

Handelsbanken

23 Feb 2022

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Summary of 2021

- Strong net lettings, one of the strongest ever, SEK 162m
- Renegotiations +11 per cent
- Increased rental income, net operating income and profit from property management
- High activity in inquiries and viewings
- Surplus ratio 76 per cent
- Increase in property values, SEK 4,641m
- Several important land allocations
- Strategic acquisition of SHH



Condensed income statement

SEKm	2021	2020
Net sales	2,951	2,806
Property and residential development expenses	-775	-694
Gross profit	2,176	2,112
Central administration	-110	-93
Net financial items	-495	-462
Ground rents	-36	-30
Share in profits of associated companies	2	-53
Profit from property management	1,537	1,474
Realized changes in value, properties	56	49
Unrealized changes in value, properties	4,585	2,715
Changes in value, derivatives and equities	534	-331
Profit before tax	6,712	4,007
Tax	-1,312	-840
Profit for the period	5,400	3,167



- Rental growth in identical portfolio: approx. 2%
- Surplus ratio: 76% (75)
- Value growth 6.0%
- Earnings per share: SEK 13.73 (9.65)

Key ratios, 2021

	2021	2020	Target
Equity per share, SEK	141	127	
EPRA NRV, SEK per share	171	155	
Total return properties, %	8.7	6.6	
Surplus ratio, %	76	75	75
Equity/assets ratio, %	51	52	>35
Loan-to-value ratio, %	36	35	<50
Debt ratio, multiple	14.7	13.2	<13
Interest coverage ratio, multiple	4.1	4.3	>2.2



Stable financing

- Total facilities SEK 36bn
- Total loans SEK30.4bn
 - of which bonds SEK 12.5bn
 - of which commercial paper SEK 2.3bn
- 99 % green financing
- Undrawn SEK 34.4bn
- Fixed-term maturity 4.8 years
- Fixed-rate period 3.7 years
- BAA2 stable outlook from Moody's

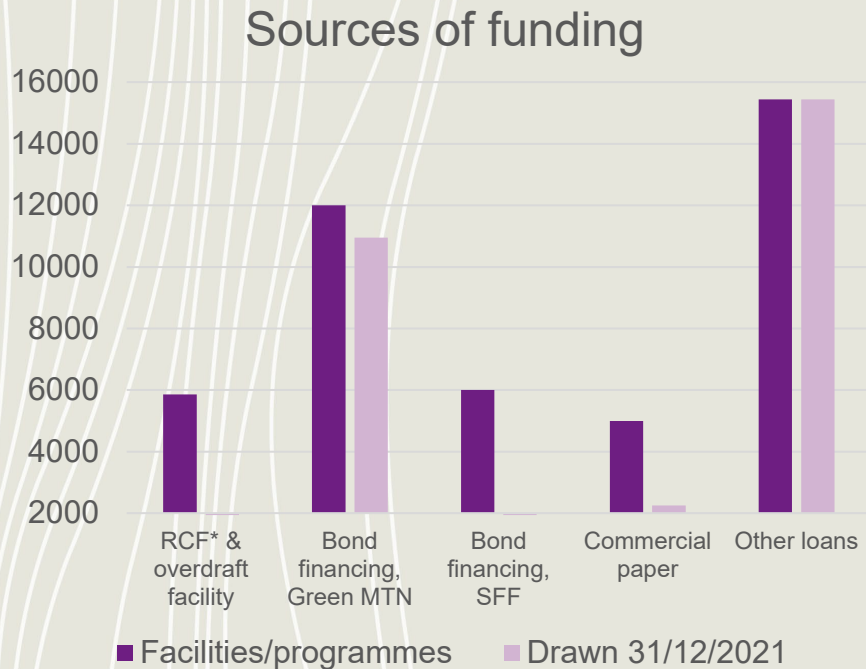
Activities during Q4

- Refinancing of bank facilities SEK 4bn
- Bond issues of SEK 1.2bn
- Fixed interest rate of SEK 600m at 10 respectively 11 years

Buybacks 2021-12-31

- 4.9 million shares 2021
- Total 9,450,984 treasury shares
- 2.86 per cent of the total number of registered shares

