

1 January – 30 September

- Continued growth and best ever quarter
- Acquisition of historic property at Västra Hamngatan in Gothenburg city centre
- Platzer named Listed Company of the Year in Sweden's most comprehensive competition in the area of financial communication

### AFTER THE END OF THE PERIOD

- Updated financial goal: Loan-to-value ratio must not exceed 50% over time



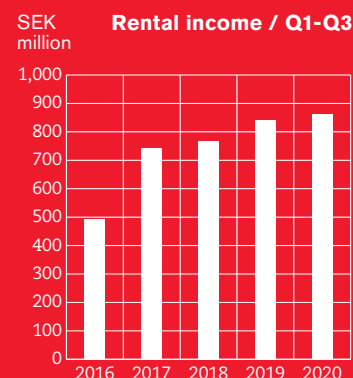
**Property value**  
SEK 22,150 million



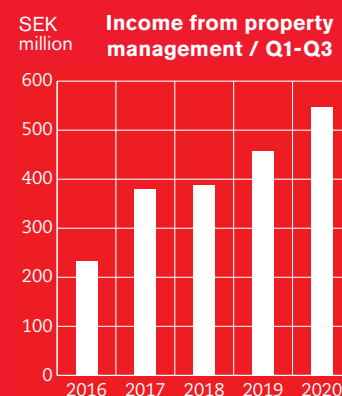
**Total area**  
827,000 sq. m.



**Properties**  
69

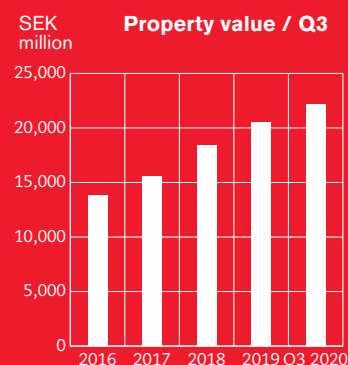


- Rental income increased to SEK 861 million (842)
- Income from property management increased to SEK 547 million (458)
- Profit for the period increased to SEK 963 million (910)
- Property portfolio increased to SEK 22,150 million (20,479)
- Earnings per share increased to SEK 8.00 (7.50)



### Key Performance Indicators

	Q3 2020	Q3 2019	2019
Long-term net asset value (EPRA NAV) per share	92.21	80.02	84.00
Interest coverage ratio (multiple)	4.2	4.3	4.3
Loan-to-value ratio, %	48	50	49
Investment yield, %	4.2	4.3	4.3
Surplus ratio, %	77	74	74
Economic occupancy rate, %	93	94	94





## Continued growth and best ever quarter

Congratulations to readers of this Interim Report and our Annual Report and to visitors to the Investor Relations page on our website. Platzer won the 2019 Listed Company of the Year competition according to Kanton and Aktiespararna. The reasons for the award include the transparency of our financial reporting and the fact that all reporting is clear and follows a common theme. We also publish our reports very quickly. This is the fourth consecutive year we have won the award for best Annual Report, but the first time we have won in all categories.

Returning to the contents of this Interim Report. Platzer's property assets have grown by SEK 1.7 billion to over SEK 22 billion since the turn of the year, which is in line with our ambition to achieve annual growth of SEK 2.5 billion in our property portfolio. The aim is for half the growth to come from our own projects and half from net acquisitions. Our acquisition of Inom Vallgraven 54:11 in Q3 was in line with our ambition to grow through acquisitions. The property is a well-preserved building in the Central Business District (CBD),

built in the late 1800s for the insurance company SVEA. The property has a floor area of 7,100 sq. m. and is currently let to Hotel Elite Plaza.

Demand still vastly outstrips supply in the property market, which in turn is driven by the fact that there are large amounts of capital in circulation and few alternative investments with better returns. The consequence is a frozen property market and, in the same way as in 2019, our growth being derived from our own projects and value increases in these. Investments and value increases also meant that our net asset value, measured according to EPRA NAV, increased by over 15% compared with the same period in the previous year.

### Record high operating surplus

In connection with the outbreak of Covid-19, when both we and a large number of our tenants were very concerned about the future, we took the decision that we would rather help tenants who really needed our support than provide broader,

more general support. At the same time, all our staff have worked extremely hard to ensure that the subsidies we provide to tenants are covered through cost-cutting. The aim was to not rely on any state-run programmes but to cover the loss of rental income through cost savings.

As we look back over the first three quarters of the year, we can see that we succeeded in covering the loss of rental income by a considerable margin. Our operating surplus of SEK 228 million is by some distance a new record for a single quarter. I am proud to say that we succeeded in navigating more than six months of Covid-19 with a good outcome for both our tenants, our shareholders and taxpayers.

### **Positive renegotiations but negative net lettings**

Covid-19 has resulted in a temporary halt in the rental market, with many tenants taking a wait-and-see approach. After 16 quarters of positive net lettings in Platzer, the chain has been broken. Negative net lettings in Q3 of SEK -27 million were due to a combination of termination of a few major leases and the fact that we were clearly not achieving the same level of lettings as in previous years. Project lettings in particular were lower than normal. Compared with our average figures for the first three quarters in the previous three years, the volume of terminated leases (in SEK million) in the nine months to end-September was slightly better than average, while new lettings were significantly down on the three-year average.

At the beginning of October we saw some positive signs of a turnaround and we hope that the fourth quarter will result in increased activity from potential tenants. But we are taking active steps to prepare ourselves for a deteriorating lettings market by reviewing our working methods and taking a more proactive approach to letting and clarifying and improving our customer offering.

We are also continuing to renegotiate our leases with good results. In the nine months to end-September the volume of renegotiated leases was around the same as the three-year average for the first three quarters of the year, but the outcome was better: +14% compared with +10%.

### **Gamlestadens Fabriker step closer to detailed development plan**

We are still waiting for the Land and Environment Court to start their review of the appeal against the detailed development plan in Södra Änggården. Work on Gamlestadens Fabriker is continuing and we are very hopeful that the City of Gothenburg Building Committee will take a decision on the plan before the end of the year.

### **Gothenburg's most sustainable office building welcomes tenants**

From December 2020 tenants will gradually start to move into Gårda Vesta – Gothenburg's first property certified according to the WELL Building standard. WELL Building looks at environmental parameters as well as people's health and

well-being in built environments. A sustainability perspective encompassing both social and ecological aspects, making Gårda Vesta one of Gothenburg's most sustainable indoor environments. Moreover, Gårda Vesta will enhance the skyline in north Gårda. A fine ambassador for our company and our vision to make Gothenburg the best city in Europe to work in.

### **Revised goal for loan-to-value ratio**

Platzer's Board of Directors has in connection with this report made a decision to adjust the financial goal for the loan-to-value ratio from "maximum 60%" to "not exceed 50% over time". This is a more challenging financial goal, but a level we have maintained every reporting period since the third quarter in 2019. Property companies with an investment grade rating have been offered far better financing terms during the Covid-19 pandemic we will continue looking into the regulatory restrictions and business benefits for Platzer of obtaining an investment grade rating.

### **Offices in future and offices of the future**

The recent inactivity in the rental market has given rise to a debate that in its most curious moments has made it sound as if we will no longer need offices in the future. In actual fact what we are seeing now is a continuation of a situation that has been evolving for a long time, where the role and function of the office has changed dramatically.

Going back 40 years, the office was a closed room with red, yellow and green buttons to communicate with anyone wanting to enter the office. Cellular offices were still the norm 20 years ago, and 30 sq. m./employee the going ratio. Today we are down to 15 sq. m./employee and the office is increasingly becoming a meeting place where everyone moves around freely carrying their laptop and mobile phone.

What we all need to ask ourselves is what we mean by an office and what needs it should fulfil. I think there will be as many answers to these questions as there are companies. All tenants have different needs and the offices of the future will therefore come in many shapes and sizes.

However, I believe there will be an even clearer trend towards the office as a meeting place in future. Productive, creative and efficient organisations are not made up of people working alone at home. To survive as an organisation in an ever changing world, the need to have meetings that bring together different groupings and skill sets becomes ever more important. As a property owner, our contribution will be to create environments and places that support these types of organisations. This is a task that involves more than just a building or property alone and we need to look at the attractiveness and accessibility of entire areas. At Platzer we are determined to be such a property owner.



P-G Persson, CEO

# The office as a meeting place - more important than ever

**In the wake of the pandemic much of the debate has been about how working from home is here to stay and how this will impact our view of our workplaces. At the start of the pandemic, the initial assumption was that offices would become less important, but something has happened to change this opinion and the picture is now more nuanced. Is the recovery merely temporary? Or will there also be a place for offices in the new normal after the pandemic?**

According to Mikael Dotevall, Platzer's Business Area Manager for Offices, Covid-19 has merely served to reinforce a trend we have observed for a long time, but the picture is also more complicated than it seems at first glance.

"The evolution of the office as a workplace has changed fundamentally in the last few decades. In the 1980s, offices were designed more to stop us meeting each other. Since then we have moved on from a production-focused perspective where everyone had their own materials and their own place or room to the current trend of seeing the office as a meeting space. If anything, this trend has been reinforced by the pandemic."

## Opposing trends

At the same time, the area per office employee has nearly halved from 30 square metres per person to around 15 since the turn of the century. In metropolises such as London the figure is even lower. As more people are given the opportunity to work in places other than the office, this development is expected to continue.

Covid-19 has reinforced several trends that started a long time ago. Most observers believe that we will be travelling less for business and working more from home even after the pandemic. However, continued urbanisation and a growing proportion of office employees in the labour market mean that demand for modern offices in attractive locations will remain good.

## Innovation and creativity require face-to-face meetings

Additionally, temporarily a larger area may be required to reduce congestion and thus limit the spread of infection in our workplaces. According to Martin Guri, Head of Strategy at Kepler Cheuvreux, this has already happened in central locations in cities, where some companies have rented extra office space to enable staff to split into smaller groups while at the same time interacting with each other and meeting customers (Dagens Industri 30/09/2020).

