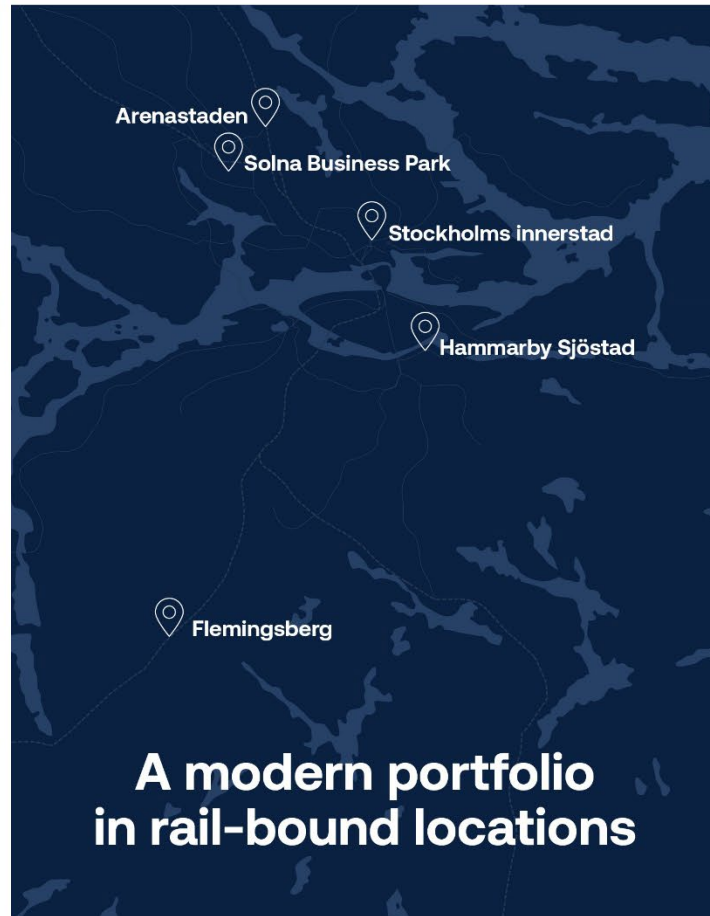


# Fabege Interim Report

## Jan-Mar 2023

Stefan Dahlbo, CEO  
Åsa Bergström, CFO

## FABEGE IN BRIEF



**102**

Properties

**SEK 85.0bn**

Property value | 83% management portfolio

**4,11 %**

Average yeild

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

# Summary Jan-Mar 2023

- Increased rental income and operating surplus
- Increasing interest costs
- Decreasing management profit
- Negative value changes in the property portfolio
- Net letting SEK -12m



# Condensed income statement

SEKm	Jan- Mar 2023	Jan-Mar 2022
Rental income	829	762
Sales residential projects	187	7
<b>Net sales</b>	<b>1,016</b>	<b>769</b>
Property expenses	-231	-208
Residential projects expenses	-165	-14
<b>Gross profit</b>	<b>620</b>	<b>547</b>
Central administration	-26	-25
Net interest expense	-221	-127
Ground rents	-12	-11
Share in profits of associated companies	-10	-3
<b>Profit from property management</b>	<b>351</b>	<b>358</b>
Realized changes in value, properties	0	74
Unrealized changes in value, properties	-2,110	2,159
Changes in value, derivatives and equities	-217	881
<b>Profit before tax</b>	<b>-1,997</b>	<b>3,495</b>
Tax	393	-713
<b>Profit for the period</b>	<b>-1,584</b>	<b>2,782</b>



- Rental growth in identical portfolio: approx. 8% (8)
- Surplus ratio: 72% (73)
- Value changes SEK -2,110m, equal to 2.4 %
- Earnings per share: SEK -5.04 (8.69)



# Property valuation Q1 2023

Property value SEK 85,0bn of which management portfolio SEK 70.7bn

	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Externally valued	47%	80%	35%	35%
Value change	SEK -2,110m	SEK -3,665	SEK 253m	SEK 1,020m
Yield	4.11%	3.99%	3.77%	3.96%

## Value change Q1 2023

- Yield (+0,12) SEK -2.4bn
- Cash flow incl. index SEK +0.8bn
- Project and development properties SEK -0.5bn