Sources of funding



Breakdown of collateral





Modern portfolio in good locations

- Market value SEK 83.3bn
 - of which project properties SEK 5.6bn
 - of which development properties SEK 8.3bn
- 94 properties
- Value growth 2021: SEK 4.6bn
- Average yield requirement: 3.76%



Stable customers with long agreements

- Approx 660 customers
- 25 largest customers represents 43% of rental value
- Share of total rent



- Office, 82%
- Retail, 5%
- Industry/logistics, 4%
- Other, 9%

Customer	Share of total rent	Year of expiry
SEB	6%	2037
The Swedish Tax Agency	5%	2022
ICA Fastigheter Sverige	4%	2030
Telia Company	4%	2031
Swedbank	2%	2029
Carnegie Investment Bank	2%	2027
The Swedish Migration Agency	2%	2028
The Swedish Agency for Education	1%	2024
Telenor AB	1%	2028
Svea Ekonomi	1%	2027
Summa	30%	



Stockholm inner city

- Property value SEK 31bn
- New land allocation Sveaplan
- Strong interest for efficient office premises





Hammarby Sjöstad

- Property value SEK 8bn
- Several new land allocations
- Large potential



Arenastaden

- Property value SEK 22 bn
- Completion of Nationalarenan 3 and Stigbygeln 2
- Poolen 1 soon ready for occupation
- Good rental levels in connection with new nettings





Haga Norra

- Property value SEK 3bn
- Project start phase 2
 - Offices approx. 30,000 sqm
 - Preparations for new housing and garage



Solna Business Park

- Property value SEK 10bn
- Two zoning plans in progress
- Focus on improving the attractiveness of the area

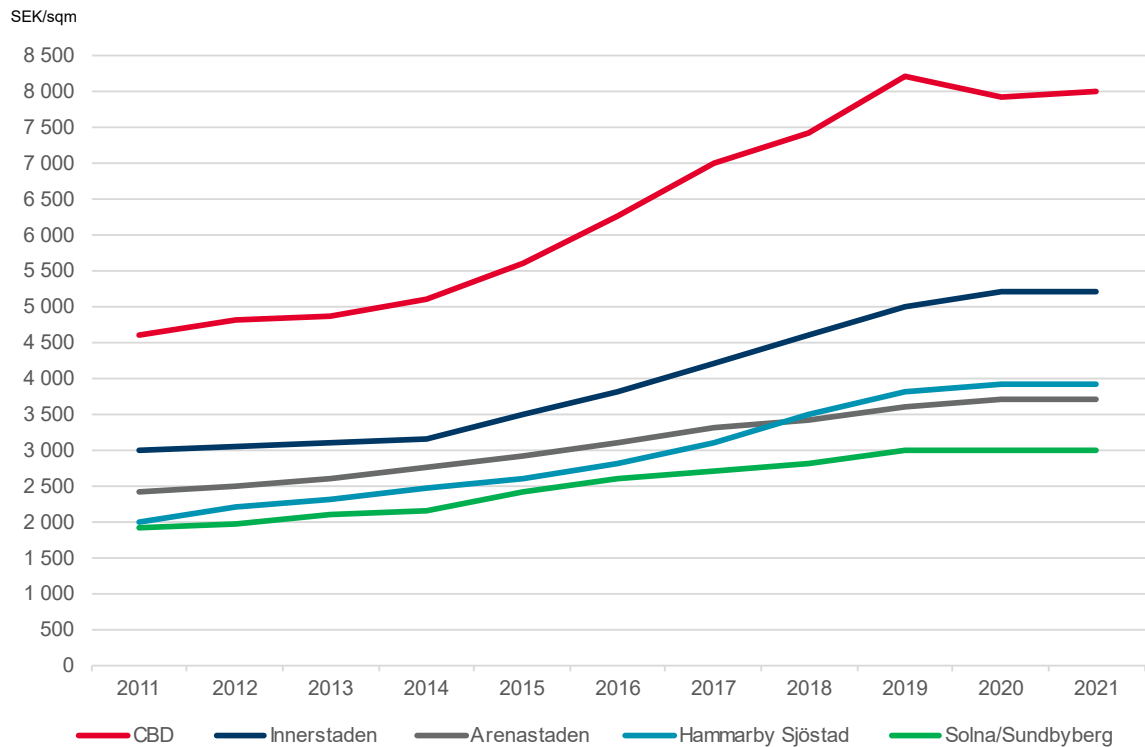


Flemingsberg

- Property value SEK 1.9bn
- First project start
- Sweden's largest new letting
- New land allocation
- Initiative regarding social sustainability

