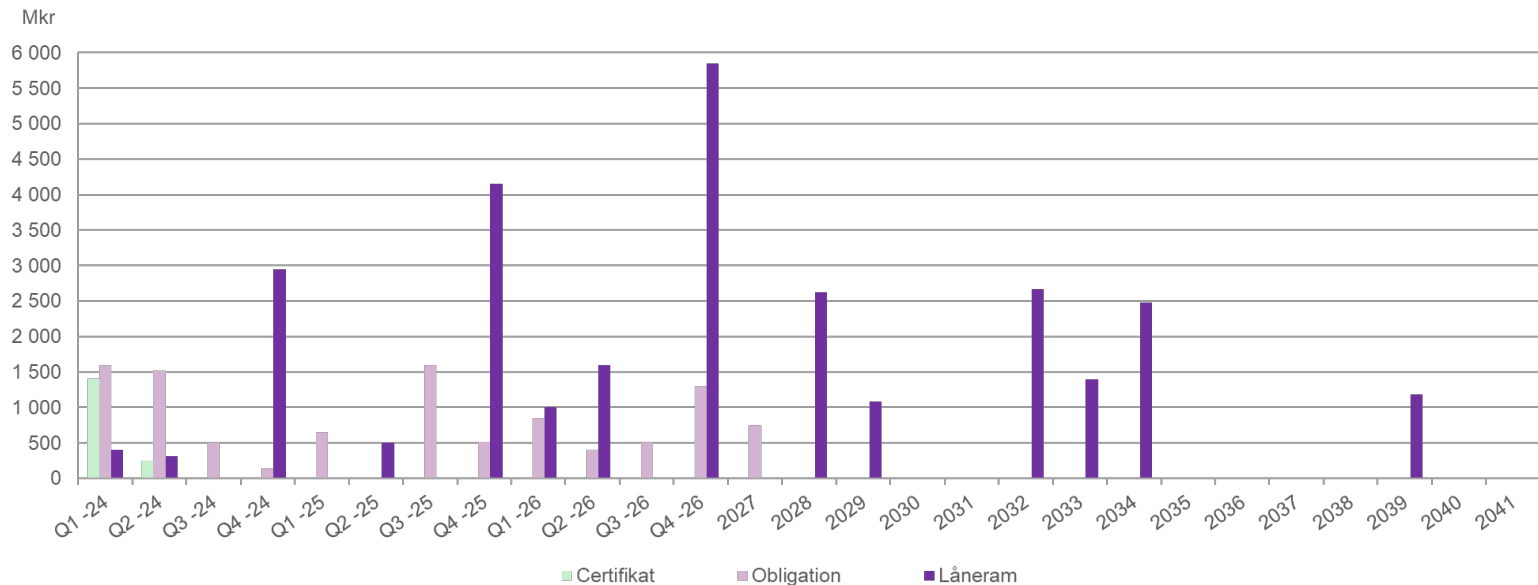
*Of which SEK 2bn back-up for CP

Activities during 2023

- Issued SEK 1.8bn in bonds and repaid bond of SEK 2.7bn (incl. SFF)
- Reduced outstanding commercial pappers by SEK 1.1bn to SEK 1.7bn
- Net new bank facilities of SEK 1.7bn and agreed, not yet paid out new bank facilities of SEK 1.5bn
- Updated MTN-prospectus



Maturity profile



2023:

- Maturity: CP SEK 1,7bn (extended on average 3 months)
- Maturity: MTNs SEK 3.8bn (inclu. SEK 600m in SFF)
- Bank facilities SEK 3.4bn

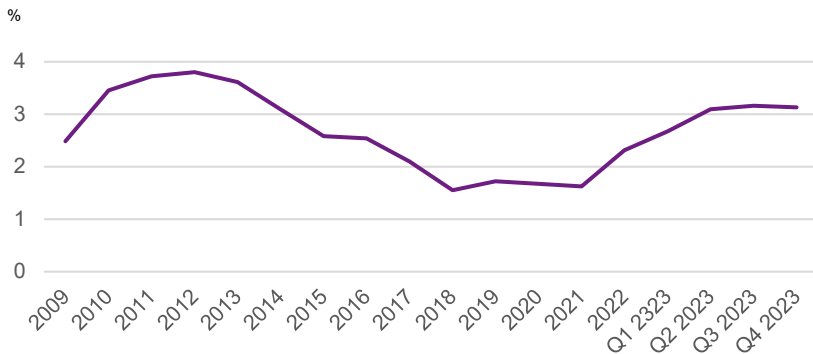
2025:

- Q1: MTNs SEK 0.7bn
- Q2: Bank SEK 0.5bn
- Q3: MTNs SEK 1.6bn
- Q4: MTNs SEK 0.5bn, bank SEK 4.2bn



Fixed-rate period 31/12/2023

Average interest rate



- 60 per cent of the portfolio fixed
- Average fixed-rate term 2.1 years (3.1 years if the maturity of the cancellable swaps is probability adjusted)
- Fixed interest derivatives between -0.15% and 1.30%
- Cancellable derivatives fixed interest between 1.81% and 2.50%
- Sensitivity analysis rolling 12 months:
 - +1% in market interest generates increased cost of SEK 123m
 - Assumes unchanged loan volume and unchanged margins

Maturity	Swaps	Cancellable swaps	FXD MTN & Loan	Total
2024	2,400	6,000	937	9,337
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	16,600	6,000	3,163	25,763

* The cancellable swaps have a term of 10 years with an option for the bank to close the swaps in 2024. When calculating the remaining term based on the probability that the bank uses its option, it amounts to approximately 6.5 years for the cancellable swaps..



Transactions

Divestments of total SEK 3.9bn. Two office properties and land

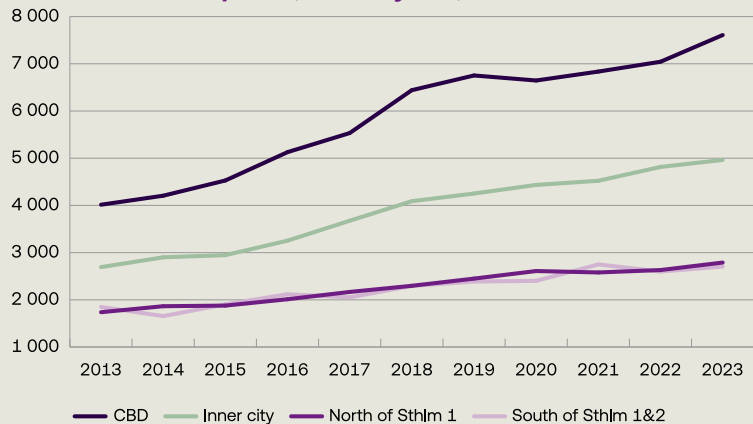
Orgeln 7 vacated in Q3



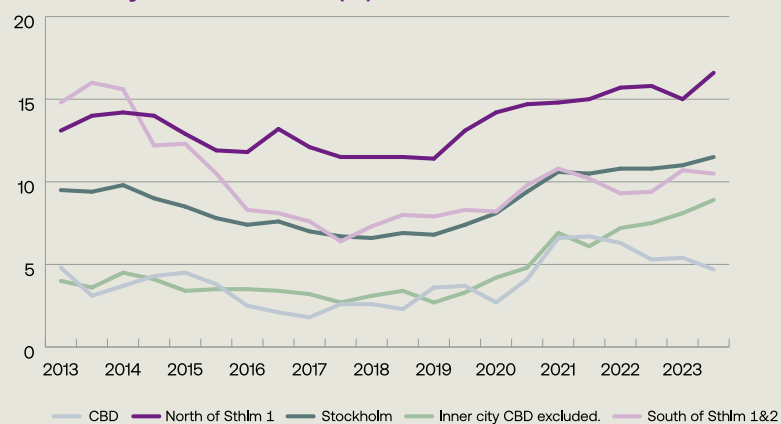
Glädjen 12 vacated in Q3



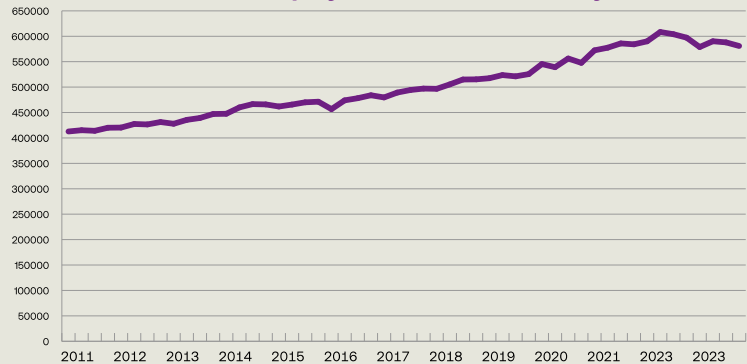
Rental development, last ten years, SEK



Vacancy rate of total area (%)