"Offices are by far the best way to enable staff to interact and meet. Innovation, creativity and development thrive when we are able to meet in person. But of course we have to find ways of achieving this in a safe manner," added Mikael Dotevall.

Writing in Fastighetsnytt (09/09/2020), Jonas Falk of Strategisk Arkitektur said that during the spring many were able "to ride the wave of projects already underway and found it surprisingly easy to continue working from home spread out across multiple locations", but that when "new projects needed to be set up or whenever extra creativity or innovation was required, things did not work out so well. Then a different approach was called for, something that a physical office, with the right inspirational and functional environment and skilled and knowledgeable colleagues, is able to provide."

## Attractive offices - a competitive factor

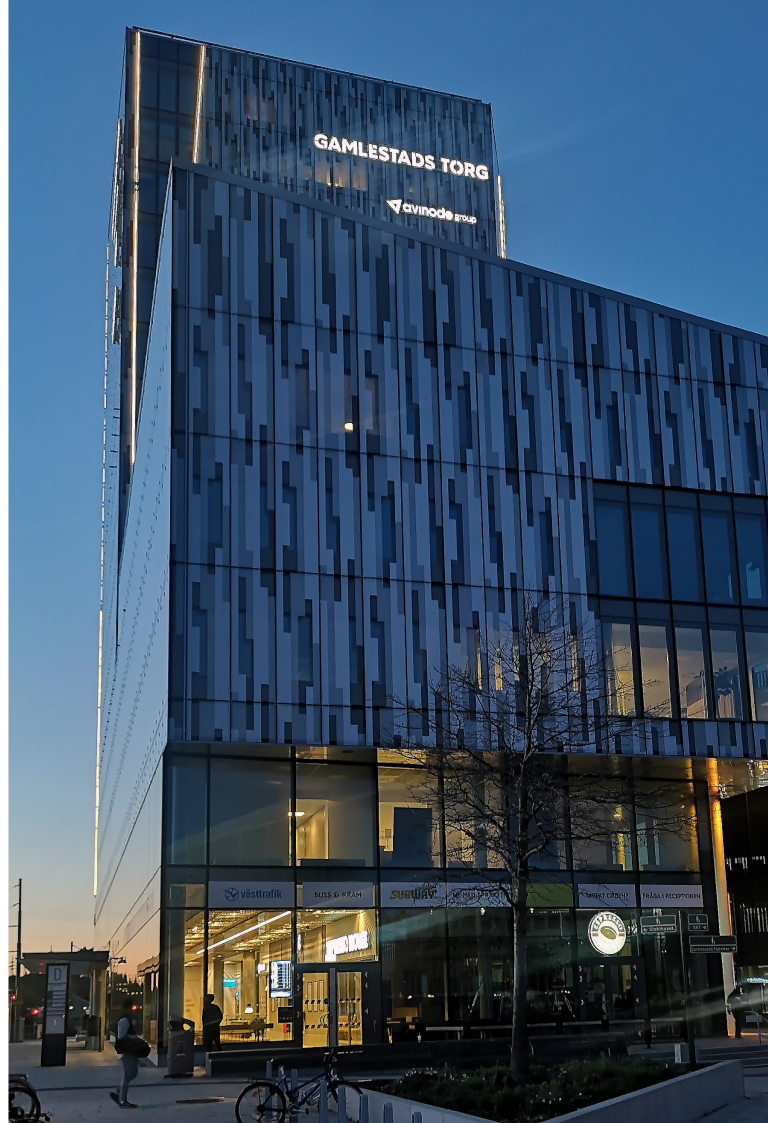
The development also places new demands on offices in terms of design and location. If going into the office is to be worth it, the office must provide added value. The winners will be modern offices in attractive areas that facilitate creative meetings and offer restaurants, shops and other services that cannot be found in the areas where workers live.

If we succeed in creating such environments, Mikael Dotevall believes there is a good chance that Swedish companies and workplaces will be able to compete for the top talent in an increasingly global labour market.

"Sweden is continuously ranked as one of the world's most innovative countries. Our largest cities offer residents a combination of urban environment and close proximity to nature and leisure activities. At the same time people have access to well functioning healthcare and social protection. These are some of things that make it possible for us here at Platzer to say that we will make Gothenburg the best city in Europe to work in."

**"Innovation, creativity and development thrive when we are able to meet in person."**







# Operating surplus continues to improve

Comparative amounts for income statement items refer to the corresponding period in the previous year.

## Consolidated Income Statement, condensed

SEK million	2020 Jul-Sept	2019 Jul-Sept	2020 Jan-Sept	2019 Jan-Sept	2019 Jan-Dec	2019/2020 Oct-Sept
Rental income	289	289	861	842	1,124	1,143
Property costs	-61	-78	-196	-217	-287	-266
<b>Operating surplus</b>	<b>228</b>	<b>211</b>	<b>665</b>	<b>625</b>	<b>837</b>	<b>877</b>
Central administration	-10	-9	-40	-37	-52	-55
Share of profit of associates	24	6	71	7	8	72
Net financial income/expense <sup>1)</sup>	-51	-47	-149	-137	-182	-194
<b>Income from property management (including associates)</b>	<b>191</b>	<b>161</b>	<b>547</b>	<b>458</b>	<b>611</b>	<b>700</b>
Change in value, investment properties	293	369	753	1,116	1,522	1,159
Change in value, financial instruments	7	-89	-123	-298	-126	49
Change in value, financing agreements	-	-1	-	-94	-94	-
<b>Profit before tax</b>	<b>491</b>	<b>440</b>	<b>1,177</b>	<b>1,182</b>	<b>1,913</b>	<b>1,908</b>
Tax on profit for the period	-103	-90	-214	-272	-437	-379
<b>Profit for the period <sup>2)</sup></b>	<b>388</b>	<b>350</b>	<b>963</b>	<b>910</b>	<b>1,476</b>	<b>1,529</b>
<b>Profit for the period attributable to:</b>						
Parent company's shareholders	387	346	958	899	1,461	1,520
Non-controlling interests <sup>3)</sup>	1	4	5	11	15	8
Earnings per share <sup>4)</sup>	3.23	2.89	8.00	7.50	12.19	12.69

<sup>1)</sup> Net financial income/expense in the period included ground lease costs totalling SEK 0.7 million (0.7).

<sup>2)</sup> The Group has no items of other comprehensive income and therefore the consolidated profit for the period is the same as comprehensive income for the period.

<sup>3)</sup> Refers to non-controlling interests in jointly owned companies where Platzer holds the controlling interest.

<sup>4)</sup> There is no dilution effect because there are no potential shares.

## Comments January-September 2020

### Results

Income from property management in the first nine months amounted to SEK 547 million (458), corresponding to an increase of 19.4%. Income from property management per share, excluding changes in value in associates, amounted to SEK 3.97 (3.77). Profit the period amounted to SEK 963 million (910), corresponding to an increase of 5.8%. The change was due to the fact that we managed to increase our rental income at the same time as our property costs declined. Also, our share of profit of associates increased to SEK 71 million (7). In the corresponding period in the previous year we also reported a change in the value of our financing agreement of SEK -94 million, an item that did not apply this year.

### Rental income

Rental income in the period increased to SEK 861 million (842), up by 2.3%. The increase was primarily due to new leases, renegotiated leases and index-linked increases in comparable properties. Rental income in the period included non-recurring compensation for early termination of SEK 10 million (0). As at 30 September 2020, annualised rental income from existing leases was estimated at SEK 1,219 million (1,179), based on earning capacity (see page 11). The economic occupancy rate in the period was 93% (94).

	Q1-Q3 2020 SEK million	Q1-Q3 2019 SEK million	Change, %
Comparable properties	850	812	4.7
Project properties	11	12	
Property transactions	0	18	
<b>Rental income</b>	<b>861</b>	<b>842</b>	<b>2.3</b>

### Property costs

Property costs in the period amounted to SEK -196 million (-217). Property costs for comparable properties declined by 8.7%, partly because mild weather in the first quarter of the year resulted in lower utility costs and lower snow removal and anti-icing costs, and partly a result of operations optimisation and measures to keep costs down during the coronavirus crisis. Operating and maintenance costs vary during the year. Costs in the first and fourth quarters are normally higher than in the second and third quarters, primarily because of higher utility costs and snow removal and anti-icing costs.

	Q1-Q3 2020 SEK million	Q1-Q3 2019 SEK million	Change, %
Comparable properties	190	208	-8.7
Project properties	6	5	
Property transactions	0	4	
<b>Property costs</b>	<b>196</b>	<b>217</b>	<b>-2.9</b>

### Operating surplus

The operating surplus in the period increased by 6.4% to SEK 665 million to (625). The increase was due both to increased revenue in the form of new leases, renegotiated leases and index-linked increases, and lower property costs. Property disposals carried out in 2019 and 2020 resulted in a decrease in operating surplus of SEK 14 million. The operating surplus for comparable properties rose by 9.3%. The surplus ratio was 77% (74). The investment yield for the properties was 4.2% (4.3).

### Central administration and staff

Central administration costs in the period amounted to SEK -40 million (-37). The increase was primarily due to an increase in staff-related costs.

The number of staff at the end of the period was 85 (83).

### Share of profit of associates

Platzer owns 20% of SFF Holding AB, which issues bonds and is owned in equal parts by Catena, Diös, Fabega, Platzer and Wihlborgs. Platzer and Bygg-Göta each have a 50% stake in the limited partnership Biet, through which we jointly own the property Inom Vallgraven 49:1 (Merkurhuset). We also have a 50% holding in Sörreds Logistikpark Holding AB, with the remaining 50% owned by Bockasjö.

Share of profit of associates in the period amounted to SEK 71 million (7), with the increase due to changes in the value of properties.

### Net financial income/expense

Net financial expense for the period amounted to SEK -149 million (-137). The change was primarily due to a higher Stibor rate.

Borrowings increased by SEK 584 million compared with the same period in the previous year. The increase was due to financing of an ongoing project and net disposals towards the end of the previous year.