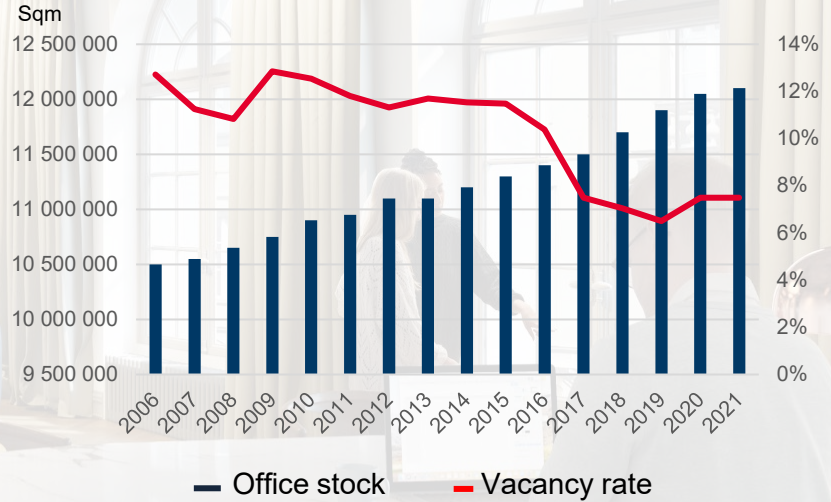


Rental development 2001-2021 (prime rent)





Office stock & vacancy rate in Stockholm



Source: Cushman & Wakefield





Office employment in Greater Stockholm

No. of employees

600 000
550 000
500 000
450 000
400 000
350 000
300 000
250 000

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022p 2023p

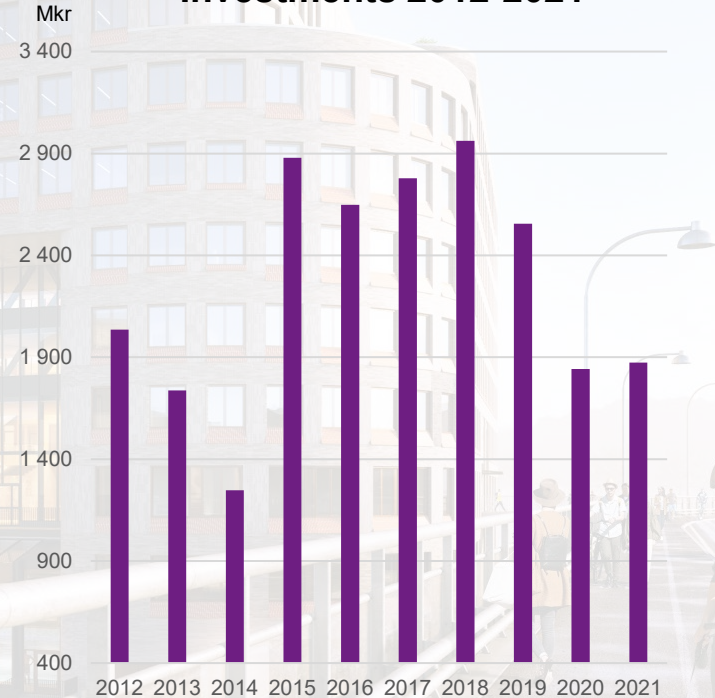
Source: SCB & Newsec



Project potential

Investments 2021	
Project- & developments properties	1,239 Mkr
Management properties	635 Mkr
Total	1,874 Mkr

Investments 2012-2021



Great potential in our building rights

Commercial building rights

Area	Floor area, sqm binding, %	Legal binding, %	Book value, SEK/sqm
Inner city	29,900	3	8,700
Solna	382,800	23	7,100
Hammarby			
Sjöstad	70,000	35	8,500
Flemingsberg	268,300	6	4,500
SHH Bostad	7,100	0	14,200
Other	20,000	100	1,500
Total	778,100	19	6,300