Number of office employees, Stockholm County



New office space all of Stockholm, sqm net



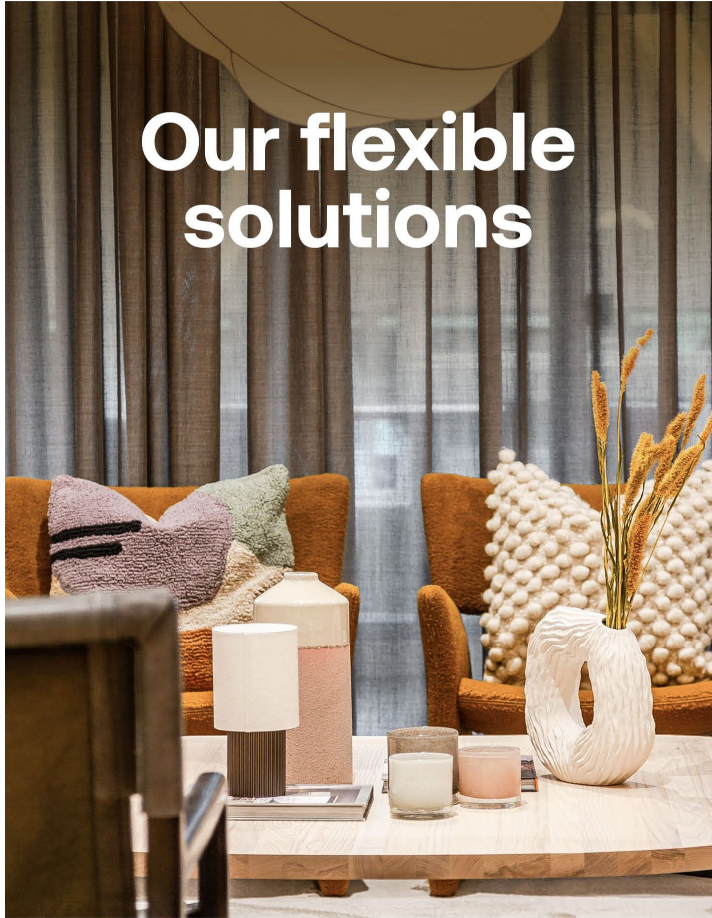


New office study

- Need for a multifaceted workplace
- The office needs to solve four basic need
 - cooperation
 - social togetherness
 - concentration
 - Recovery
- Need for flexibility, simplicity and service
- Availability more important
- [Link to the the report](#)
(swedish only)



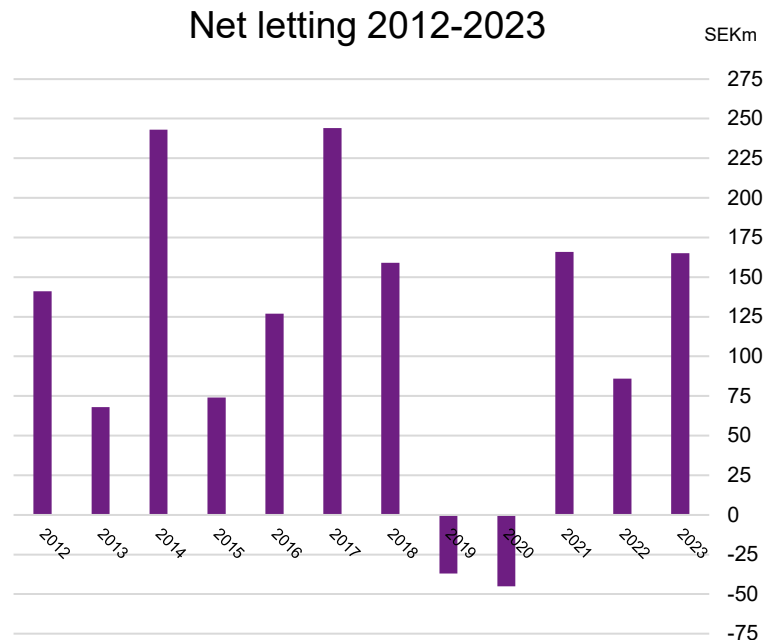
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Net letting 2023

