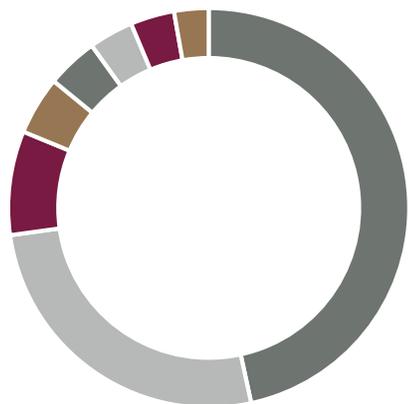




# ATRIUM LJUNGBERG IN BRIEF

Number of properties	51
Property value	SEK 44 billion
Contracted annual rent	SEK 2,5 billion
Lettable area	1 129 000 m <sup>2</sup>
Letting rate	95 %

Contracted annual rent per premises type



- Offices 47 %, 1 157 mkr
- Retail 26 %, 651 mkr
- FMGC 8 %, 209 mkr
- Restaurants 5 %, 117 mkr
- Culture / education 4 %, 103 mkr
- Healthcare 4 %, 89 mkr
- Residential 4 %, 88 mkr
- Other 3 %, 69 mkr

GÖTEBORG

6%

MALMÖ

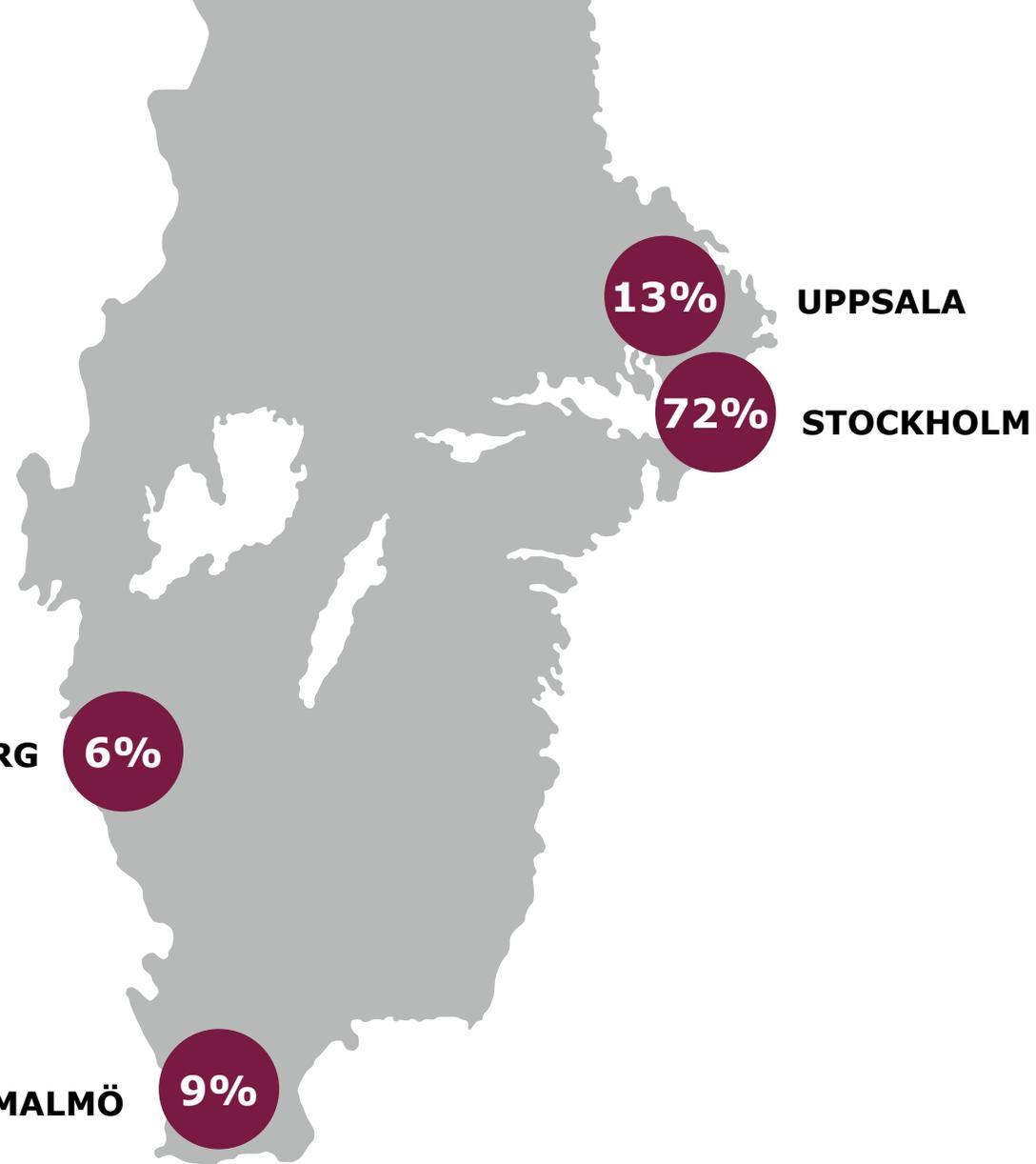
9%

13%

UPPSALA

72%

STOCKHOLM





## SIGNIFICANT EVENTS Q4

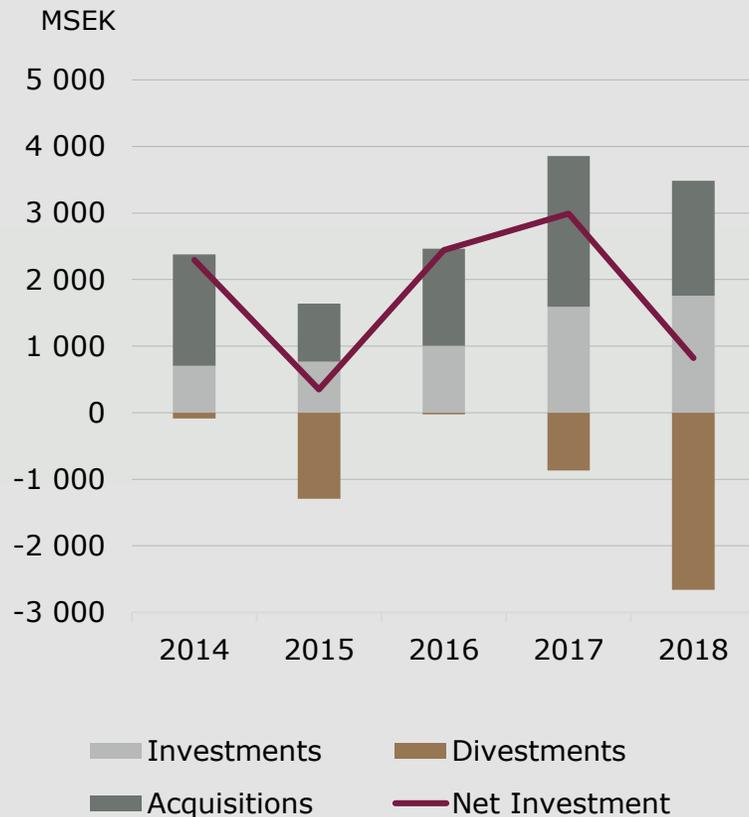
- Acquisition of Katarinahuset at Slussen and divestment of Blästern 6 at Hagastaden and Roddaren 7 at Kungsholmen
- Divestment of Västberga Handel
- Nacka District Court and others moved into Sickla Front II
- Opening of the southern section of the shopping centre in Gränbystaden, Uppsala
- A broader financing base
- Launch of Leveriet