## Value change Q4 2022

- Yield (+0.22) SEK -4,7bn
- Cash flow incl. index SEK + 1.7bn
- Project and development properties SEK -0.7bn



## Sensitivity analysis – Property values

Change in value	Impact on earnings after tax	Equity per share	Equity/ratio	Loan-to-value
31/03/2023		SEK 137	48%	40%
5%	SEK -3,374m	SEK 124	46%	42%
10%	SEK -6,749m	SEK 113	44%	44%
20%	SEK -13,497m	SEK 92	40%	50%
25%	SEK -16,871m	SEK 82	38%	53%

Based on property value 31/03/2023: SEK 85.0bn



## Key ratios, 31 March 2023

	2023 Jan-Mar	2023 Jan-Mar	Target
Equity per share, SEK	137	145	
EPRA NRV, SEK per share	166	179	
Total return properties, %	-1.7	3.3	
Surplus ratio, %	72	73	75
Equity/assets ratio , %	48	51	>35
Loan-to-value ratio, %	40	35	<50
Debt ratio, multiple	15.4	14.4	<13
Interest coverage ratio, multiple	2.6	4.1	>2.2



## Continued stable financing

- Total facilities SEK 39.6bn
- Total loans SEK 34.0bn
  - of which bonds SEK 10.6bn
  - of which commercial paper SEK 2.7bn
- 100% green financing
- Undrawn SEK 5.7bn
  - Of which 2,0bn back up facility for CP programme
- Fixed-term maturity 4.5 years
- Fixed-rate period 2.5 years
- Baa2 negativ outlook from Moody's

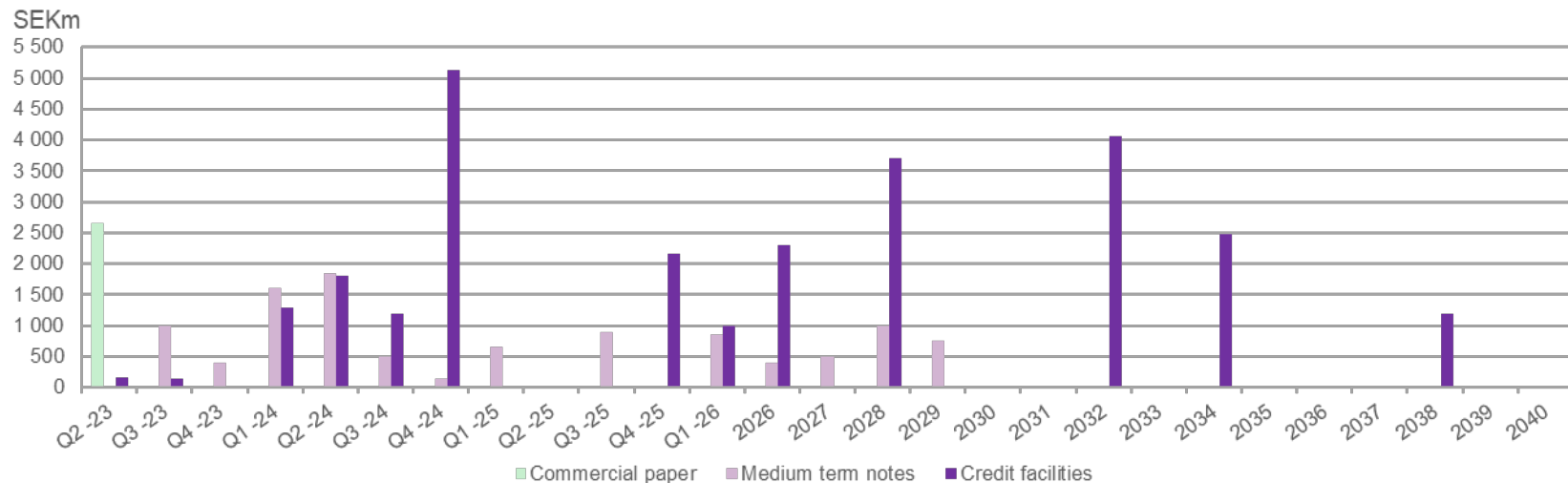
## Activities during Q1

- Still good demand for commercial paper
- New bank facility of 0.5bn
- Bond issue SEK 250m, 2 years, margin 200bp
- Committed lines of credit amounting to SEK 2.4bn were paid out
- Bond maturities of SEK 1bn repaid





# Maturity structure, loans 31/03/2023



## 2023:

- Maturity CP SEK 2.7bn (each certificate is rolled an average of SEK 3m)
- Maturity bonds SEK 1.4bn
- New bankfacility SEK 500m (paid April)
- Credit commitment from previous year of SEK 2.4bn were paid during Q1 and are due in 2026 and 2032.