SEKm	2023	2022
New lettings	382	276
Terminations	-217	-190
Net letting	165	86

Target 2024 > SEK 80m



Stable customers with long agreements

- Approx 700 customers
- 25 largest customers represents 42% of rental value
- Average contract length 4.5 years
- Share of total rent



■ Office, 82% ■ Retail, 4%
■ Industry/logistics, 4% ■ Other, 10%

Customer	Share of total rent	Year of expiry
SEB	6,6%	2037
ICA Fastigheter Sverige	3,8%	2030
Convendum	3,6%	2034
Telia Company	3,6%	2031
TietoEvry	2,7%	2029
Carnegie Investment Bank	2,1%	2027
Bilia	1,7%	2041
Statens skolverk	1,5%	2024
Svea bank	1,5%	2027
Telenor Sverige	1,3%	2028
Total	28%	

Renegotiations 2023

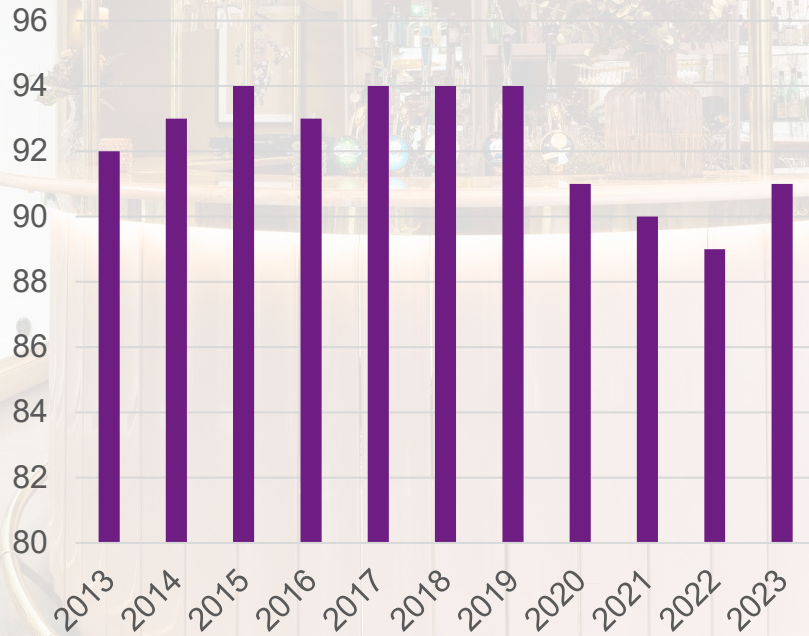
- Renegotiations
 - SEK 340m extended on unchanged terms
 - SEK 151m -3.2%
 - SEK 192m has already been renegotiated when the current agreement expires

Lease maturity structure

Maturity, year	No. of leases	Annual rent,	
		SEKm	Percentage, %
2024 ¹	579	552	17%
2025	308	516	16%
2026	287	580	17%
2027	134	457	14%
2028	59	170	5%
2029+	80	874	26%
Commercial	1,447	3,149	95%
Housing leases	199	33	1%
Indoor and outdoor parking	639	134	4%
Total	2,285	3,316	100%