## 2018 IN BRIEF

- Letter of intent with the City of Stockholm regarding the Slakthusområdet area.
- Acquisition of Kylfacket 3 in the Slakthusområdet area and divestment of Rådhuset in Uppsala
- Significant rental contracts with Academic Work and Convendum
- Obtained land allocations at Slussen and East Hagastaden, Stockholm
- Several new construction projects decided, among other at Hagastaden and in Järfälla

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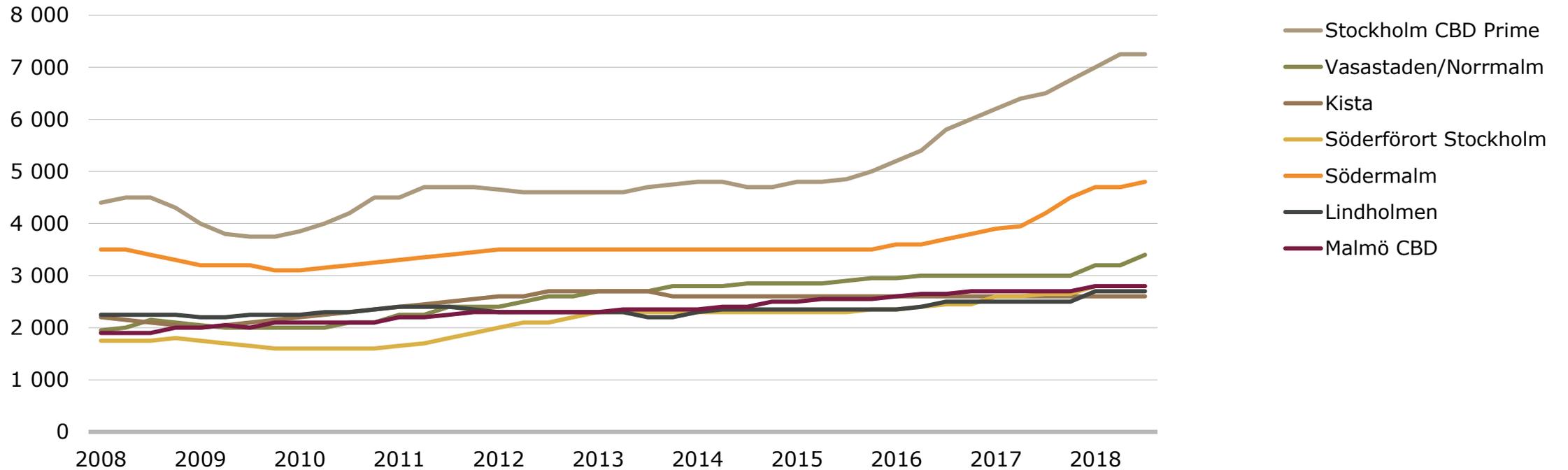


## MARKET SITUATION

- Office: Low vacancies keep demand up
- Trade: Retail sales increased by 2.5% in 2018, the 22<sup>nd</sup> consecutive growth year
- Housing: The market for new production remains cautious

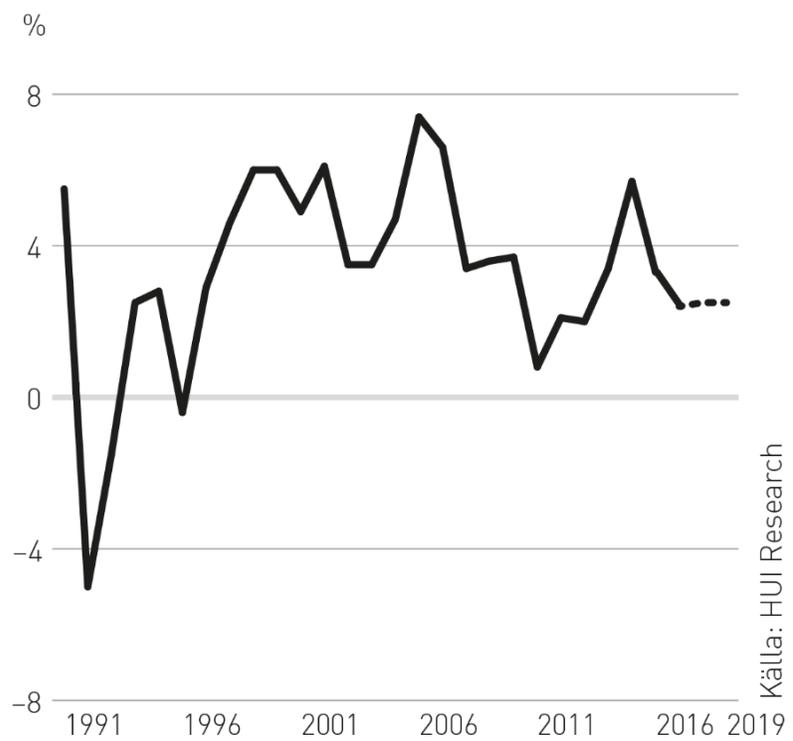
# OFFICES: LOW VACANCIES KEEPING DEMAND UP

Contracted annual rent (SEK per m<sup>2</sup>)