## 2024:

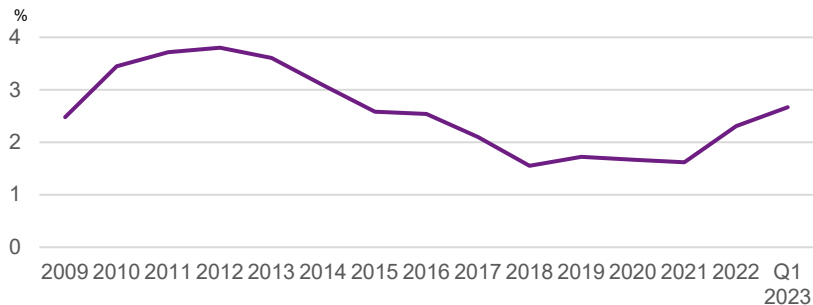
- Bond maturity Sek 4.1bn, of which SEK 3.45bn in the first half of the year
- Refinancing bank facilities
  - Q1: SEK 1,300m (expected to be extended at the beginning of May)
  - Q2: SEK 1,812m
  - Q3: SEK 1,200m
  - Q4: SEK 5,136m



# Fixed-rate period 31/12/2022

- 61 per cent of the portfolio fixed
- Average fixed-rate term 2.5 years
- Fixed interest derivatives between -0.15% and 1.30%
- Sensitivity analysis rolling 12 months:
  - +1% in market interest generates increased cost of SEK 123m
  - Assumes unchanged loan volume and unchanged margins

Average interest rate

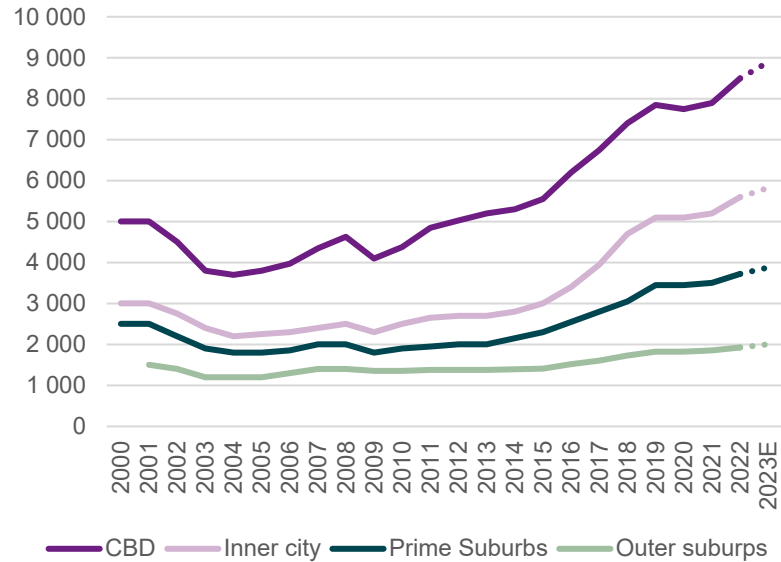


Maturity	Interest rate swaps	Fixed interest bonds and loans	Total
2023	1,050	219	1,269
2024	2,400	786	3,186
2025	2,200	400	2,600
2026	2,700	400	3,100
2027	2,800	450	3,250
2028	2,300	976	3,276
2029	2,000		2,000
2030	800		800
2031	900		900
2032	500		500
<b>Total</b>	<b>17,650</b>	<b>3,321</b>	<b>22,881</b>