Residential building rights

Area	Floor area, sqm binding, %	Legal binding, %	Book value, SEK/sqm
Inner city	1,300	0	0
Solna	281,700	48	10,000
Hammarby			
Sjöstad	-	-	-
Flemingsberg	272,000	0	5,500
SHH Bostad	120,000	97	4,400
Other	-	-	-
Total	675,000	32	7,100



Haga Norra

- Kvarter 1
- New production
- Approx. 30,000 sqm office
- Project start 2022



Solna strand

- Nöten 4
- Development project
- Approx. 50,000 sqm office
- Project start 2022





Tumba skog - JV

- No of homes: Approx 1,000
- Completion: 2024-2030
- Area: Approx. 50,000 sqm





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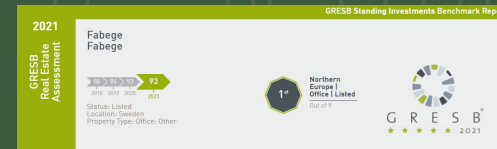
- Largest office lease in Sweden 2021
- 20,000 sqm
- Investment approx. SEK 740m
- Project start 2023

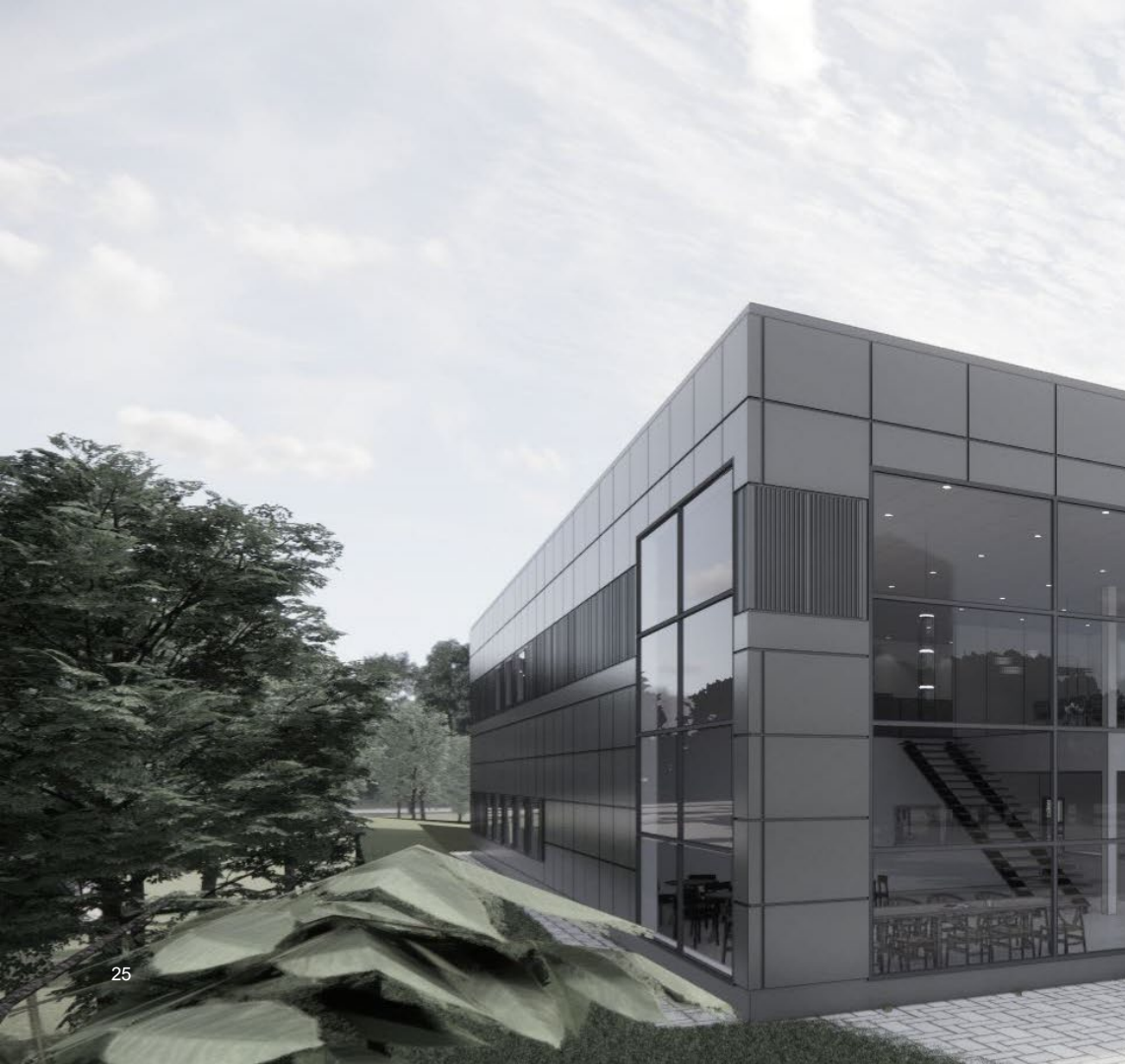




Sustainability in everything we do