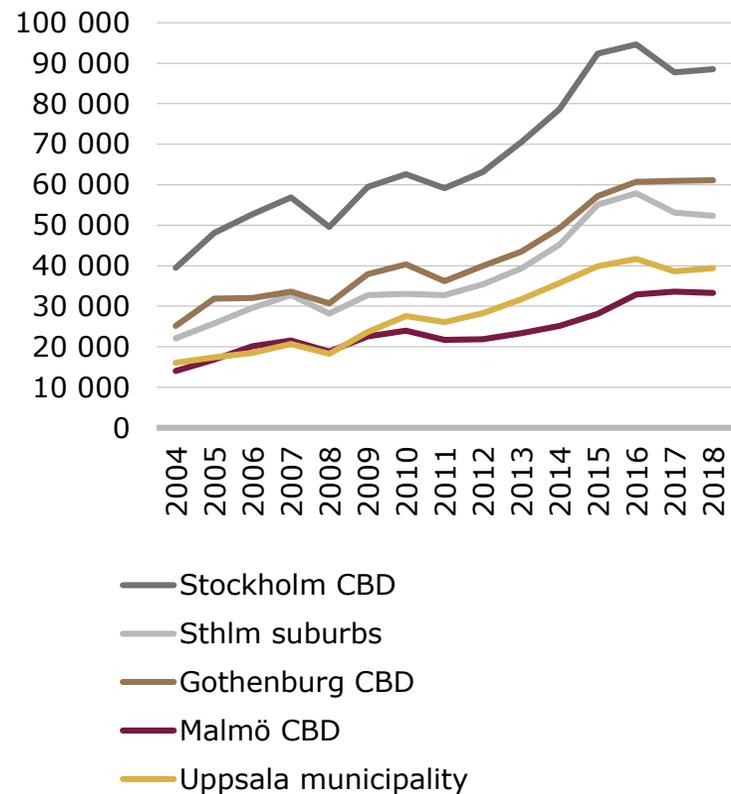
Source: Savills

# RETAIL SALES GREW BY 2.5% DURING 2018



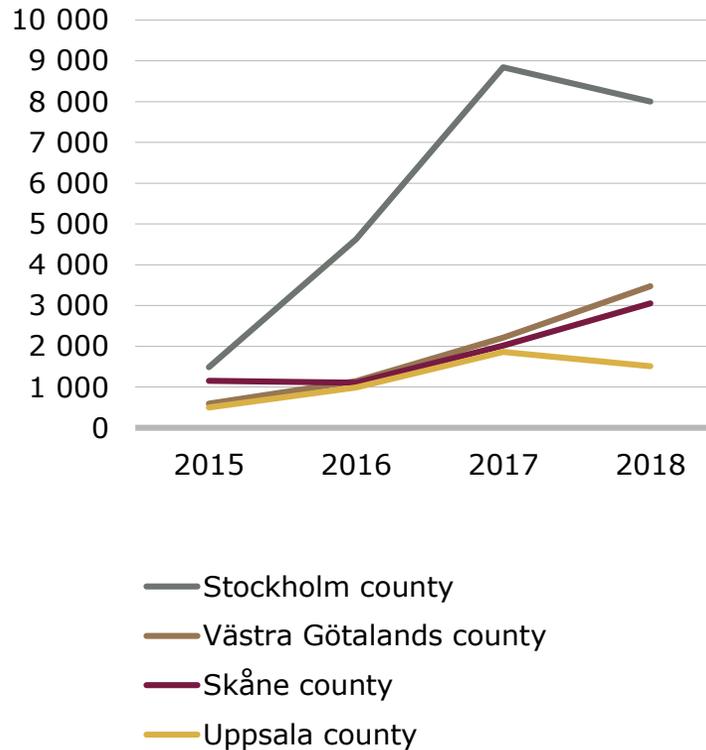
# RESIDENTIAL MARKET

Housing prices (real SEK per m<sup>2</sup>)



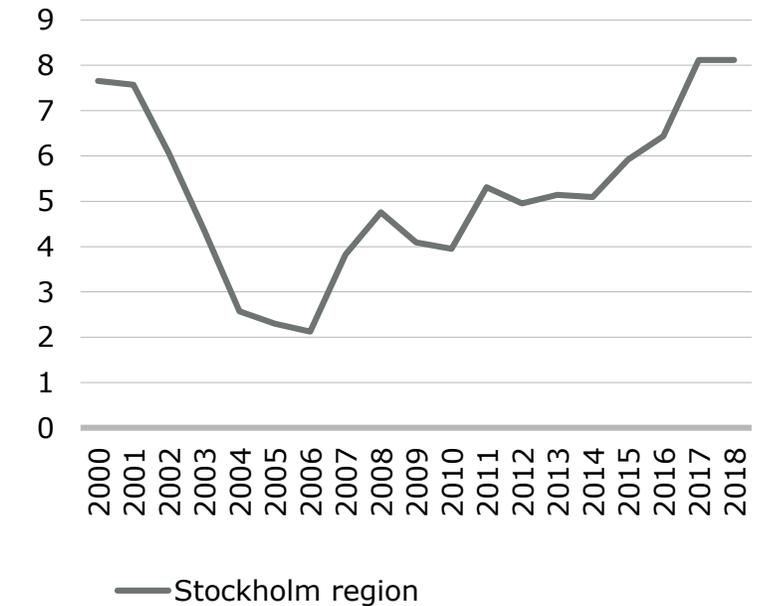
Source: Värderingsdata

New housing for sale (n:o)



Source : Booli

Queue (years) new production

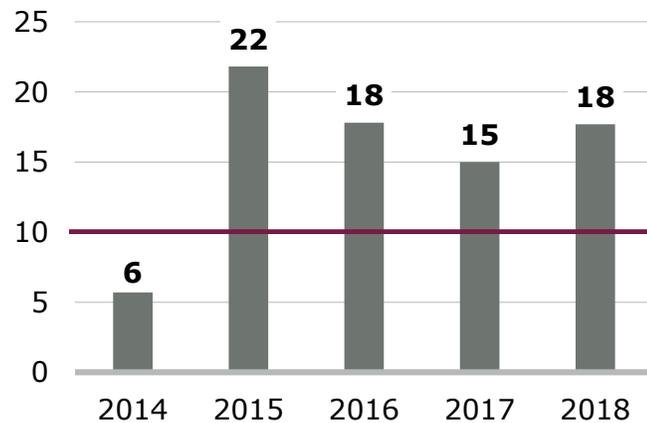


Source : Bostadsförmedlingen Stockholm

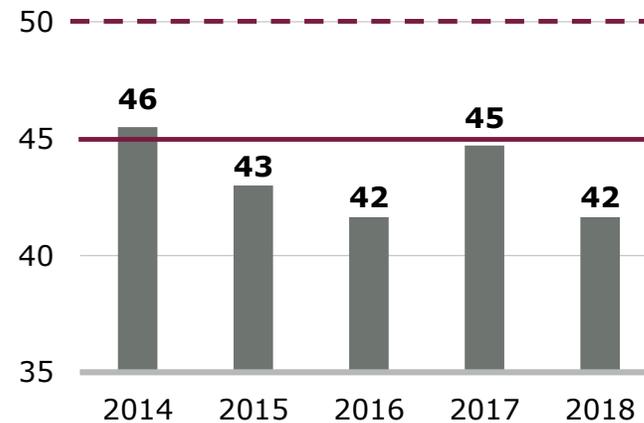
# NEW FINANCIAL TARGETS

- Net operating income is replaced by return on equity. Target 10% over time.
- Equity ratio is replaced by loan-to-value ratio. Measure max 45%.
- The investment target is raised from SEK 1 billion per year to SEK 2 billion.
- The targets for project profit, interest coverage ratio, dividend and sustainability are maintained unchanged.

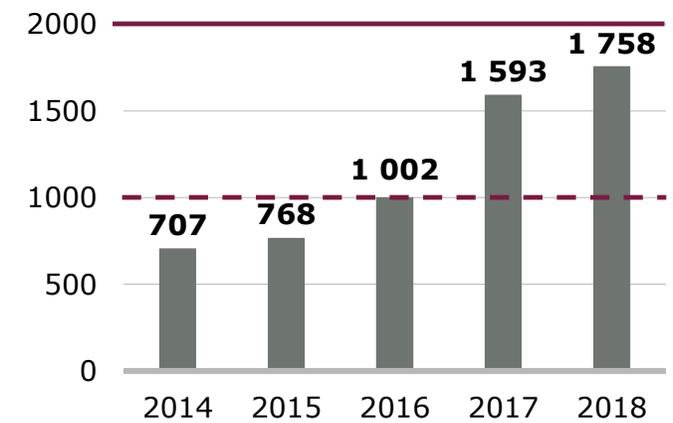
Return on Equity (%)



Loan to Value (%)



Investments (MSEK)



# PROPERTY EXCHANGE AT SLUSSEN



# ACQUISITION OF KYLFACKET



# DIVESTMENT OF VÄSTBERGA HANDEL



# DIVESTMENT OF RÅDHUSET



# LAND ALLOCATION AT HAGASTADEN



# LAND ALLOCATION AT SLUSSEN





# EXTENSIVE PROJECT PORTFOLIO

Remaining investment (MSEK)

Ongoing projects	3,800
Potential projects* (approx.)	17,000
<hr/>	
Total (approx.)	21,000

\*Excl. projects at Slakthusområdet



## KEY FINANCIALS 2018 JAN-DEC

- Like-for-like income growth 2,9%
- Operating surplus unchanged
- SEK 1,758 million invested in held properties
- Loan to value of 41,9%
- Interest coverage ratio of 5.0
- Proposed dividend 4.85 SEK per share