At the end of the period, the average interest rate, including the effects of derivative instruments, was 2.05% (1.93).

### Changes in value

Changes in the value of properties in the period amounted to SEK 753 million (1,116) and changes in the value of financial instruments totalled SEK -123 million (-298), while unrealised changes in the value of financing agreements amounted to SEK 0 million (-94).

### Tax

Tax expense for the period amounted to SEK -214 million (-272), of which SEK -59 million (-332) comprised current tax and SEK -155 million (60) deferred tax. The change in current tax was primarily due to the fact that the corresponding period in the previous year was burdened by adjustments to taxable profits in previous years. Deferred tax was impacted by unrealised changes in the value of properties and derivatives. In the period, deferred tax assets were impacted by company divestment.

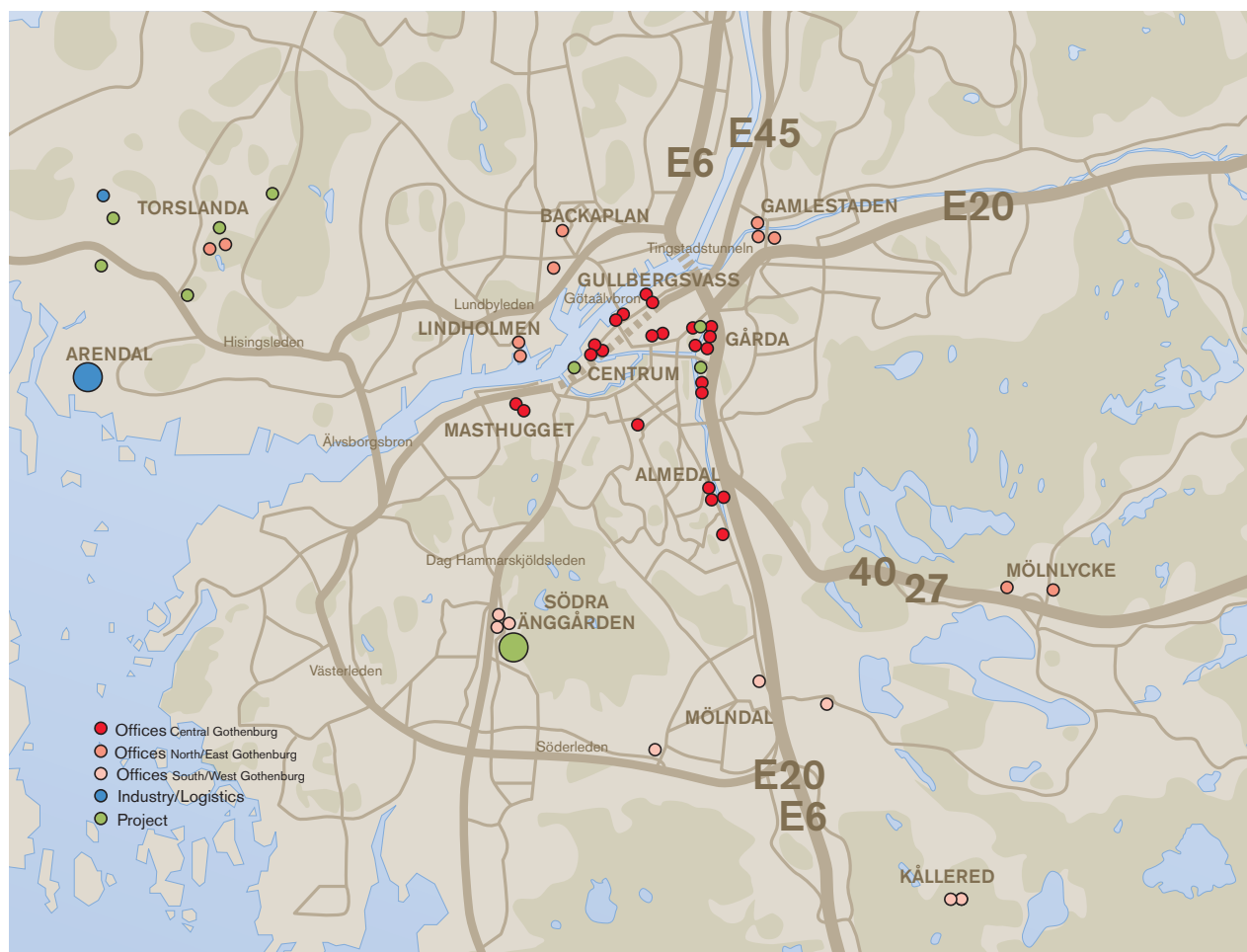
The corporation tax rate in the fiscal year 2020 is unchanged at 21.4%. In 2021, the corporation tax rate will be lowered to 20.6%. Deferred tax expected to be payable in 2021 or later has been calculated using the tax rate 20.6%. Property disposals which give rise to realised capital gains/losses are normally conducted as company divestments.

### Segment reporting

With effect from the first quarter of 2020 we report our operations within the Industry/Logistics business area as a separate segment. As before, our operations within the Offices business area are reported as three geographical segments.

The total operating surplus is the same as the operating surplus reported in the income statement.

	Offices						Industry/ Logistics		Project properties		Total	
	Central Gothenburg		South/West Gothenburg		North/East Gothenburg							
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Rental income	387	355	57	57	190	201	215	216	11	14	861	843
Property costs	-82	-82	-13	-14	-48	-57	-47	-60	-6	-5	-196	-218
<b>Operating surplus</b>	<b>306</b>	<b>273</b>	<b>44</b>	<b>43</b>	<b>142</b>	<b>144</b>	<b>168</b>	<b>156</b>	<b>5</b>	<b>9</b>	<b>665</b>	<b>625</b>
Fair value, properties	11,279	10,054	1,025	992	4,243	4,215	3,706	3,294	1,897	1,561	22,150	20,116
Of which investments/ acquisitions/disposals/ changes in value in the period	1,225	923	33	46	28	185	412	100	336	474	2,034	1,728





# Low level of new lettings as market holds its breath

Our property portfolio comprised 69 properties as at 30 September 2020. The portfolio includes two jointly owned properties which are accounted for as associates. The fair value of the properties totalled SEK 22,150 million, excluding associates. The property portfolio includes 21 project properties. Total lettable area, including associates, amounted to 826,760 sq. m., of which offices accounted for 55%, industry/logistics 31%, retail 1% and other property 13%. The economic occupancy rate in the period was 93% (94).

We report our property portfolio in three geographical office segments as well as industry/logistics and project properties:

- **Offices Central Gothenburg** (Centre, Gårda, Almedal, Masthugget and Gullbergsvass)
- **Offices North/East Gothenburg** (Backaplan, Gamlestaden, Lindholmen, Mölnlycke and Torslanda)
- **Offices South/West Gothenburg** (Högsbo and Mölndal)
- **Industry/Logistics**
- **Project properties**

## Net lettings and renegotiated leases

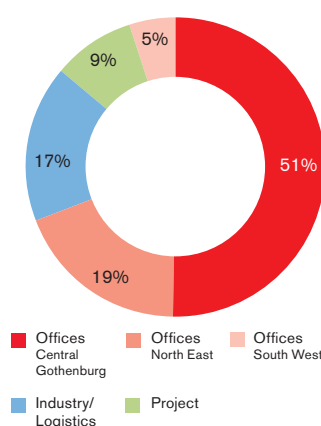
Letting operations in the quarter were adversely affected by the market's wait-and-see approach. We implemented new lettings worth a total of SEK 3 million (24) in the quarter. As a result, we were unable to achieve positive net lettings because terminations in the quarter amounted to SEK -30 million (-23), two-thirds of which were attributable to two major leases.

In total, net lettings in investment and project properties in the period amounted to SEK -22 mkr (22). Net lettings in investment and project properties in the third quarter amounted to SEK -27 million (1).

Leases corresponding to rent volume of SEK 96 million (133) were renegotiated in the period. The average increase in rent was 14% (11).

	Q1-Q3 2020 SEK million	Q1-Q3 2019 SEK million
Investment properties, lettings	32	63
Investment properties, terminations	-58	-72
Project properties, lettings	4	33
Project properties, terminations	0	-2
<b>Total net lettings</b>	<b>-22</b>	<b>22</b>

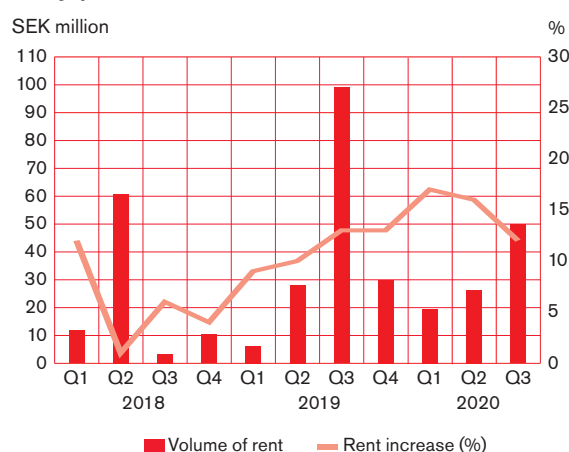
Property portfolio breakdown by value: offices/industry/logistics/projects



Net lettings, by quarter



Renegotiated leases and rent increases, by quarter



### Offices business area

In offices, the company is the leading player in Gullbergsvass, Gårda, Gamlestaden and Högsbo. Major tenants include the Swedish Social Insurance Agency, the Swedish Tax Agency, the City of Gothenburg, Academedia, Länsförsäkringar, the Swedish Migration Agency, Nordea, Plastal, Ramböll and Zenseact. In total, we have 648 leases for office space generating total rental income of SEK 890 million on an annual basis.

Net lettings in investment and project properties in the period amounted to SEK -21 million (40). Lettings in investment properties totalled SEK 26 million (62), while notices of termination amounted to SEK -51 million (-54). A large proportion of lettings were in the city centre excluding the Central Business District (CBD). Lettings in project properties amounted to SEK 4 million (33), while terminations totalled SEK 0 million (-2).