Occupancy rate 30/09/2023



- Management portfolio

- Economic occupancy rate 91%

- Development portfolio

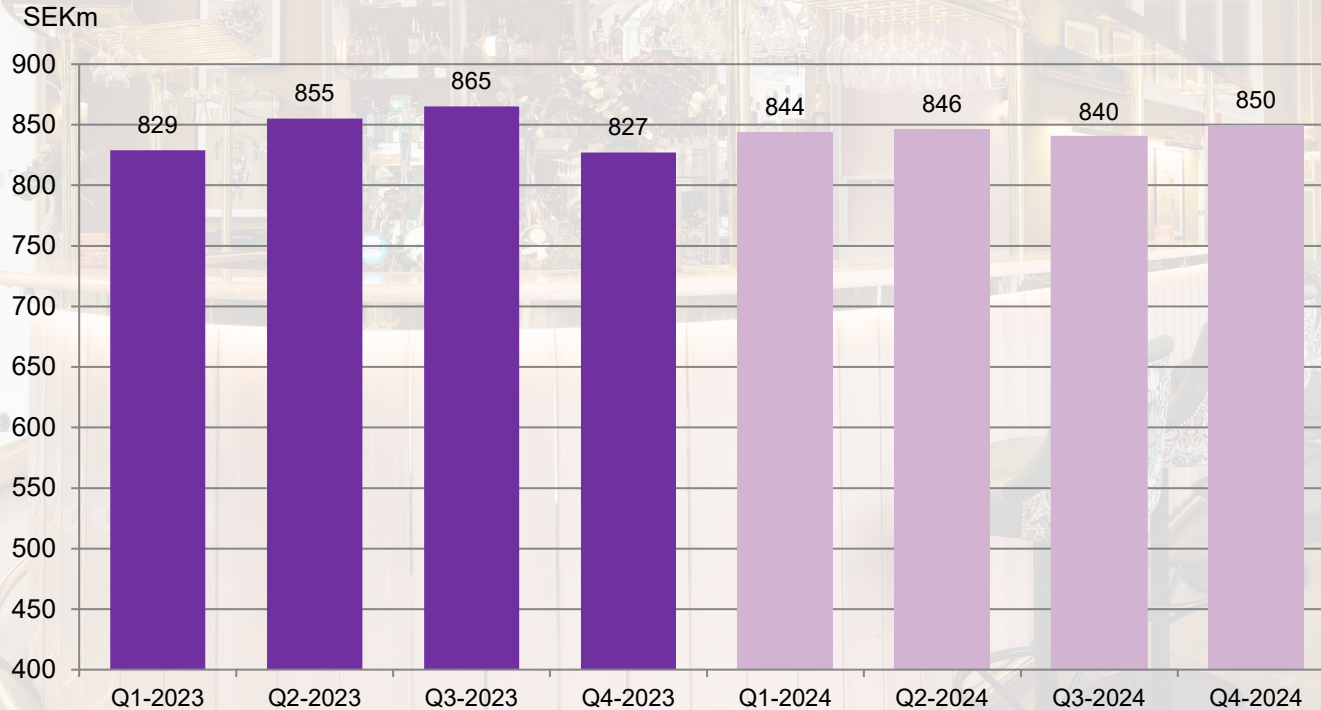
- Relates to properties that are partly or fully vacated for project development, lettings are made for short-term contracts without a right of possession
- In total approximately 234,000 sqm, of which 151,000 is let

- Project portfolio

- Estimated rental value SEK 384m
- Occupancy rate, area 84 per cent
- Move-in from summer 2024 to autumn 2025



Rental development existing lease portfolio 31/12/2023



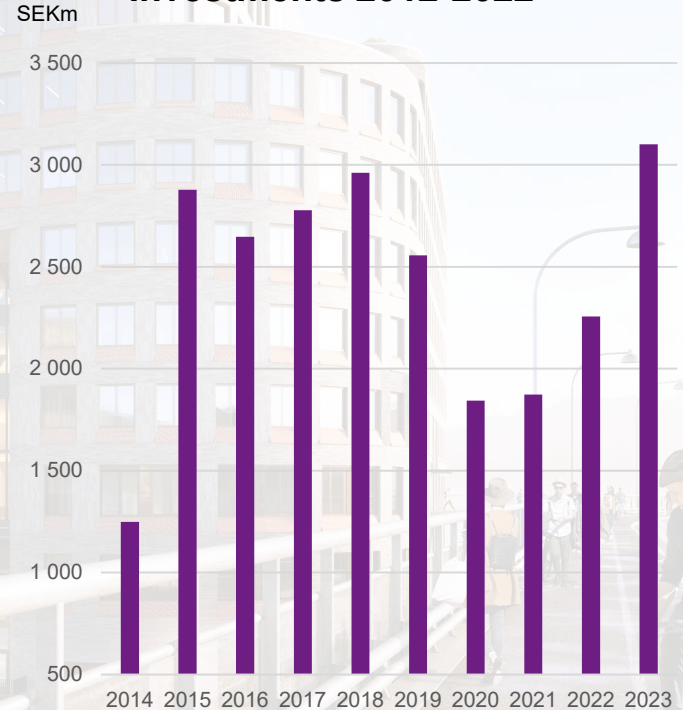
- Based on contracted leases including known occupations, relocations and renegotiations Q3 2023
- Excluding indexation, letting targets and assumptions of new signed agreements or terminations