# CONSOLIDATED INCOME STATEMENT

MSEK	2018 Jan-Dec	2017 Jan-Dec	Δ %
Rental income	2 412	2 389	+1,0%
Property costs	-764	-742	+2,9%
<b>Operating surplus</b>	<b>1 648</b>	<b>1 647</b>	<b>+0,1%</b>
Central administration (property management)	-73	-48	
Project- and construction work	-59	-47	
Net financial items	-302	-372	
<b>Profit/loss before changes in value</b>	<b>1 214</b>	<b>1 180</b>	<b>+2,9%</b>
Change in the value of properties, unrealised	2 516	1 817	
Change in the value of properties, realised	121	-4	
Change in the value of financial instruments	-69	116	
<b>Profit/loss before tax</b>	<b>3 781</b>	<b>3 110</b>	
Tax	-329	-551	
<b>Profit for the period</b>	<b>3 453</b>	<b>2 559</b>	

# RENTAL INCOME

- EPRA vacancy rate 5 %
- Net letting positive SEK 144 m

## Rental income trend (MSEK)

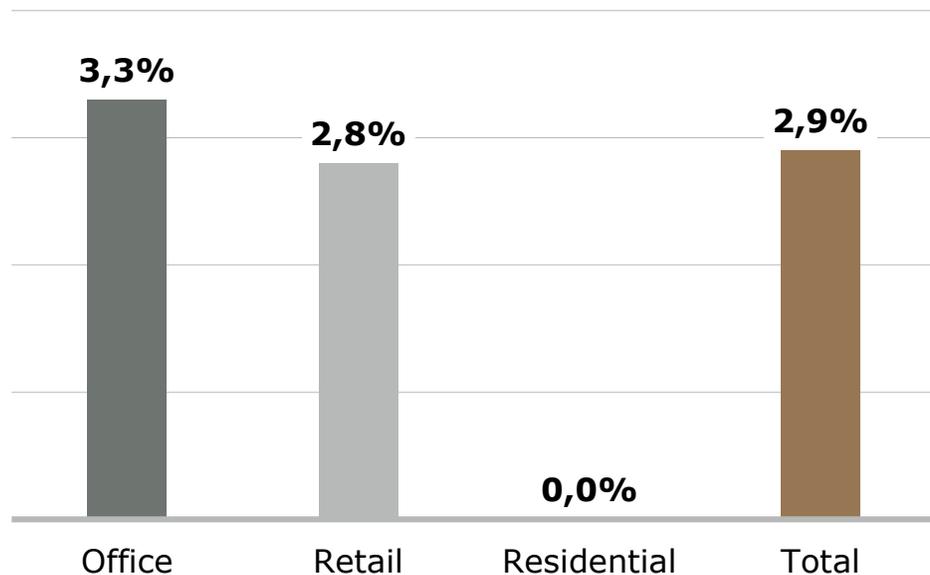
	<b>2018</b> 1/1-31/12	2017 1/1-31/12	<b>Δ %</b>
Like-for-like portfolio	2 025	1 969	+2,9
Non-recurring renum.	5	53	
Project properties	140	90	
Acquisitions	116	67	
Sold properties	126	211	
<b>Rental income</b>	<b>2 412</b>	<b>2 389</b>	<b>+1,0</b>

## Property cost trend (MSEK)

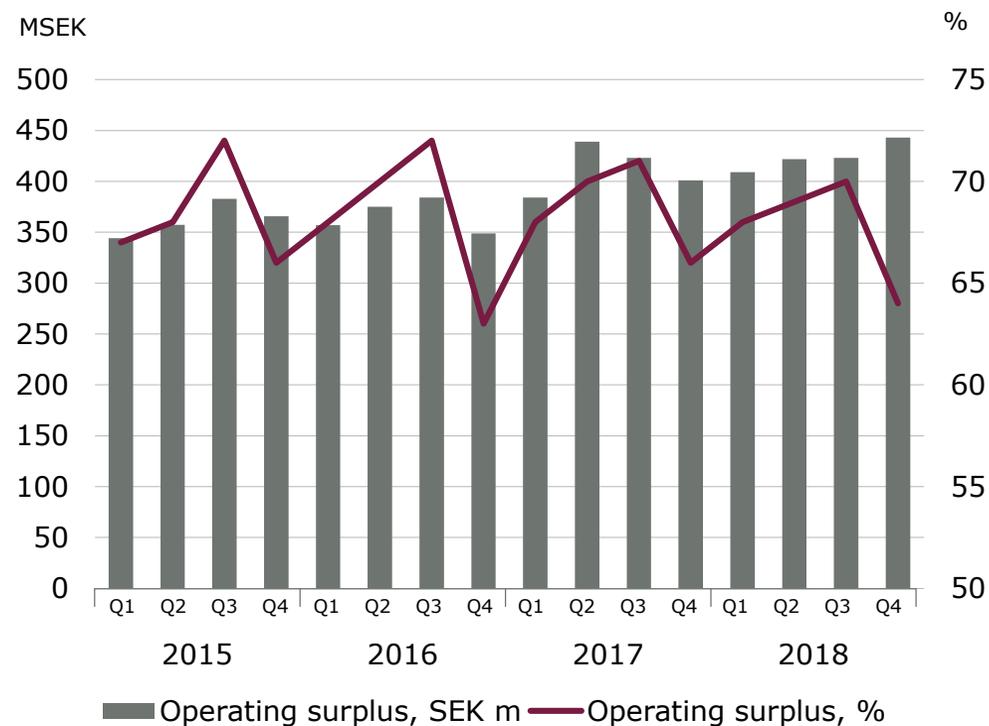
	<b>2018</b> 1/1-31/12	2017 1/1-31/12	<b>Δ %</b>
Like-for-like portfolio	-631	-613	+2,8
Project properties	-56	-42	
Acquisitions	-45	-24	
Sold properties	-33	-62	
<b>Property cost</b>	<b>-768</b>	<b>-742</b>	<b>+2,9</b>