### Industry/Logistics business area

In Industry/Logistics we are the leading player in Arendal. Major tenants include DFDS, DHL, Plastal, SSAB and Sveafjord.

In total, we have 79 leases in Industry/Logistics generating total rental income of SEK 282 million on an annual basis.

Net lettings in investment and project properties in the period amounted to SEK -1 million (-17). Lettings in investment properties totalled SEK 6 million (1) while notices of termination amounted to SEK -7 million (-18). The leases that were signed were in Arendal. Lettings and terminations in project properties in the period amounted to SEK 0 million (0).

### Impact of Covid-19 on rent payments

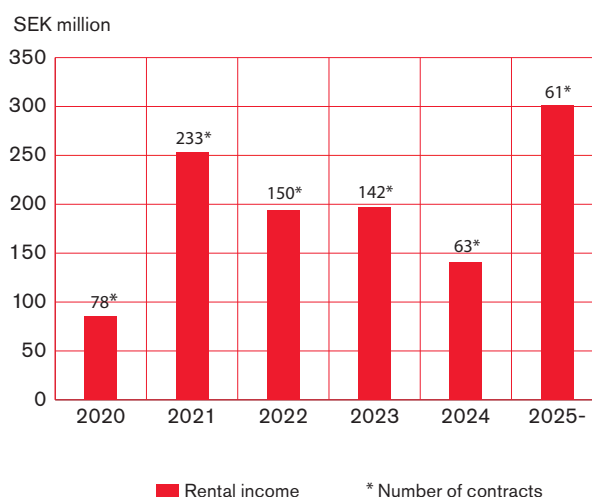
Platzer's lease portfolio comprises a broad customer base. At the time of publication of this report, the proportion of rent paid in respect of payment notices issued for the fourth quarter and October 2020 were on the same level as in the corresponding period in the previous year.

The customer segments that have been and may be adversely affected in the short term as a result of the measures taken to combat the spread of Covid-19 account for a fairly small proportion. A handful of tenants whose business is fundamentally strong but who have really needed our help in the short term in order to survive financially have received help from us. These temporary reductions in rent amounted to 0.2% of total rental income in the period.

### Contract structure

	Q3 2020	Q3 2019
Number of commercial leases	727	766
Rental income from commercial leases on an annual basis, SEK m	1,172	1,134
20 largest leases, proportion of rental value, %	34	33
Largest tenant, proportion of rental value, %	9	11
Largest lease, proportion of rental value, %	3	3
Average remaining term, months.	34	41

### Maturity structure, leases



## Earning capacity as at 30 September 2020

	Number of properties	Lettable area, sq. m.	Fair value, SEK m	Rental value, SEK m	Economic occupancy rate, %	Rental income, SEK m	Operating surplus, SEK m	Surplus ratio, %
<b>Investment properties</b>								
Central Business District (CBD)	8	75,116	4,265	232	89	207	165	80
City centre excl. CBD	17	162,145	7,014	352	93	328	251	76
<b>Central Gothenburg</b>	<b>25</b>	<b>237,261</b>	<b>11,279</b>	<b>584</b>	<b>92</b>	<b>536</b>	<b>416</b>	<b>78</b>
East Gothenburg	5	120,878	2,546	188	90	170	125	74
Norra Älvstranden/Backaplan	4	38,018	1,333	85	98	83	64	77
Hisingen, other	2	25,854	364	28	61	17	12	69
<b>North/East Gothenburg</b>	<b>11</b>	<b>184,750</b>	<b>4,243</b>	<b>301</b>	<b>90</b>	<b>270</b>	<b>200</b>	<b>74</b>
West Gothenburg	4	22,033	253	24	79	19	12	61
Mölnadal	4	28,994	772	56	100	56	46	81
<b>South/West Gothenburg</b>	<b>8</b>	<b>51,027</b>	<b>1,025</b>	<b>80</b>	<b>94</b>	<b>75</b>	<b>57</b>	<b>76</b>
<b>Industry/Logistics</b>	<b>2</b>	<b>318,549</b>	<b>3,706</b>	<b>295</b>	<b>97</b>	<b>285</b>	<b>214</b>	<b>75</b>
<b>Total investment properties</b>	<b>46</b>	<b>791,587</b>	<b>20,253</b>	<b>1,260</b>	<b>93</b>	<b>1,166</b>	<b>888</b>	<b>76</b>
<b>Project properties</b>	<b>21</b>	<b>29,804</b>	<b>1,897</b>	<b>58</b>	<b>92</b>	<b>53</b>	<b>40</b>	<b>-</b>
<b>Total Platzer</b>	<b>67</b>	<b>821,391</b>	<b>22,150</b>	<b>1,318</b>	<b>92</b>	<b>1,219</b>	<b>930</b>	<b>76</b>
<b>In addition to the above, we have entered into leases for occupancy from 1 April 2021 onwards:</b>						<b>Rental income, SEK m</b>		
Current and future new build projects						111		
Investment properties						5		

The summary is based on the property portfolio as at 30 September 2020 and provides a snapshot of our earning capacity; it is not a forecast. The summary is not an assessment of any changes in vacancy rates or leases. It also does not include properties owned via associates.

The breakdown of office property is in line with the general geographical breakdown used by the property industry in Gothenburg with the exception of our property at Backaplan, which we account for as Norra Älvstranden. We report our industry/logistics properties and project properties separately. Project properties include all our properties in Södra Änggården, for example.

By rental value we mean rental income plus the estimated market rent for vacant premises in their existing condition. The results-related columns include current leases in existing properties, including for future occupancy in the next six months. Leases for later occupancy or in properties currently under construction are not included.

For project properties where work has not yet started or is currently underway, rental value, rental income and operating surplus refer to existing leases and costs in the property. For project properties where tenants are due to take occupancy in the next six months, rental value, rental income and operating surplus refers to those leases. The lease agreed with Internationella Engelska Skolan in Södra Änggården is not included in the rental income above because the terms and conditions of completion have not yet been met. The operating surplus shows the properties' earning potential on an annual basis, defined as contracted rental income as at 1 October 2020. Deductions are made for estimated property costs including property administration for a normal year over a rolling 12-month period.

# Secure financial position as markets wait and see

Comparative amounts for balance sheet items refer to 31 December 2019.

## Consolidated Balance Sheet, condensed

SEK million	30 Sept 2020	30 Sept 2019	31 Dec 2019
<b>Assets</b>			
Investment properties <sup>1)</sup>	22,150	20,116	20,479
Right of use assets, leasehold	30	29	30
Other non-current assets	12	13	12
Non-current financial assets	344	155	186
Current assets	177	117	131
Cash and cash equivalents	140	51	268
<b>Total assets</b>	<b>22,853</b>	<b>20,481</b>	<b>21,106</b>
<b>Equity and liabilities</b>			
Equity	9,279	7,994	8,556
Deferred tax liability	1,582	1,351	1,440
Non-current interest-bearing liabilities <sup>2)</sup>	5,250	8,965	7,094
Lease liability	30	29	30
Other non-current liabilities	692	744	589
Current interest-bearing liabilities	5,357	1,058	2,939
Other current liabilities	663	340	458
<b>Total equity and liabilities</b>	<b>22,853</b>	<b>20,481</b>	<b>21,106</b>

1) Of which SEK 634 million (470) comprise assets held for sale.

2) Of which SEK 188 million (188) comprise liabilities relating to assets held for sale.

Pledged assets as at 30 September 2020 amounted to SEK 9,042 million (SEK 8,187).

Contingent liabilities as at 30 September 2020 amounted to SEK 232 million (98).

Platzer's cash flow is strong and its financial position is good. We are carrying on with our projects according to plan with secure financing and a high occupancy rate.

### Value of properties and property valuation

The properties were recognised at fair value of SEK 22,150 million (20,479), which was based on an internal valuation as at the balance sheet date. The properties are valued internally at the end of each quarter, using a ten-year cash flow model for all properties. Additionally, at each year-end we carry out an external valuation of a few sample properties that form a cross section of the property portfolio. The external valuation normally comprises around 30% of the property portfolio and is carried out as quality assurance of the internal valuation. Historically, the difference between our internal valuation and the external valuation has been small. The investment properties are valued within level 3 in the IFRS 13 fair value hierarchy.

The internal property valuation in the period showed a change in the value of investment properties of SEK 753 million (1,116). Around 50% of the change in value was related to urban, property and project development. Approximately 25% was due to rising market rents and newly signed and renegotiated leases. The remaining 25% of the change in value was due to adjusted required yields in the portfolio. Because each property is valued individually, the portfolio

premium that can occur in the property market has not been taken into account. The average yield requirement in the valuation as at the balance sheet date was 4.9%, unchanged compared with 31 December 2019, which was due to the fact that market yields were almost unchanged.

We have previously concluded agreements on the sale of ten future properties in Södra Änggården. In total, this involves 14 project properties in the Högsbo area. The disposals are conditional on the detailed development plan becoming legally binding. On 16 April 2020, the City Council approved the detailed development plan for Olof Askunds gata. An appeal against the City Council's decision was subsequently lodged with the Land and Environment Court. We are now awaiting the Court's review of the case before the detailed development plan can become legally binding and construction of housing, schools and parks can begin.

The transaction will be implemented in three stages, with the first completion taking place after the detailed development plan becomes legally binding. The received down payment of a total of SEK 103 million will be recognised as a liability until the terms and conditions of sale have been fulfilled. Total income from the disposals in this project are estimated at around SEK 1.8 billion, SEK 1.6 billion of which is attributable to agreements signed so far. The properties are being sold as ready for construction, which means that Platzer is responsible for costs arising from demolition,



decontamination and development of roads and parks. The disposals have not yet been recognised through profit or loss, and instead valuation of building rights is expected to take place when the detailed development plan has become legally binding (in accordance with our valuation principles). At that point the disposals will be recognised through profit or loss, primarily as changes in the value of properties, and they are expected, as previously communicated, to boost equity by SEK 6-7 per share.