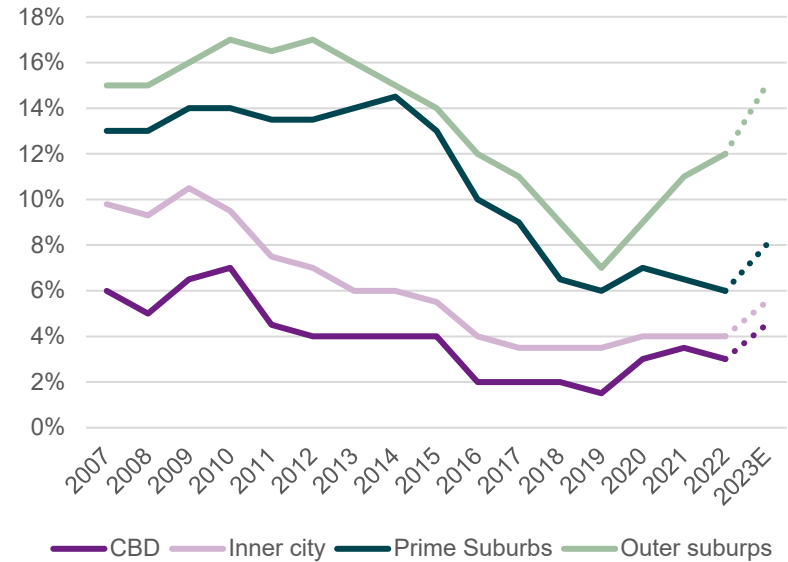


# Stockholm office

## Rents



## Vacancies

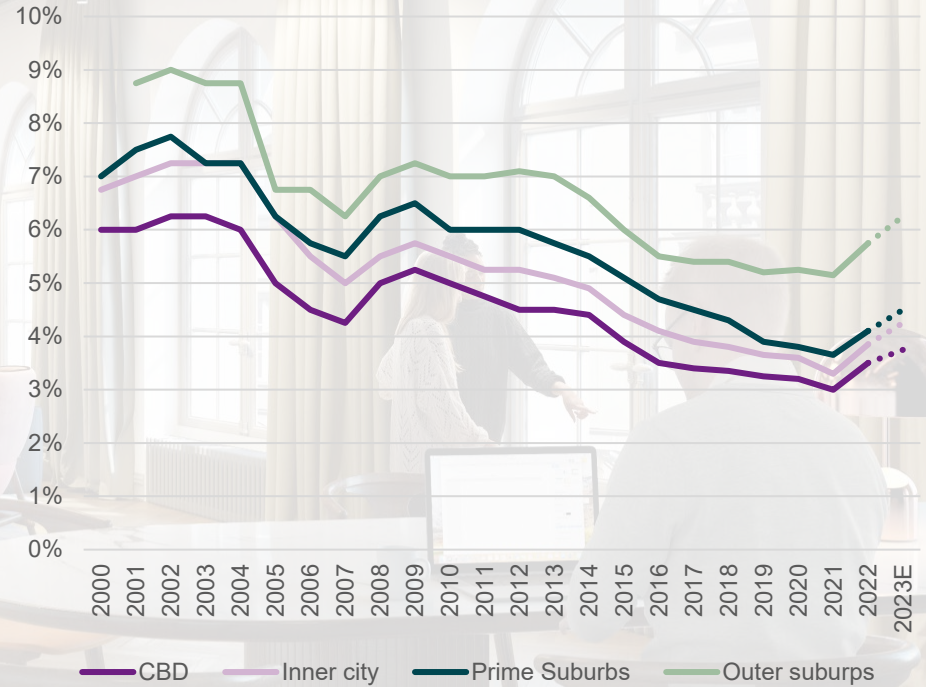


Source: Newsec





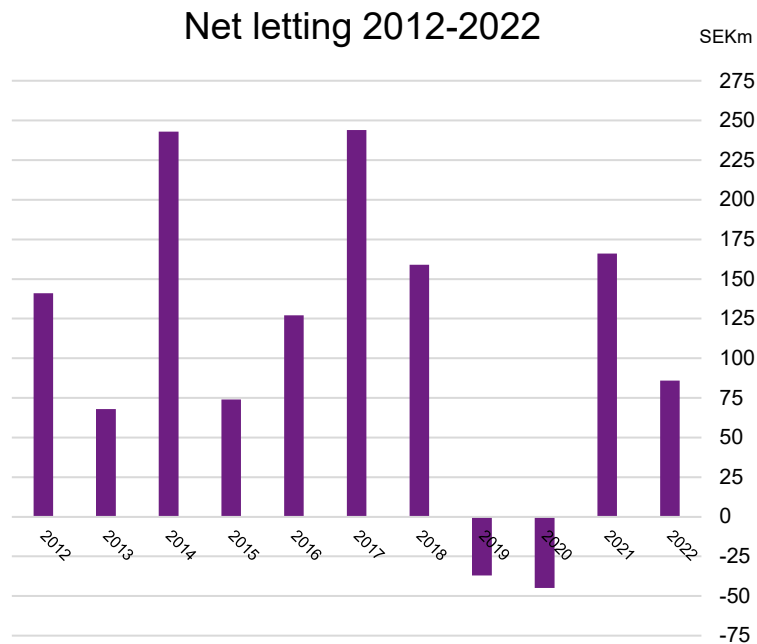
## Stockholm office yield



# Net letting 2023

SEKm	Q1 2023	Q1 2022
New lettings	48	61
Terminations	-60	-53
<b>Net letting</b>	<b>-12</b>	<b>8</b>

Target 2023 > SEK 80m



# Stable customers with long agreements

- Approx 660 customers
- 25 largest customers represents 41% 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	7%	2037
ICA Fastigheter Sverige	4%	2030
Telia Company	4%	2031
TietoEvry	2%	2029
Convendum	4%	2034
Carnegie Investment Bank	2%	2027
Swedbank	2%	2029
The Swedish National Agency for Migration	2%	2028
Bilia AB	2%	2041