# RENTAL INCOME AND OPERATING SURPLUS

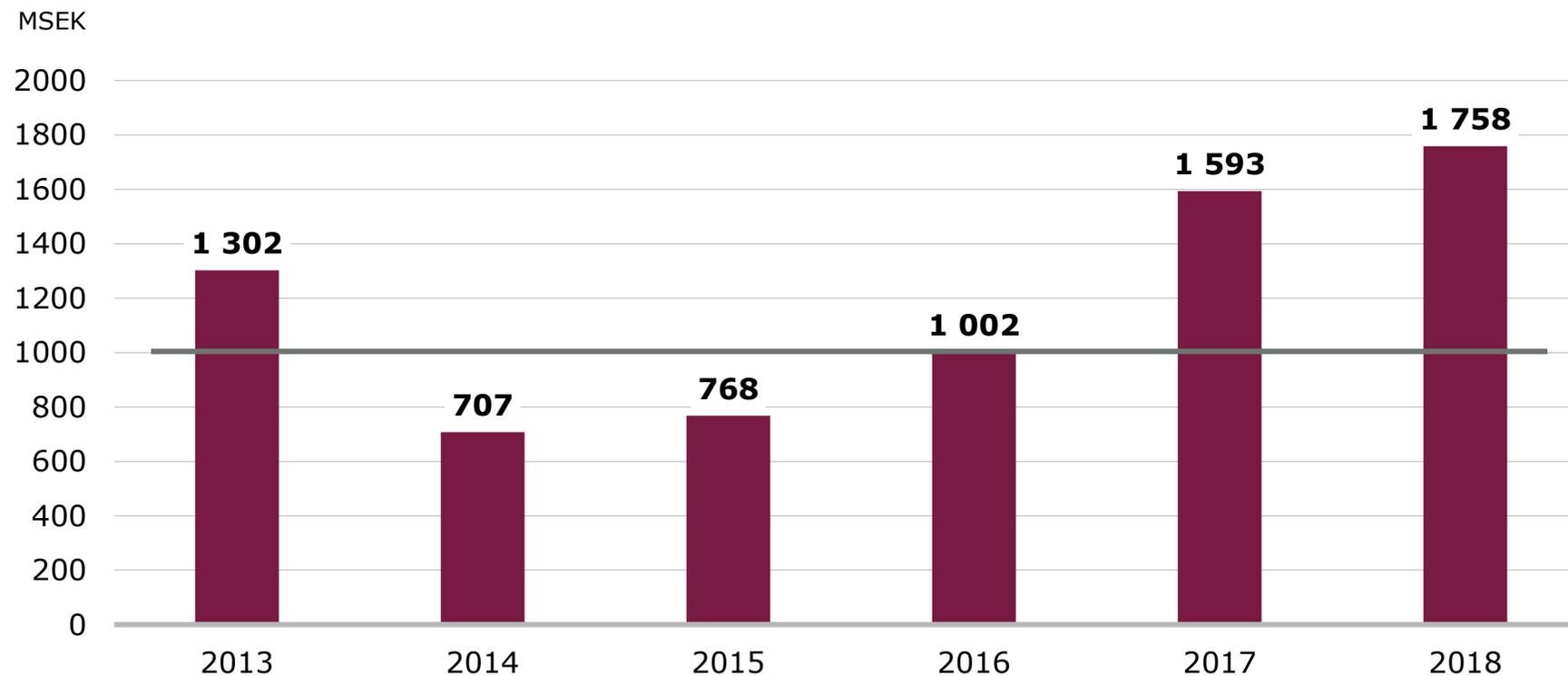
Like-for-like rental income growth



Operating surplus and operating surplus margin



# INVESTMENTS OF 1,758 MSEK IN HELD PROPERTIES



# CONSOLIDATED ASSETS

(MSEK)	<b>2018</b> 31/12	<b>2017</b> 31/12
Investment properties	43 310	39 991
Goodwill	225	240
Other fixed assets	45	45
<b>Total fixed assets</b>	<b>43 579</b>	<b>40 276</b>
Development properties	891	870
Current assets	323	1 272
Liquid assets	335	344
<b>Total current assets</b>	<b>1 549</b>	<b>2 487</b>
<b>Total assets</b>	<b>45 128</b>	<b>42 763</b>



## CHANGES IN PROPERTY VALUE

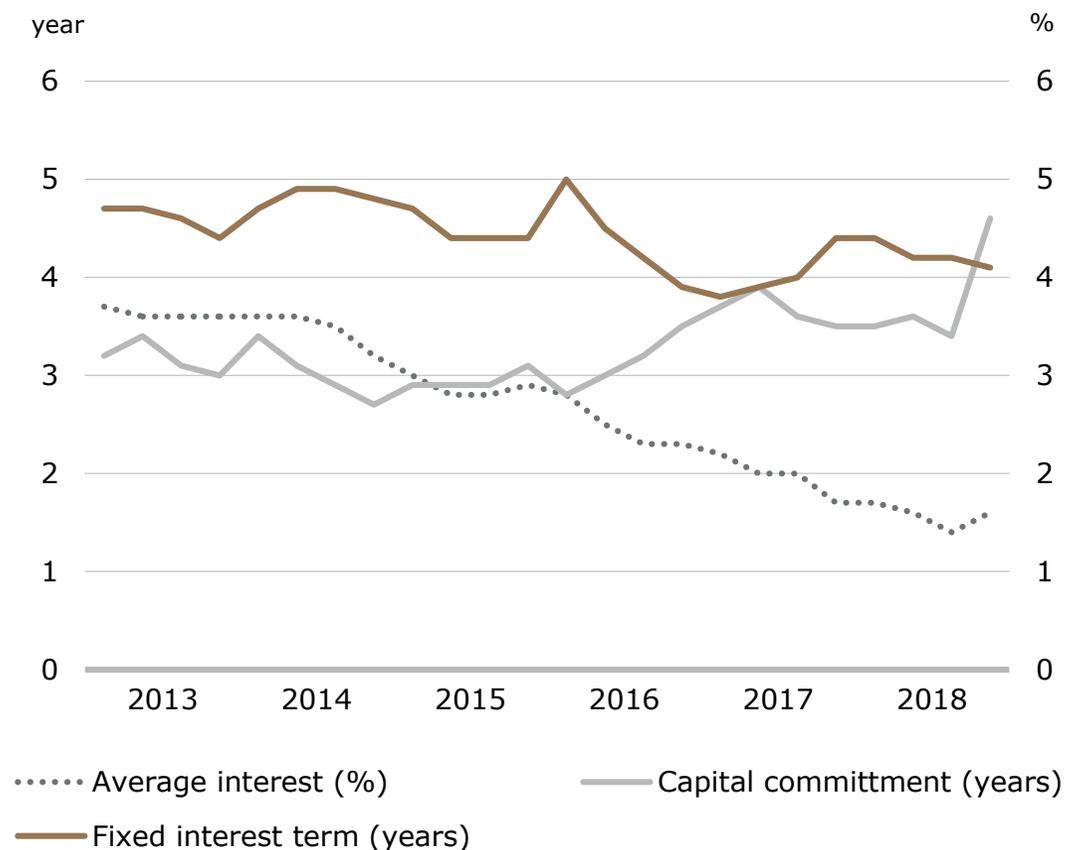
Unrealised changes in value, properties

	2018	2017
Change in yield requirements	487	947
Change in operating net etc.	2 029	865
Building rights	-	5
<b>Total</b>	<b>2 516</b>	<b>1 817</b>

- Unrealised gain of SEK 2,516 million
- The increase is mainly driven by increases in operating surplus (80%)

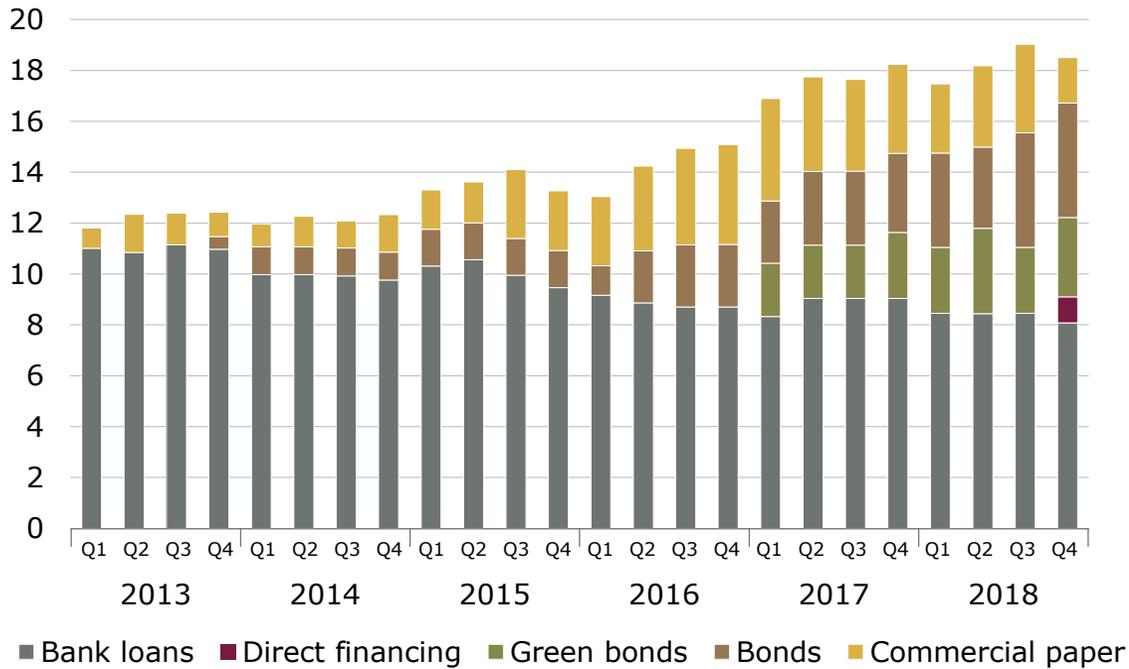
# LOW FINANCIAL RISK AND STRONG KEY RATIOS