### Transactions in the reporting period

In the third quarter, Platzer strengthened its position in CBD in the centre of Gothenburg through the acquisition of the property Inom Vallgraven 54:11, known locally as Hotell Plaza. The 7,100 sq. m. property was built between 1887-1889 and since 1999 it has been let to Elite Plaza.

Investments in existing properties in the period amounted to SEK 773 million (612), with the largest single investments involving the new build projects Gårda Vesta (Gårda 2:12) and Kineum (Gårda 16:17).

### Equity

As at 30 September 2020, the Group's equity amounted to SEK 9,279 million (8,556). The equity/assets ratio on the same date was 41% (41), well above the target of 30%.

Equity per share as at 30 September stood at SEK 76.83 (70.84), while the long-term net asset value (EPRA NAV) was SEK 92.21 (84.00) per share.

	2020 Jan-Sept	2019 Jan-Sept	2019 Jan-Dec
<b>Value of properties, opening balance</b>	<b>20,479</b>	<b>18,388</b>	<b>18,388</b>
Investments in existing properties	773	612	937
Property acquisitions	395	-	-
Property sales	-250	-	-368
Changes in value	753	1,116	1,522
<b>Value of properties, closing balance</b>	<b>22,150</b>	<b>20,116</b>	<b>20,479</b>

### Consolidated Statement of Changes in Equity, condensed

SEK million	2020 Jan-Sept	2019 Jan-Sept	2019 Jan-Dec
<b>Equity attributable to the Parent Company's shareholders</b>			
At the beginning of the period	8,487	7,230	7,230
Comprehensive income for the period	958	899	1,461
Dividend	-240	-204	-204
<b>At the end of the period</b>	<b>9,205</b>	<b>7,925</b>	<b>8,487</b>
<b>Equity attributable to non-controlling interests</b>			
At the beginning of the period	69	58	58
Withdrawals	-	-	-4
Comprehensive income for the period	5	11	15
<b>At the end of the period</b>	<b>74</b>	<b>69</b>	<b>69</b>
<b>Total equity</b>	<b>9,279</b>	<b>7,994</b>	<b>8,556</b>

### Debt financing and changes in the value of derivatives

Interest-bearing liabilities as at 30 September 2020 amounted to SEK 10,607 million (10,033). This corresponds to a loan-to-value ratio of 48% (49), which is below the long-term financial goal. In connection with publication of the report the financial goal for the loan-to-value ratio was adjusted downwards to not exceed 50% over time.

Current interest-bearing liabilities refer to loans that will be renegotiated within the next twelve months.

Debt financing primarily comprises bank loans secured by mortgages on property. Platzer is also borrowing SEK 1,190 million (1,190) in the form of secured green bonds via Svensk FastighetsFinansiering (SFF). A total of 52% of our outstanding liabilities comprise green bonds and green loans. Platzer also has a commercial paper programme with a framework amount of SEK 2 billion; the amount of outstanding commercial paper as at 30 September was SEK 700 million (550).

The average fixed interest term, including the effect of derivatives contracts, was 3.4 years as at 30 September (4.0). As at 30 September 2020, the average interest rate, including the effects of signed derivative instruments, was 1.91% excluding unused credit facilities and 2.05% including unused credit facilities. The average loan term was 1.9 years (2.4). Since the end of the reporting period, maturing loans of around SEK 1,500 million have been renegotiated and extended, raising the average loan

term to 2.3 years.

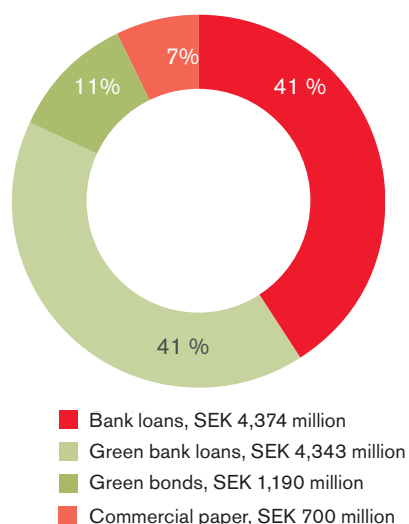
In order to achieve the desired fixed interest rate structure, we use interest rate swaps. These are recognised at fair value in the balance sheet, while gains/losses are recognised through profit or loss without applying hedge accounting. We have entered into derivative contracts totalling SEK 5,870 million (5,620).

The market value of the derivatives portfolio as at 30 September 2020 was SEK -274 million (-152), corresponding to a change in value of SEK -123 million compared with the same period in the previous year. Only realised gains/losses affect cash flow. During the remaining term of the derivatives, the undervalue will be resolved and will reduce financial expense in the income statement by an equivalent amount.

Financial assets and liabilities measured at fair value in the Group comprise the derivative instruments described above. These are included in Level 2 in the IFRS 13 fair value hierarchy. The market value of derivatives is based on valuations provided by bank. Derivatives are generally valued by discounting future cash flow to present value based on market rates for the respective maturities as quoted at the time of the valuation. The fair value of non-current interest-bearing liabilities is the same as the carrying amount of the liabilities because the discounting effect is not significant against the background that the loan interest rate is variable and in line with market rates.

Year	Interest maturity		Loan maturity	
	Loan amount, SEK million	Average interest, %	Credit agreements	Used
2020	4,946	1.45	2,889	2,889
2021	291	1.33	4,496	3,796
2022	-	-	2,470	1,456
2023	300	2.21	1,338	1,338
2024	550	1.89	-	-
2025	520	2.24	-	-
2026	850	2.35	-	-
2027	1,270	2.52	-	-
2028	1,380	2.62	633	633
2029+	500	2.01	495	495
<b>Total</b>	<b>10,607</b>	<b>1.91</b>	<b>12,321</b>	<b>10,607</b>

### Interest-bearing liabilities



# Cash flow and cash flow statement

## Consolidated Cash Flow Statement, condensed

SEK million	2020 Jul-Sept	2019 Jul-Sept	2020 Jan-Sept	2019 Jan-Sept	2019 Jan-Dec	2019/2020 Oct-Sept
<b>Operating activities</b>						
Operating surplus	228	211	665	625	837	877
Central administration	-9	-8	-38	-36	-49	-51
Net financial income/expense	-51	-48	-149	-138	-182	-193
Tax paid	3	-4	-32	-73	-88	-47
<b>Cash flow from operating activities before changes in working capital</b>	<b>172</b>	<b>151</b>	<b>446</b>	<b>378</b>	<b>518</b>	<b>585</b>
Change in current receivables	3	-27	-45	19	-16	-80
Change in current liabilities	48	12	48	-87	41	176
<b>Cash flow from operating activities</b>	<b>223</b>	<b>136</b>	<b>449</b>	<b>310</b>	<b>543</b>	<b>681</b>
<b>Investing activities</b>						
Investments in existing investment properties	-259	-205	-773	-612	-937	-1,098
Acquisitions of investment properties	-395	-	-395	-	-	-395
Disposals of investment properties	-	-	225	-	328	553
Acquisition/disposal of shares in associates	-35	-	-35	-	-	-35
Other investments	-	-1	-2	-1	-	-1
<b>Cash flow from investing activities</b>	<b>-689</b>	<b>-206</b>	<b>-980</b>	<b>-613</b>	<b>-609</b>	<b>-976</b>
<b>Financing activities</b>						
Changes in non-current receivables	-10	-25	-52	-3	-34	-83
Change in interest-bearing liabilities	58	-136	574	206	216	584
Change in non-current liabilities	1	26	1	-	1	2
Dividend	-	-	-120	-204	-204	-120
<b>Cash flow from financing activities</b>	<b>49</b>	<b>-135</b>	<b>403</b>	<b>-1</b>	<b>-21</b>	<b>383</b>
<b>Cash flow for the period</b>	<b>-417</b>	<b>-205</b>	<b>-128</b>	<b>-304</b>	<b>-87</b>	<b>89</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>557</b>	<b>256</b>	<b>268</b>	<b>355</b>	<b>355</b>	<b>51</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>140</b>	<b>51</b>	<b>140</b>	<b>51</b>	<b>268</b>	<b>140</b>

Unused overdraft facilities amounted to SEK 100 million (100) and unused credit facilities amounted to SEK 2,844 million (1,661), of which SEK 1,130 million (1,330) comprised construction loans.

Cash flow from operating activities for the period amounted to SEK 449 million (310). See page 7 for comments on operating activities.

The decrease in tax paid was due to the fact that we have adjusted preliminary tax payments in the period.

Investments in existing properties amounted to SEK 773 million (612). The company carried out a property acquisition in the third quarter.

Cash flow in the period amounted to SEK -128 million (-304). As at 30 September 2020, cash and cash equivalents totalled SEK 140 million (51). In addition to cash and cash equivalents, as at 30 September 2020 the company had unused credit facilities and bank overdraft facilities of SEK 2,944 million, of which SEK 1,130 million comprised construction loans.

# Development projects

Since the start of the coronavirus pandemic we have taken an increasingly proactive approach to our projects. The impact on our major projects has therefore been limited and today we see only minor deviations, which can be accommodated within our schedules and cost forecasts. We are actively following developments in society and have action plans in place to manage any future outbreaks.

Our vision is to make Gothenburg the best city in Europe to work in, and a prerequisite for this is development across three areas: Property development, Project development and Urban development. This comprises everything from single projects to redevelopment of entire districts.

Our major projects (projects where construction is underway) comprise a total lettable area of 60,000 sq. m. In addition, we have a number of potential development projects at various stages with an estimated gross floor area (GFA) of 560,000 sq. m.

## Property development

### *Gullbergsvass*

Work on the property Gullbergsvass 5:10, where our head office is located, has now entered the final phase. The project involved reconstruction of the entire building and a 1,600 sq. m. extension of office space. The office space, including the extension, creates good conditions for services on the ground floor. Thanks to the property development project, several new restaurants and commercial premises have been created in Gullbergsvass, creating a vibrant and attractive area. The office space was fully let before the project had been completed.