Investments

Capex SEKm	2022	2023	2024E
Project- & developments properties	1,427	2,094	
Management properties	800	1,007	
Total	2,227	3,101	2,800

Investments 2012-2022



Project portfolio 31/12/2023

- Estimated capex: SEK 4.8bn
- Investment accumulated in 2023: SEK 1,902m



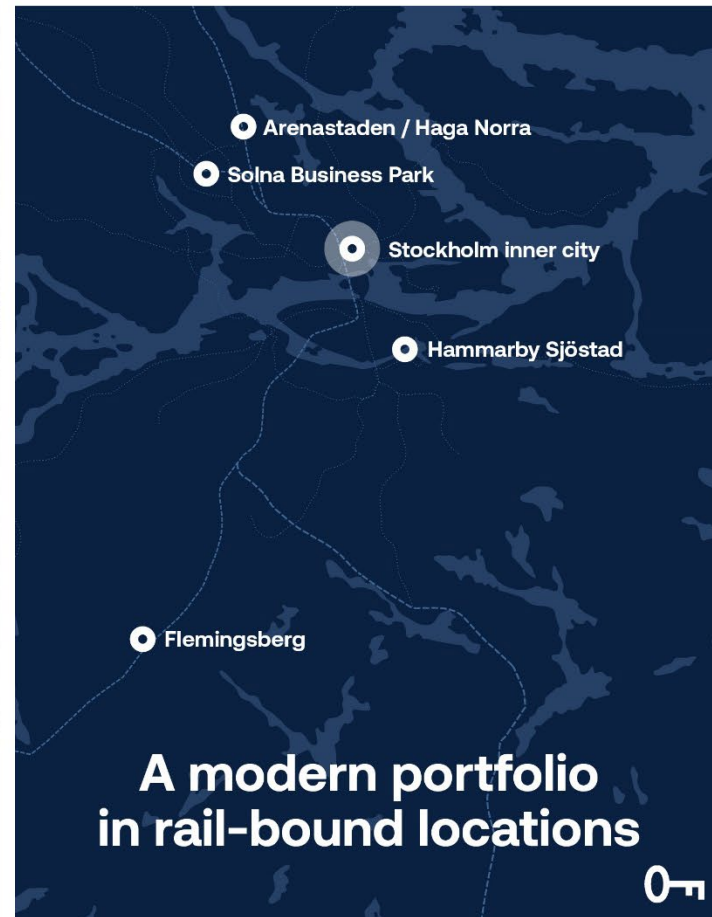
Property listing	Category	Area	Completed	Lettable area, sqm	Occupancy rate, % space ¹	Rental value ²	Book value, SEKm	Estimated investment, of which spent, SEKm	SEKm
Regulatorn 4	Workshops etc	Flemingsberg	Q2-2024	11,900	100%	24	426	465	393
Ackordet 1	Offices	Haga Norra	Q3-2024	27,000	66%	98	1,300	1,441	880
Påsen 1	Offices	Hammarby Sjöstad	Q1-2025	11,000	18%	38	585	416	252
Regulatorn 3 (part of)	Offices	Flemingsberg	Q1-2025	5,800	83%	10	650	193	105
Separatorn 1	Offices	Flemingsberg	Q2-2025	23,400	91%	59	618	1,060	620
Nöten 4 ³	Offices	Solna Strand	Q3-2025	66,000	100%	155	1,826	1,196	284
Total				145,100	84%	384	5,405	4,771	2,534
Other land and project properties							2,084		
Other development properties							6,781		
Total project, land and development properties							14,270		

¹ Operational occupancy rate at 31 December 2023.

² Rental value including additions. The annual rent for the largest projects in progress could increase to SEK 384m (fully let) from SEK 8m in annualised current rent at 31 December 2023.



FABEGE IN BRIEF



100

Properties

SEK 78.1bn

Property value | 82% management portfolio

4,43 %

Average yeild



Sustainability on the agenda



- Reduced energy consumption to 71 kWh/sqm
 - Target 70 kWh/sqm brought forward to 2024
- Topposition i GRESB
 - 93 out of 100 in the management portfolio
 - 98 out of 100 in the project portfolio
- Nasdaq Green Equity Designation
- 66% of turnover aligned according to the EU taxonomy
- Continued efforts for social sustainability in our areas







Questions

Our vision

The success factor for a new era