- Interest-bearing liabilities of SEK 18.5 billion
- Gearing ratio 41.9 %
- Average interest rate 1.6 %
- Fixed interest term 4.1 years
- Capital commitment 4.6 years
- Five Nordic banks, capital market, direct financing
- Commercial paper backed by secured credit lines
- Baa2 credit rating by Moody's

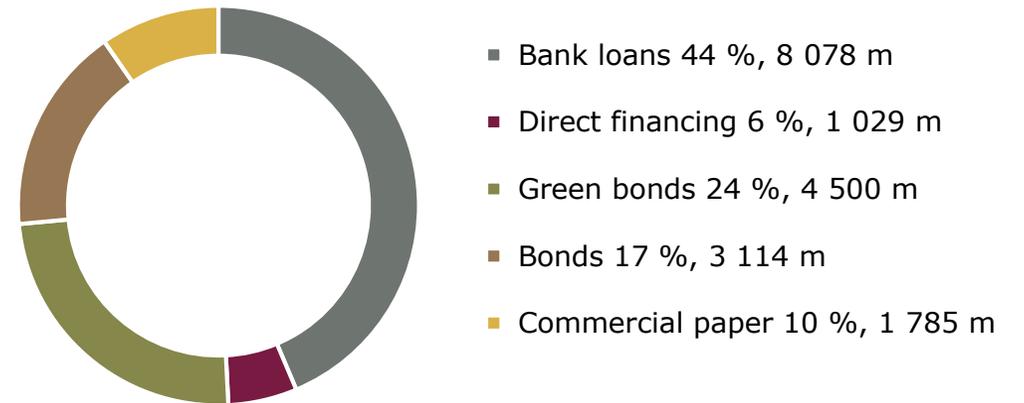


# INCREASING SHARE OF CAPITAL MARKET FINANCING

Development, financing sources 2013-2018



Interest-bearing liabilities





## CAPITAL MARKET 2018

- Increased margins in the Swedish bond market
- Reduced difference in pricing of SEK / EURO / NOK
- Less demand for the CP market Q4 2018
- Increased focus on external ratings
- Greater demand for green financing



## FORECAST 2019

Profit before changes in value

**SEK 1,200 m**

(SEK 1,214 m)

Investments

**SEK 2,000 m**

(SEK 1,758 m)



# EXTENSIVE PROJECT PORTFOLIO

Remaining investment (MSEK)

Ongoing projects 3,800

Potential projects\* (approx.) 17,000

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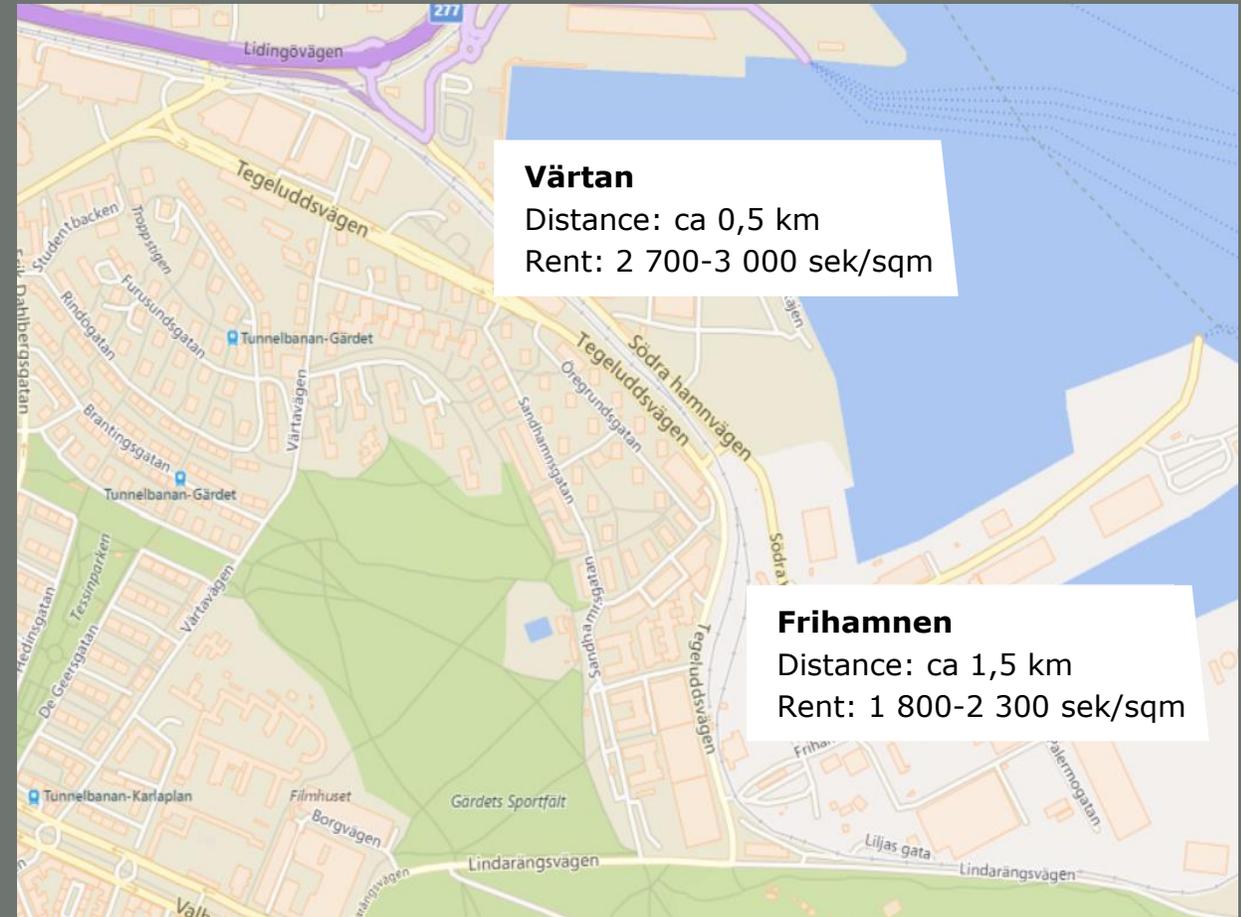
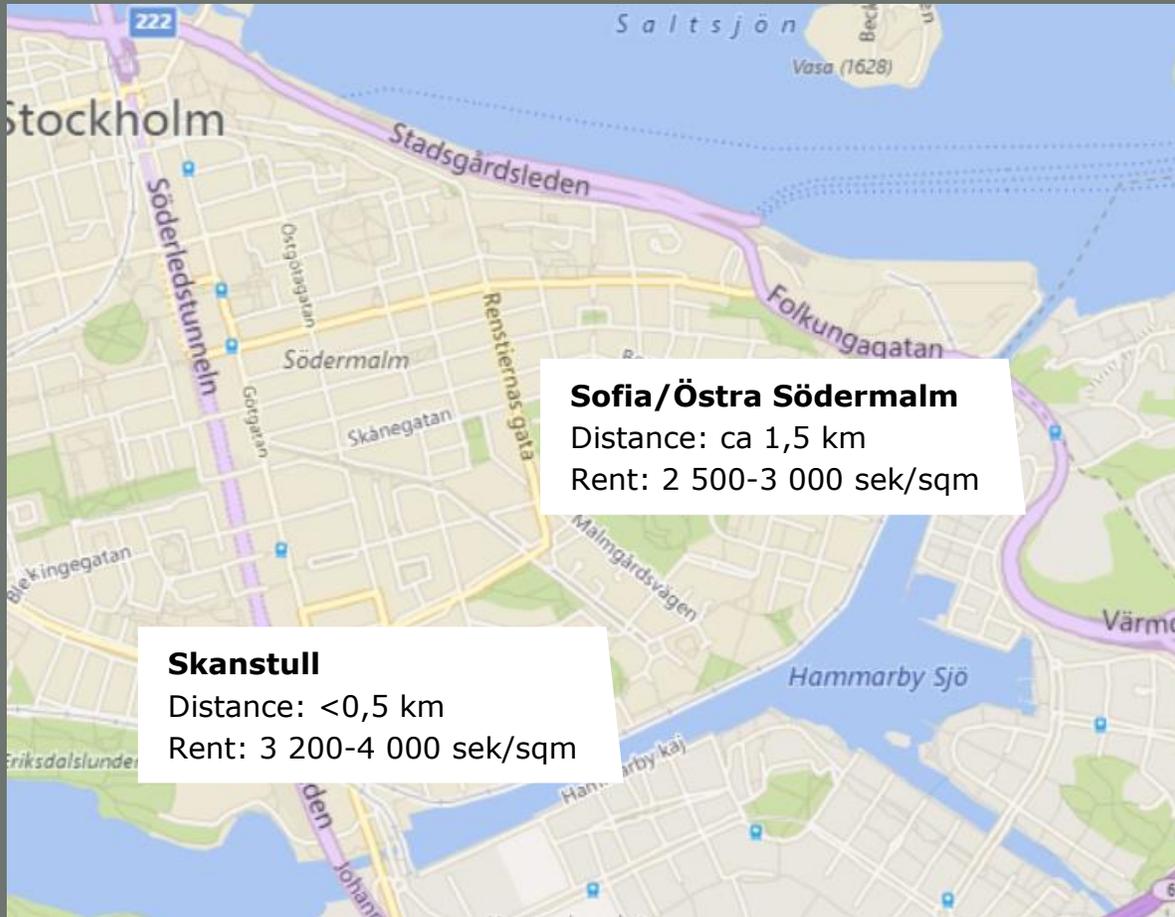
Total (approx.) 21,000