The Swedish National Agency for Education	2%	2024
<b>Total</b>	<b>30%</b>	

# Renegotiations Q1 2023

## Lease maturity structure

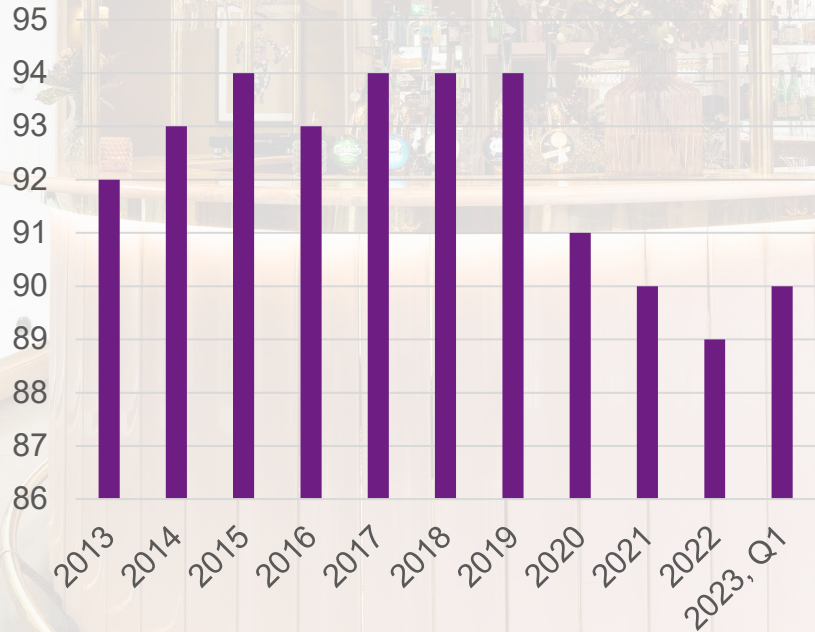
- Renegotiations
  - SEK 179m extended on unchanged terms
  - SEK 34m -4% (refers to retail)
- SEK 380m of leases has already been renegotiated

Maturity, year	No. of leases	Annual rent, SEKm	Percentage, %
2023 <sup>1</sup>	488	590	17%
2024 <sup>1</sup>	354	378	11%
2025	230	497	15%
2026 <sup>1</sup>	243	507	15%
2027	76	345	10%
2028+	87	934	27%
<b>Commercial</b>	<b>1 478</b>	<b>3 252</b>	<b>95%</b>
Housing leases	209	22	1%
Garage- och parkering	680	137	4%
<b>Total</b>	<b>2 367</b>	<b>3 412</b>	<b>100%</b>

<sup>1</sup>Of which just over SEK 380m has already been renegotiated.