## Project development

### *Gårda*

The Gothenburg skyline is changing and both our new build projects, Gårda Vesta and Kineum, are prominent features. Gårda Vesta (Gårda 2:12) has now reached the “watertight” stage and internal construction of office space is underway. The building will have a total floor area of 27,000 sq. m. across two interconnected towers.

The building is 87% pre-let and the future tenants are the Swedish Tax Agency, Länsförsäkringar, Aros Kapital and Länsförsäkringar Mäklarservice. Gårda Vesta will complete the cluster of state agencies based in the northernmost part of north Gårda, where existing major tenants include the Swedish Migration Agency, the Swedish Social Insurance Agency and Gothenburg Region (GR). The project is on schedule and the first tenant is due to take occupancy in December 2020.

Work in our project Kineum (Gårda 16:17) is also progressing according to plan. Work on the frame for the main building and the adjacent parking garage is underway. Kineum will house hotel operations, offices and other business activ-

ities. During construction, we and NCC will share ownership on a 50-50 basis. NCC will also move its office in Gothenburg to the new building. The largest tenant is ESS Group, which will develop a new hotel comprising around 230 rooms and a total of 15,000 sq. m. in the property.

The hotel is in line with our ambition to contribute to the development of the area and make southern Gårda a destination and vibrant district at all hours of the day and night.

### *City centre*

The Merkurhuset building (Inom Vallgraven 49:1) is located at Skeppsbron and is jointly owned by Platzer and Bygg-Göta. Here a new building of 5,400 sq. m. lettable area is under construction next to the existing building. The frame has reached its final height and work on the external walls has begun. The advertising agency Reklambyrån Forsman & Bodenfors has signed a lease for a total of 3,350 sq. m. Restaurant space on the ground floor will help create a vibrant district, even after business hours.

### *Gullbergsvass*

Platzer is a major player in the area and we are continuing the work on our vision for the area that began in spring 2020. The area between the central railway station and the river will play an important part in the development of the city. Around the new Hisingsbro bridge, which will be completed in 2021, there are opportunities to create an attractive site close to the water, within walking distance of the central railway station and featuring mixed-use development comprising housing, offices and services. Our option which gives us the right to buy two building rights, comprising a total GFA of 43,000 sq. m., for the site where the Götaälvbron bridge is currently located puts us right at the heart of the action. Construction on our building rights may start in connection with the demolition of the Göta Älv bridge, predicted to take place in 2022/2023.

### *Torslanda/Arendal*

Torslanda and Arendal offer the best logistics locations in Sweden. Here we have building rights under the detailed development plan for approx. 200,000 sq. m. GFA of logistics and industrial facilities. In Arendal work is in full swing on development of a logistics/terminal building on our construction-ready site with building right for around 14,000 sq. m. In Torslanda we have building rights for approximately 190,000 sq. m. GFA at the properties Sörred 2:3, Sörred 3:1, Sörred 7:21 and Sörred 8:12.

Bockasjö will be responsible for business development in the joint venture, while Platzer will be the 100% owner and property management company for the developed properties on market terms. The cooperation comprises the properties Sörred 8:12 and Sörred 7:21.



## Urban development

### *Gamlestaden*

In a good location, just one tram stop away from Gothenburg city centre, lies Gamlestaden, a district undergoing transformation. In the next ten years, the district will be developed to take on more of an urban character, featuring a mixture of housing and businesses.

We own three large properties and projects in Gamlestaden. In autumn 2018 we finished work on the property Gamlestads torg (Gamlestaden 740:132). The detailed development plan for the adjacent property Gamlestadens Fabriker (Olskroken 18:7) has been out for consultation and responses are now being processed.

The detailed development plan is expected to be decided in the building committee in Q4 2020. We have previously concluded an agreement on the sale of future building permits for housing to JM, which is participating in the development of the area.

For the neighbouring property (Bagaregården 17:26), we have received a positive planning decision concerning densification of a total of 60,000 sq. m and we are now actively working on property formation in order to create favourable conditions for future development of the area.

### *Södra Änggården*

We are developing northern Högsbo as Södra Änggården – a vibrant urban district with housing, schools and commercial premises. A total of 2,000 new homes are planned, 600 of which form part of BoStad 2021, which among other

things involves a fast-track planning process. In April the City Council gave the go-ahead for adoption of the detailed development plan and we are now waiting for the case to be reviewed by the Land and Environment Court before the detailed development plan can become legally binding.

We have previously signed a lease with Internationella Engelska Skolan (IES) for a new school in the area. The lease is for 20 years and comprises approx. 9,000 sq. m. A condition of the deal is that the detailed development plan becomes legally binding, with preliminary completion of the lease scheduled for the second half of 2023.

### *Almedals Fabriker*

Almedals Fabriker (Skår 57:14) is a former industrial district located alongside the Mölndalsån river, just south of Liseberg. Today, the area contains a number of smaller businesses, many of which relate to the creative arts. Platzer owns Almedals Fabriker with potential building rights for around 25,000 sq. m. of office space. The City of Gothenburg has chosen Almedals Fabriker as one of five pilot projects in which developers are more closely involved in the process of creating a detailed development plan. The aim is to reduce the total project time. The detailed development plan process, which is being jointly managed by Platzer, Svenska Hus, Wallenstam and the City of Gothenburg, was launched in the third quarter of 2019.



Gårda Vesta (Gårda 2:12) has now reached the "watertight" stage and internal construction of office space is underway. The building will have a total floor area of 27,000 sq. m. across two interconnected towers.

**Major projects underway**

Property	Type <sup>1)</sup>	Redeveloped area, lettable area, sq. m.	New area, lettable area, sq. incl. m.	Total investment land, SEK m <sup>2)</sup>	Outstanding investment, SEK m	Fair value, SEK m	Rental value, SEK m <sup>3)</sup>	Occupancy rate, %	Finished
Gullbergsvass 5:10	Property Dev.	11,900	1,600	558	15	877	45	99	Q4 2020
Gårda 2:12, Gårda Vesta	Project Dev.	-	27,000	1,131	184	1,267	83	87	Q4 2021
Gårda 16:17, Kineum	Project Dev./ Property Dev.	16,000	26,000	1,840	635	1,560	136	77*	Q3 2022
<b>Total</b>		<b>27,900</b>	<b>54,600</b>	<b>3,529</b>	<b>834</b>	<b>3,704</b>	<b>264</b>		

**Jointly owned properties accounted for as associates**

Property	Type <sup>1)</sup>	Redeveloped area, lettable area, sq. m.	New area, lettable area, sq. m.	Total investment incl. land, SEK m <sup>2)</sup>	Of which outstanding inv., SEK million	Fair value, SEK m	Rental value, SEK m <sup>3)</sup>	Occupancy rate, %	Completed
Inom Vallgraven 49:1, Merkurhuset building**	Project Dev.	-	5,400	259	122	184	18	62	Q4 2021
Sörred 8:12***	Project Dev.	-	-	357	107	250	-	-	Q3 2021
<b>Total</b>			<b>5,400</b>	<b>616</b>	<b>229</b>	<b>434</b>	<b>18</b>	<b>62</b>	

**Potential development projects**

Property	Type <sup>1)</sup>	Type of property	New area GFA sq. m.	Project phase	Possible construction start <sup>4)</sup>
Sörred 7:21	Project Dev.	logistics/industry	30,000	detailed development plan available	2020
Syrhåla 2:3	Project Dev.	logistics/industry	14,600	detailed development plan available	2020
Syrhåla 3:1	Project Dev.	logistics/industry	60,000	detailed development plan available	2020
Arendal 764:720, Arendals kulle	Project Dev.	logistics/industry	14,000	detailed development plan available	2020
Olskroken 18:7, Gamlestadens Fabriker	Urban Dev./ Project Dev./ Property Dev.	mixed use development	100-120,000	detailed development plan in progress	2021
Södra Änggården (multiple properties and multiple development phases)	Urban Dev./ Project Dev.	mixed use development	approx. 200,000	detailed development plan in progress	2021
Krokslätt 34:13	Property Dev./ Project Dev.	offices	10-15,000	planning decision taken	2021
Skår 57:14, Almedals Fabriker	Urban Dev./ Project Dev.	offices	25,000	detailed development plan in progress	2022
Bagaregården 17:26	Urban Dev./ Project Dev./ Property Dev.	mixed use development	60,000	planning decision taken	2022
Gullbergsvass ****	Project Dev.	offices	43,000	detailed development plan available	2022/2023
<b>Total</b>			<b>556,600 - 581,600</b>		

\* The occupancy rate also includes existing building.

\*\* Refers only to new build in conjunction with existing investment property.

\*\*\* Groundworks project via JV with Bockasjö, Sörreds Logistikpark, 105,000 sq. m. lettable area.

\*\*\*\* Platzer does not currently own the land but has an option to acquire the land together with building rights at the market rate

<sup>1)</sup> See explanation below.

<sup>2)</sup> The total investment including land value includes value on acquisition and investment in property development.

<sup>3)</sup> Refers to estimated rental value when the building is finished and fully let.

<sup>4)</sup> Possible construction start means when it is estimated the project could start, provided that planning work proceeds as expected and pre-letting has reached a satisfactory level.

The summary includes potential projects that have been identified for properties that the company owns or has agreed to acquire.

**Three-level approach to development****Property Development**

Property development involves the refurbishment or development of an existing building. The purpose may be to adapt the property for an existing tenant or to attract new tenants.

**Project Development**

Project development refers to new production from the ground up, with no existing building, and we manage the process from idea through to finished building.

**Urban Development**

Urban development means that we take long-term responsibility for an area, often in collaboration with others. We contribute to attractive urban environments and increased property values. Sometimes we develop residential building rights which are sold to cooperation partners.