\*Excl. projects at Slakthusområdet

# PROPERTIES AT FUTURE SUBWAY STATIONS



Source: Forum Fastighetsekonomi



# PROPERTIES AT FUTURE SUBWAY STATIONS



- 3 500 – 5 000 sek/sqm
- 2 800 – 4 000 sek/sqm
- 2 500 – 3 200 sek/sqm
- 1 500 – 2 500 sek/sqm

Source: Forum Fastighetsekonomi

# SICKLA

Stockholm city, 5 km  
(Slussen, 3 km)



Kyrkviken

Sickla station

Curanten

Tapetfabriken

Nobelberget



# SICKLA FRONT II

COMPLETED  
PROJECT

Area 25,300 sqm

Investment SEK 810 M

Rental value ex premiums SEK 66 M

Completed 2018

Tenant: National Courts Administration



# SICKLA 1898

DECIDED  
PROJECT

Area 11,700 sqm  
Investment SEK 530 m  
Completed 2020  
A healthcare destination



# TAPETFABRIKEN

**DECIDED  
PROJECT**

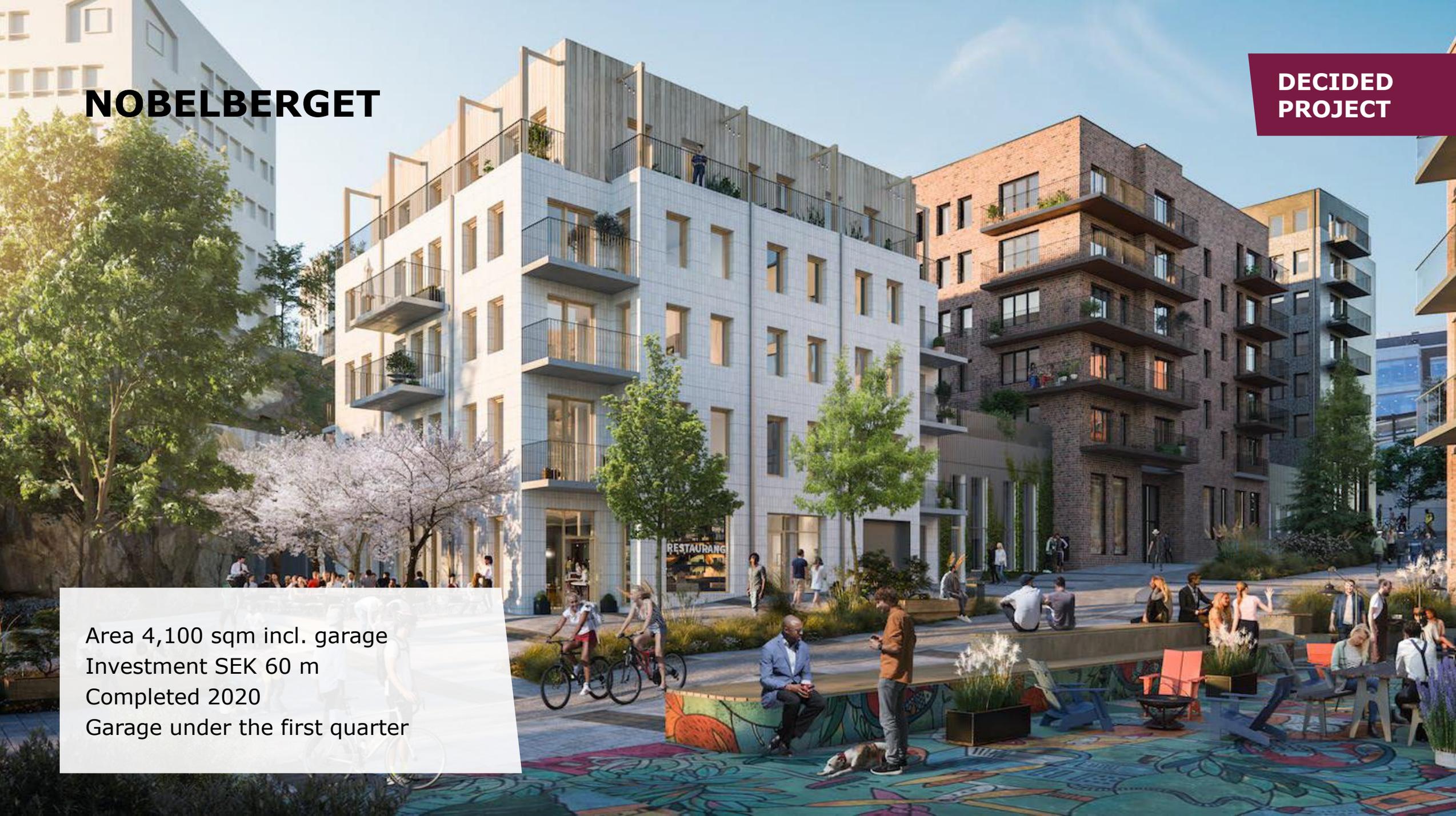
Area 9,800 sqm  
Investment SEK 390 m  
Completed 2020  
Tenant: Nordic Choise Hotels