# Occupancy rate 31/03/2023



- Management portfolio

- Economic occupancy rate 90%
- Net addition upcoming move-in and move outs SEK +63m

- 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 236,000 sqm, of which 141,000 is let

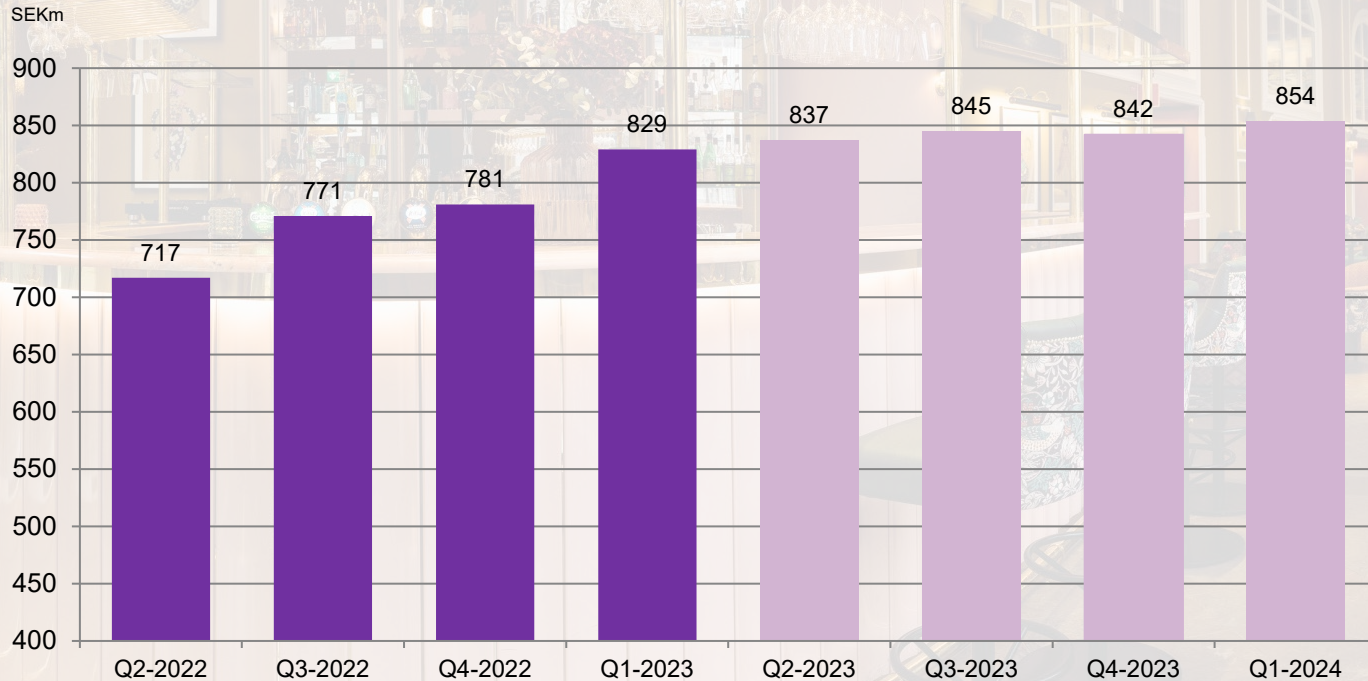
- Project portfolio

- Estimated rental value SEK 405m
- Occupancy rate, area 38 per cent
- Occupation from summer 2023 until summer 2025





# Rental development existing lease portfolio 31/03/2023



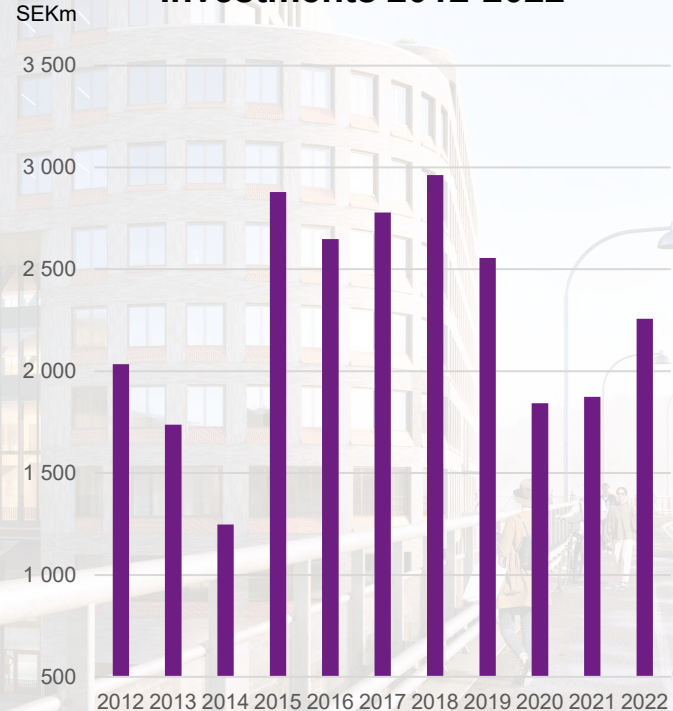
- Based on contracted leases including known occupations, relocations and renegotiations Q1 2023
- Excluding letting targets and assumptions of new signed agreements or terminations