# Key ratios and quarterly summary

## Key Performance Indicators, Group

	2020 Jan-Sept	2019 Jan-Sept	2019 Jan-Dec	2019/2020 Oct-Sept
<b>Financial</b>				
Debt/equity ratio (multiple)	1.1	1.3	1.2	1.1
Interest coverage ratio (multiple)	4.2	4.3	4.3	4.1
Loan-to-value ratio, %	48	50	49	50
Equity/assets ratio, %	41	39	41	41
Return on equity, %	12.0	13.8	19.0	18.1
<b>Property-related</b>				
Investment yield, %	4.2	4.3	4.3	4.1
Surplus ratio, %	77	74	74	77
Economic occupancy rate, %	93	94	94	93
Rental value, SEK/sq. m.	1,545	1,467	1,488	1,536
Lettable area, sq. m. (thousand)	821	829	819	821

For definitions and calculations of Key Performance Indicators, please see pages 28-29.

## Quarterly Summary

SEK million	Q3	2020 Q2	Q1	Q4	2019 Q3	Q2	Q1	2018 Q4
Rental income	289	286	285	282	289	276	277	276
Property costs	-61	-66	-69	-70	-78	-66	-73	-70
<b>Operating surplus</b>	<b>228</b>	<b>220</b>	<b>216</b>	<b>212</b>	<b>211</b>	<b>210</b>	<b>204</b>	<b>206</b>
Central administration	-10	-15	-15	-15	-9	-14	-14	-15
Share of profit of associates	24	16	31	1	6	1	0	5
Net financial income/expense	-51	-49	-49	-45	-47	-48	-42	-51
<b>Income from property management (including associates)</b>	<b>191</b>	<b>172</b>	<b>183</b>	<b>153</b>	<b>161</b>	<b>149</b>	<b>148</b>	<b>144</b>
Change in value, investment properties	293	11	449	406	369	328	419	588
Change in value, financial instruments	7	-36	-94	172	-89	-111	-98	-30
Unrealised changes in value, financing agreements	-	-	-	-	-1	-2	-91	-19
<b>Profit before tax</b>	<b>491</b>	<b>147</b>	<b>538</b>	<b>731</b>	<b>440</b>	<b>364</b>	<b>378</b>	<b>683</b>
Tax on profit for the period	-103	-2	-109	-165	-90	-77	-105	-135
<b>Profit for the period</b>	<b>388</b>	<b>145</b>	<b>429</b>	<b>566</b>	<b>350</b>	<b>287</b>	<b>273</b>	<b>548</b>
Investment properties	22,150	21,203	21,127	20,479	20,116	19,542	19,046	18,388
Investment yield, %	4.3	4.2	4.2	4.2	4.3	4.4	4.4	4.8
Surplus ratio, %	79	77	76	75	73	76	74	75
Economic occupancy rate, %	92	94	94	95	94	94	94	95
Return on equity, %	9.1	5.7	9.8	11.5	9.2	8.3	8.7	12.9
Equity per share, SEK	76.83	73.59	74.39	70.84	66.14	63.26	62.65	60.34
<b>Long-term net asset value (EPRA NAV) per share, SEK</b>	<b>92.21</b>	<b>88.34</b>	<b>89.02</b>	<b>84.00</b>	<b>80.02</b>	<b>75.73</b>	<b>73.58</b>	<b>69.54</b>
Share price, SEK	93.00	79.50	70.70	110.00	96.20	86.00	76.50	59.50
Earnings after tax per share, SEK	3.24	1.20	3.56	4.69	2.87	2.37	2.27	4.51
<b>Operating cash flow per share, SEK</b>	<b>1.86</b>	<b>0.99</b>	<b>0.89</b>	<b>1.94</b>	<b>1.14</b>	<b>0.19</b>	<b>1.26</b>	<b>1.47</b>



# Parent Company

The Parent Company does not own any properties of its own, but instead manages certain groupwide functions relating to management, strategy and financing. Parent Company revenue consists entirely of invoicing for services to Group companies.

## Parent Company - Income Statement, condensed

SEK million	2020 Jan-Sept	2019 Jan-Sept	2019 Jan-Dec
Net sales	11	10	14
Operating expenses	-11	-9	-13
Net financial income/expense	-20	-31	353
Change in value, financial instruments	-123	-299	-126
<b>Profit before tax and appropriations</b>	<b>-143</b>	<b>-329</b>	<b>228</b>
Appropriations	-	-	10
Tax	14	70	24
<b>Profit for the period <sup>1)</sup></b>	<b>-129</b>	<b>-259</b>	<b>262</b>

<sup>1)</sup> The Parent Company has no other items of comprehensive income and total comprehensive income is therefore the same as profit for the period.

## Parent Company - Balance Sheet, condensed

SEK million	30 Sept 2020	30 Sept 2019	31 Dec 2019
<b>Assets</b>			
Participations in Group companies	1,886	1,886	1,886
Other non-current financial assets (primarily financing of Group companies)	2,218	2,249	2,205
Receivables from Group companies	1,212	798	1,120
Other current assets	3	79	92
Cash and cash equivalents	8	7	7
<b>Total assets</b>	<b>5,327</b>	<b>5,019</b>	<b>5,310</b>
<b>Equity and liabilities</b>			
Equity	2,346	2,203	2,723
Untaxed reserves	41	50	41
Non-current liabilities	1,948	2,157	1,985
Current liabilities	992	609	561
<b>Total equity and liabilities</b>	<b>5,327</b>	<b>5,019</b>	<b>5,310</b>



Gamlestadens Fabriker, an area where old and new architecture mix.



# Other comments

## Employees and organisation

As at 30 September, the number of employees stood at 85 (79 at 31 December 2019).

Our operations are divided into business areas based on segments:

- Business area Offices – will build on its current position as the market leader to continue to create profitable growth in office space.
- Business area Industry/Logistics – aims to make Platzer the leading commercial property company in Gothenburg in industry and logistics.

Each business area has overall responsibility for the property operations within the respective business area. These operations consist of managing the land, buildings and relationships with tenants, which includes renegotiation, letting and development of every property and adjacent area. The employees within each business area are responsible for daily management, operation and maintenance, letting and project management of property-led projects and tenants-specific adaptations.

Our Group management comprises managers responsible for the following functions: operations development, business development, finance/accounting/property analysis, communication/marketing, HR, business area Offices and business area Industry/Logistics.

## Significant risks and uncertainty factors

### Impact of Covid-19

We are keeping a close eye on developments as a result of the Covid-19 pandemic and are engaged in an ongoing dialogue with our stakeholders. The assessment is that the business is exposed to an increased risk of losing customers, particularly tenants in vulnerable industries. In order to prevent loss of customers, we are helping vulnerable tenants with liquidity, primarily by agreeing to monthly payments instead of quarterly payments.

In the event of a more drawn-out pandemic, rent levels and property values could fall, which in turn may impact future financing opportunities and financing costs. If demand for commercial property were to fall dramatically in the future, our view is that this would also affect our ongoing development projects.

So far, the coronavirus crisis has not caused us to reconsider or change course in our ongoing major projects or potential development projects.

### General risks

The property business, as all businesses, is always exposed to risks. We manage and reduce risks through good internal control and external control by auditors, well-functioning administrative systems and policies, as well as tried and tested procedures for property valuations. The largest financial risk is access to financing, which is a prerequisite for running a property business. Good relationships with the banks reduce the risk, as does access to the capital markets and underlying strong financials and key ratios. The main risks and uncertainty factors that affect Platzer have not changed over the period and they are described in detail in the Annual Report for 2019 on pages 74-77 and 90-92.

## Related party transactions

The company's ongoing related party transactions are described in the Annual Report for 2019, page 105. There are no significant transactions with related parties apart from these agreements.

## Accounting principles

Platzer prepares its consolidated financial statements in accordance with IFRS (International Financial Reporting Standards) as adopted by the EU. The same accounting policies and measurement principles have been applied as in the most recent Annual Report. The Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting.

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR2 Accounting for Legal Entities. With effect from 1 January 2020, the Group applies the amendments to IFRS 3 Business Combinations. The amendments to IFRS 3 Business Combinations are expected to have a limited impact on the Group's financial statements.

Other new and amended standards from IFRS with future application dates are not expected to have a significant effect on the Group's financial statements.

## Rounding

Individual amounts and total amounts are rounded to the nearest whole number in SEK million. Rounding differences may result in notes and tables not adding up.

## Significant events after the end of the reporting period

Since the end of the reporting period, maturing loans of around SEK 1,500 million have been renegotiated and extended, and the Board has taken a decision to change the financial goal for the loan-to-value ratio to not exceed 50% over time.

In October 2020, we sold the property Sörred 7:21 to Sörreds Logistikpark Holding AB – a joint venture (JV) owned 50:50 by us and Bockasjö AB.

Gothenburg, 23 October 2020

Platzer Fastigheter Holding AB (publ)

Fabian Hielte Chairman of the Board	Caroline Krensler Board member
Anders Jarl Board member	Charlotte Hybinette Board member
Ricard Robbstål Board member	Eric Grimlund Board member
Anneli Jansson Board member	P-G Persson CEO

# Auditors' review report

Platzer Fastigheter Holding AB (publ)

## Introduction

We have reviewed the interim condensed financial statements (Interim Report) of Platzer Fastigheter Holding AB (publ) as at 30 September 2020 and for the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of these interim financial statements in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to issue a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Gothenburg, 23 October 2020

Öhrlings PricewaterhouseCoopers AB

Johan Rippe  
Authorised Public Accountant  
Auditor-in-charge

Ulrika Ramsvik  
Authorised Public Accountant

# Market comment

According to Statistics Sweden (SCB), Sweden's GDP fell by 8.6% in the second quarter of year, compared with the previous quarter. In the third quarter we saw several positive signs. Government expenditure on restarting the economy was lower than expected, liquidity in the capital markets was good and industrial production increased sharply.

The downturn in the spring affected large parts of the economy. In Gothenburg and West Sweden the slump in the automotive industry dragged down several other industry sectors. The downturn in the construction sector and service sector was less severe than in industry. Service industries such as hotels, transport and culture were hit hard.