# NOBELBERGET

**DECIDED  
PROJECT**

Area 4,100 sqm incl. garage  
Investment SEK 60 m  
Completed 2020  
Garage under the first quarter



# FORMALINFABRIKEN

**DECIDED  
PROJECT**

Area 2,000 sqm

Investment SEK 50 m

Rental value ex premiums SEK 4 m

Completed 2019

Office, café, restaurants and culture

# LIFE CITY

DECIDED  
PROJECT



Area 27,500 sqm  
Investment SEK 1,870 m  
Rental value ex premiums SEK 107 m  
Completed 2021  
Tenant: Academic Work 17,000 sqm

BAS  
BARKARBY

# BAS BARKARBY

DECIDED  
PROJECT

Area 24,400 sqm  
Investment SEK 830 m  
Completed 2021  
Education, culture, sports and business



# GRÄNBYSTADEN - SOUTH ENTRANCE

COMPLETED  
PROJECT

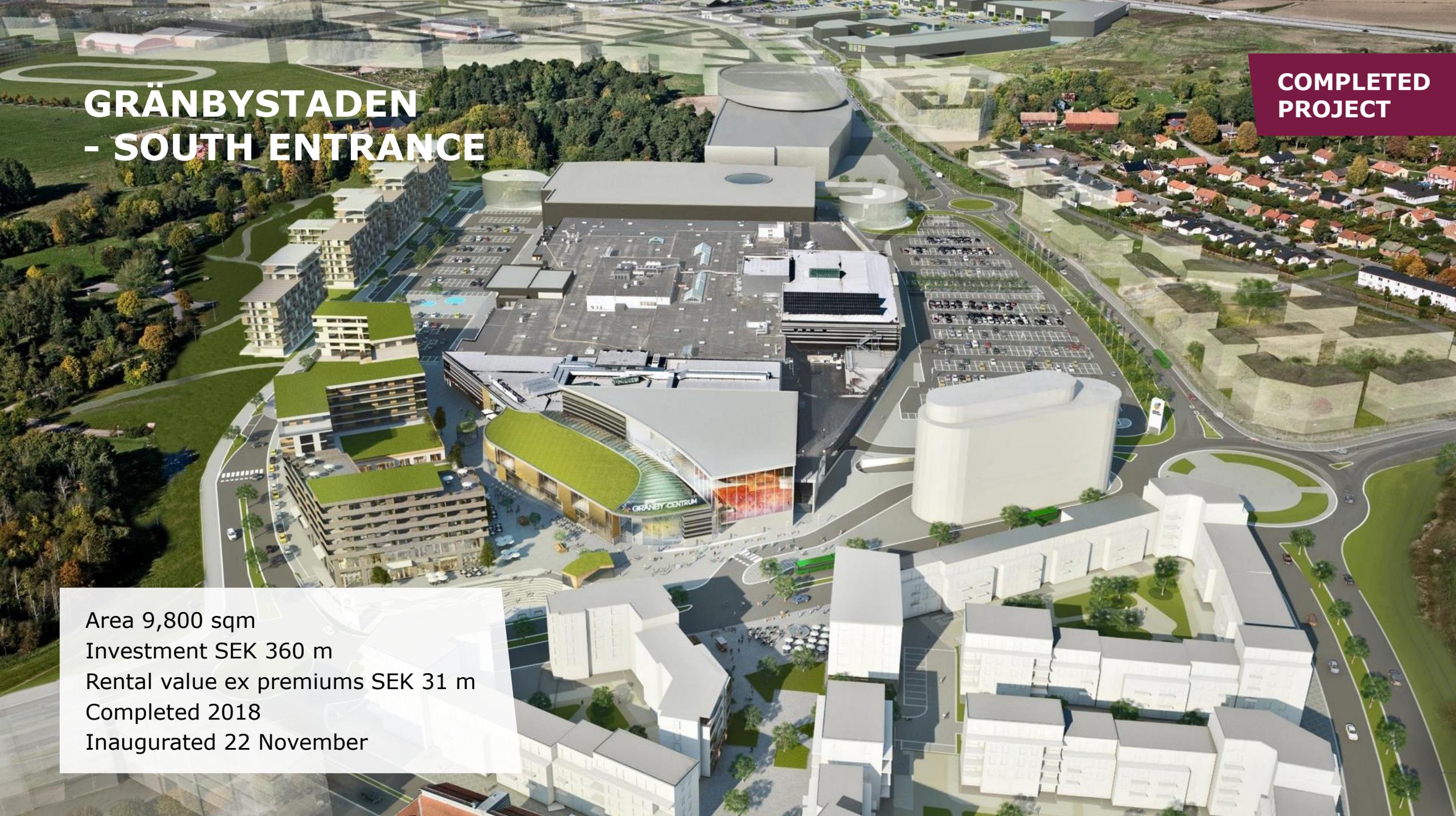
Area 9,800 sqm

Investment SEK 360 m

Rental value ex premiums SEK 31 m

Completed 2018

Inaugurated 22 November



# GRÄNBY RESIDENTIALS

**DECIDED  
PROJECT**

Area 17,200 sqm, 200 apartments  
Investment SEK 710 m  
Rental value ex premiums SEK 50 m  
Completed 2019  
Residential, office, retail, restaurants



# MOBILIA MALMÖ

**DECIDED  
PROJECT**

Area 13,200 sqm  
Investment SEK 540 m  
Rental value ex premiums SEK 37 m  
Completed 2020  
Residential, movie theatre, retail,  
children's culture



# LETTER OF INTENT SLAKTHUSOMRÅDET

An aerial photograph of a city district, likely in Sweden, showing a mix of residential and commercial buildings. A prominent feature is a large, modern stadium with a white, curved roof and the name 'TELIA2' on it. Next to the stadium is a large, white, dome-shaped structure. The surrounding area is densely packed with buildings, many with red roofs, and there are green spaces and trees interspersed throughout. A highway or elevated road runs through the middle of the district.

Area 200,000 sqm  
Investment SEK 8 bn

# SLAKTHUSOMRÅDET – LETTER OF INTENT

Total Development	Sqm GFA	Investment (SEK m)
Offices	77 000	
Residential	44 000	
Retail (lower floors)	28 000	
Culture	11 000	
Education	7 000	
<b>Total</b>	<b>167 000</b>	<b>7 000</b>

Initial purchase price	SEK 1 000 m
Investments projects	SEK 6 000 m
Option Palmfelt Center	SEK 1 000 m
<b>Total</b>	<b>SEK 8 000 m</b>

Distribution by type