# Capex

Investments	2023 Jan-Mar	2022
Project- & developments properties	SEK 416m	SEK 1,427m
Management properties	SEK 283m	SEK 800m
<b>Total</b>	<b>SEK 699m</b>	<b>SEK 2,257m</b>

## Investments 2012-2022



# Project portfolio 31/03/2023

- Estimated capex: SEK 4.5bn
- Capex Q1 2023: SEK 416m

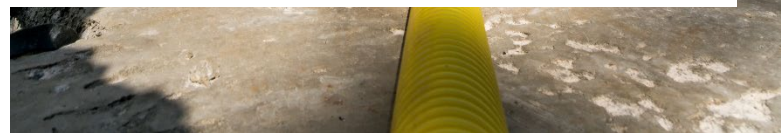


Property listing	Category	Area	Completed	Lettable area, sqm	Occupancy rate, % space <sup>1</sup>	Rental value <sup>2</sup>	Book value, SEKm	Estimated investment, SEKm	of which spent, SEKm
Nöten 4	Offices	Solna Strand	Q2-2024	53,400	0%	130	1,834	770	142
Regulatorn 4	Workshops etc	Flemingsberg	Q2-2024	11,900	100%	24	231	465	174
Ackordet 1	Offices	Haga Norra	Q3-2024	27,000	42%	94	937	1,390	553
Separatorn 1	Parking	Flemingsberg	Q2-2025	23,400	91%	59	314	1,060	211
Semaforen 1	Offices	Arenastaden	Q4-2023	18,000	0%	15	68	330	202
Påsen 1	Offices	Hammarby Sjöstad	Q4-2024	11,000	0%	38	491	376	46
Hägern Mindre 7 <sup>3)</sup>	Parking	City	Q3-2023	5,100	100%	44	824	88	44
<b>Total</b>				<b>149,800</b>	<b>38%</b>	<b>404</b>	<b>4,699</b>	<b>4,479</b>	<b>1,372</b>
Other land and project properties							2,734		
Other development properties							7,707		
<b>Total project, land and development properties</b>							<b>15,140</b>		

<sup>1</sup>Operational occupancy rate at 31 March 2023 exclusive Semaforen 1.

<sup>2</sup>Rental value including additions. The annual rent for the largest projects in progress could increase to SEK 404m (fully let) from SEK 0m in annualised current rent at 31 March 2023.

<sup>3</sup>The property Hägern Mindre 7 is classified as a management property in Fabeges segemnt reporting.





## Building rights 31/03/2023

- Commercial building rights
  - 744,550 gross floor area, sqm
  - Approx. 18 % legal binding
  - Book value: SEK 6,300/sqm
- Residential building rights
  - 657,160 gross floor area, sqm
  - Approx. 37 % legal binding
  - Book value: SEK 7,300/sqm



## Price development

- We estimate price increases in the past year (rolling 12 months) at 10 -15%
- Certain types of work and materials stand out with price increases of more than 30% such as:
  - Construction work (Ground and foundation work) due to fuel prices, steel and reinforcement.
  - Frames (pillars, joists, steel)
- Starting to get indications that the trend is reversing in terms of the price development of materials
- We manage delivery times relatively well through early orders, changes of certain materials and by being able to stock and pre-order certain products ourselves.





## Our active sustainability work continues

- Target average energy consumption 2025: 70 kWh/sqm
- Energy savings Q1: 4% compared to the previous year in the management portfolio
- The Sustainability House



# Questions

Our vision

The success factor for a new era



# Appendix



## Dividend policy Faberge

At least 50 per cent of the profit from ongoing management and realized profit from property sales after tax

Dividend in relation to management results 2010-2022