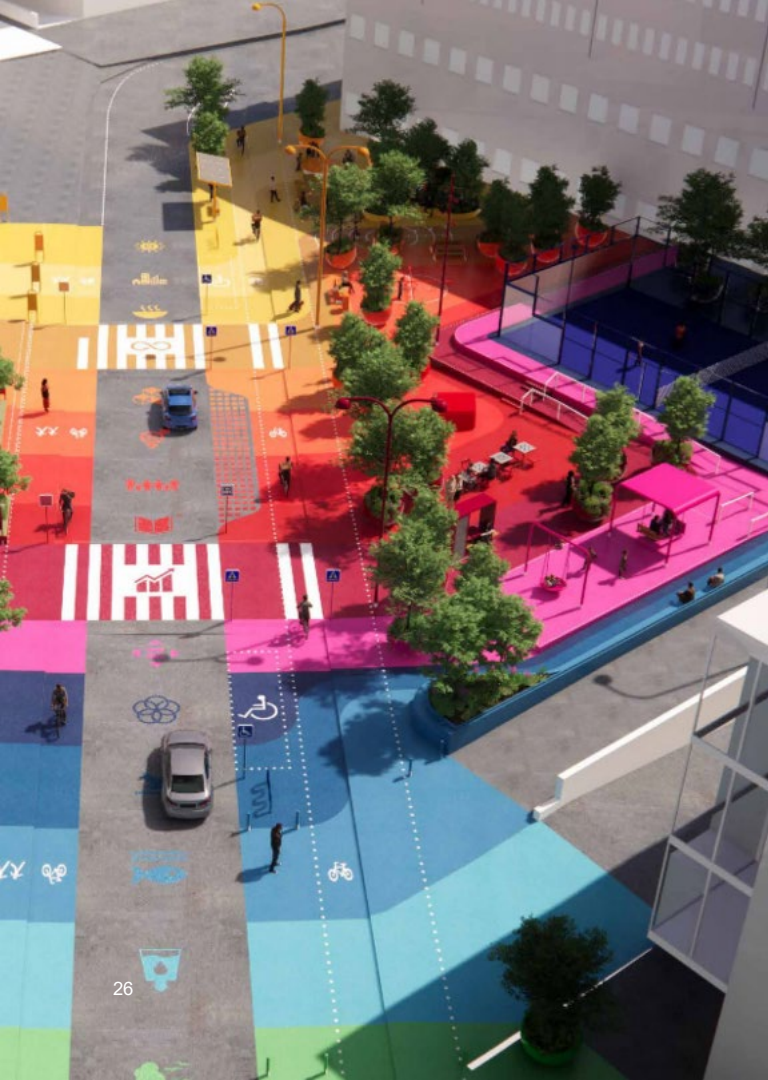
- 100% Sustainability certified management portfolio
- 100% Sustainability certified projects
- 99 % Green financing
- 100% Review of strategic suppliers
- 96% Renewable energy
- 79% Green leases of total area
- GRESB





Curiosity and new thinking

- Sustainability house in Haga Norra
- Pilot recycling project
- Recycling from demolition of Bilia
 - Joists
 - Facade sections
 - Windows
 - Internal material



Collaboration to create safe and attractive areas

Focus on education, spare time, health and work

- Help with homework in Flemingsberg
- Talent Academy in Huddinge
- Support to Changer's Hub in Huddinge
- Support to Stadsmissionen
- Street Gallery
- Support to local sports clubs
- Pep Parks
- Support to Samverkan Huddinge



Questions

Our vision

The success factor for a new era