## Clear recovery in Swedish economy

In the National Institute of Economic Research's September forecast, the Swedish economy is recovering fast after the downturn in the spring. The Purchasing Managers Index for Swedish industry also rose in September and stood at 55.3. This was the fifth consecutive month of a rise in the index and the first time since autumn 2018 that it was higher than the historic average, according to Swedbank and Silf. Additionally, according to the credit information agency UC, the number of bankruptcies decreased by 39% in September, compared with the same month in the previous year. In the first nine months of this year, the number of bankruptcies increased by 3%.

Despite this, the National Institute of Economic Research predicts that GDP in 2020 will decline by 3.6% in Sweden and 4.3% globally, before rising by 3.5% and 5.2% respectively in 2021. Unemployment is forecast to be 8.7% this year, rising to 9.1% in 2021 before starting to fall once more. Even if GDP were to recover and stabilise relatively quickly, it may take years for unemployment to return to the levels seen in 2019.

We will have to wait and see how accurate these forecasts turn out to be. This will depend on how countries around the world continue to manage the effects of an increase in the infection rate, and what measures can be taken to support business and communities in the longer term. The Swedish government provided significant financial assistance during the most critical phase of the crisis. A further support package of around SEK 100 billion has been set aside in the budget for 2021 to stimulate the economy.

## Continued high liquidity

Unlike many earlier crises, access to cash and cash equivalents has not been adversely affected by the coronavirus crisis. This means there is a functioning finance market where confidence is high. Two effects of this are an increasingly high stock market and rising house prices.

Our assessment is that liquidity in the market will remain high – in the form of both bank loans and capital from investors looking for safe returns. A prerequisite is secure assets, stable cash flows and healthy balance sheets.

## Export industry sees upturn

The economy in the Gothenburg region to a large extent relies on exports to primarily the USA, Belgium, Norway, Germany and China, who together account for over 50% of exports from the region. The IMF, the OECD, the National Institute of Economic Research and the EU estimate that growth in these countries is down by 5% to 8%, except in China, which is set to show growth of around 0.4%. However, the recovery in 2021 is expected to be good and growth in both the EU, USA and Asia is expected to return to levels seen before the pandemic.

The positive signals are reinforced by good performance in the automotive industry. Volvo Cars showed increased sales in every month in the third quarter compared with the same period in the previous year. Early October also saw positive statistics for the truck market in North America and the construction machinery market in China – two important markets for Volvo Group, which has also stopped all lay-offs.

Overall, we believe the conditions are good for continued growth in Gothenburg. In addition to the things mentioned above, large infrastructure investments are taking place, while the process of urbanisation is continuing. In turn, this contributes to a good rental and property market. The main elements of uncertainty relate to the proportion of redundancy notices and furloughs that turn into permanent job losses and the size of any second wave of the virus, which could slow down development.

## Office market adopts wait-and-see approach

The vacancy rate for office space in Gothenburg remained more or less stable in the second quarter of the year. Having risen to 7% in the first quarter, it slowly fell back to 6.5%, which is still significantly higher than the record low levels of around 3.4% seen in 2018. The largest increase was seen in less central areas of Gothenburg and nearby municipalities such as Mölndal. At the same time, the vacancy rate has remained at around 4.0% in central areas of the city.

Rent levels in Gothenburg have remained more or less unchanged since the beginning of 2018, showing a minor increase in central Gothenburg and Norra Älvstranden. We do not believe that rent levels in centrally located properties will fall. However, the pandemic will probably slow down growth in rents in the coming year.

The wait-and-see approach in the lettings market is likely to continue in the coming quarter, even though both new leases and renegotiations are taking place.

Demand varies according to industry and customer, with some customers putting their relocation and expansion plans on hold and others choosing to carry on as before. Our assessment is that there is still a lot of interest in customised solutions in central locations with good communications and close to services.

#### Rental market, office space

Prime Rent (SEK/sq. m.)	Q3 2020	Q4 2019
Central Business District (CBD)	3,700	3,700
City centre excl. CBD	2,800	2,800
Norra Älvstranden	2,800	2,800
Hisingen, other	2,000	2,000
Mölnadal	2,000	2,000
West Gothenburg	1,200	1,200
East Gothenburg	2,500	2,500

#### Logistics rental market remains attractive

Torslanda and Arendal offer the best logistics location in Sweden with access to roads, railways and the largest port in the Nordic region. Including overall handling costs, this means that market participants are prepared to pay higher rents here than in other locations. The average rent for a logistics facility in a Class A location in Gothenburg is currently around SEK 675/sq. m. Vacancy rates for logistics facilities in Class A locations in Gothenburg stood at 2.0% in 2019 and are expected to remain at 2.0% in 2020.

Vacancy rates for logistics facilities are generally low in Sweden, which is due to the fact that fewer logistics facilities are being built as speculative projects here than in the rest of Europe. In addition, access to land covered by a detailed development plan is limited in certain geographical areas, resulting in upward pressure on rent levels. This means that there are good opportunities for realising new production on our existing land earmarked for development.

In the logistics segment, too, the rental situation is one of wait-and-see and it is likely to remain that way in the next quarter. Here too there are industry sectors currently looking for new premises with varying degrees of urgency, creating the potential for business.

#### Rental market, logistics

Prime Rent (SEK/sq. m.)	2019	2018	2017
Stockholm Class A location	850	850	850
Stockholm Class B location	670	670	670
Gothenburg Class A location	675	675	710
Gothenburg Class B location	600	600	610
Malmö Class A location	650	650	680
Malmö Class B location	455	455	455

#### International investors returning

At the start of the pandemic we saw a clear decrease in the number of international investors interested in acquiring property in Sweden. However, as the initial uncertainty has faded and liquidity has improved, they have returned and accounted for a larger proportion of investments in the first half of the year compared with the same period in the previous financial year.

Total transaction volume in the first three quarters of the year amounted to around SEK 133 billion, compared with SEK 135 billion in the same period in the previous year. The figures include a number of large transactions concluded at the beginning of the year. Overall, we estimate that transaction volume for the full year will be slightly lower than in the previous year.

#### Office property the second largest segment

Transactions in this segment in the nine months to end-September amounted to SEK 39 billion, compared with SEK 34 billion in the same period in the previous year. As mentioned above, the figure for this year includes a handful of large transactions which boosted the overall amount.

Properties with secure cash flow and a relatively low counterparty risk will remain attractive to investors in the short term. Investors such as pension funds still have large amounts of capital and are looking for investment objects.

The difference between the long-term borrowing rate and the yield on office property in the central parts of Gothenburg was at a record high level of over 4.0% at the end of 2019. Since 2008, the average difference has been just over 3.0%. Whether the recent increase in the cost of capital has already been priced into yield requirements remains to be seen and it is currently too early to tell if they will rise or remain at current levels.

#### Property market, office space

Prime Yield (%)	Q3 2020	Q4 2019
Central Business District (CBD)	4.00	4.00
City centre excl. CBD	4.25	4.25
Norra Älvstranden	4.25	4.25
Hisingen, other	5.50	5.50
Mölnadal	5.75	5.75
West Gothenburg	6.50	6.50
East Gothenburg	5.00	5.00

#### Continued demand for logistics property

Transaction volume for industrial property in Sweden in the first three quarters of the year amounted to SEK 6.4 billion, compared with SEK 15.4 billion in the same period in 2019.

In recent years, demand for logistics property has driven down yield requirements by over one percentage point to around 4.5% for newly built logistics facilities in Torslanda and Arendal. Demand for modern logistics properties in a



good location remains high and supply is currently low. Above all, online sales are pushing up demand for logistics facilities. As pressure on delivery times increases, demand for logistics facilities close to consumers also rises. In the USA and the UK, customers are currently offered delivery within a few hours. Everything suggests that Sweden will see the same development. We can already see large logistics centres being built near our metropolitan areas and near ports, airports and large transport routes. If anything, this trend has intensified during the pandemic.

**Property market, logistics**

<b>Yield (%)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Stockholm Class A location	4.65	5.00	5.50
Stockholm Class B location	6.00	6.25	6.25
Gothenburg Class A location	4.65	5.00	5.50
Gothenburg Class B location	6.00	6.25	6.25
Malmö Class A location	5.40	5.75	6.00
Malmö Class B location	6.75	7.00	7.00

Rental market and Property market for Offices    Source: JLL  
Rental market and Property market for Logistics    Source: Newsec



Torslanda and Arendal offer the best logistics location in Sweden with access to roads, railways and the largest port in the Nordic region.



# The share and shareholders

Platzer's Class B shares have been listed on NASDAQ Stockholm, Mid Cap, since 29 November 2013. The company's share price as at 30 September 2020 was SEK 93.00 per share, corresponding to a market capitalisation of SEK 11,143 million based on the number of outstanding shares. In the first nine months of the year, a total of 21.8 million (18.7) shares, worth a total of SEK 1,841 million (1,471), changed hands. Average daily turnover was around 116,000 (100,000) shares.

## Share capital

Platzer's share capital as at the reporting date amounted to SEK 11,993,429, divided between 20,000,000 Class A shares carrying 10 votes per share, and 99,934,292 Class B shares carrying one vote per share. Each share has a quotient value of SEK 0.10. Platzer's holding of own shares consists of 118,429 Class B shares after shares from the company's own holding were awarded to senior executives as part of a share incentive scheme that finished in the second quarter of 2018.

In connection with the listing in November 2013, the company carried out a new issue of shares priced at SEK 26.50 each, which raised SEK 651 million net of issue costs.

The most recent change in share capital took place in the fourth quarter of 2016, when Platzer carried out a rights issue of SEK 718 million. The subscription price was SEK 30 per share.

## Dividend policy and dividend

The long-term policy is to pay a dividend of 50% of income from property management, excluding changes in the value of associates and after standard tax.

The Annual General Meeting on 16 April approved a dividend of SEK 2.00 per share (1.70) for 2019. It was decided to pay the dividend in two instalments of SEK 1.00 each, one in April and one in October.

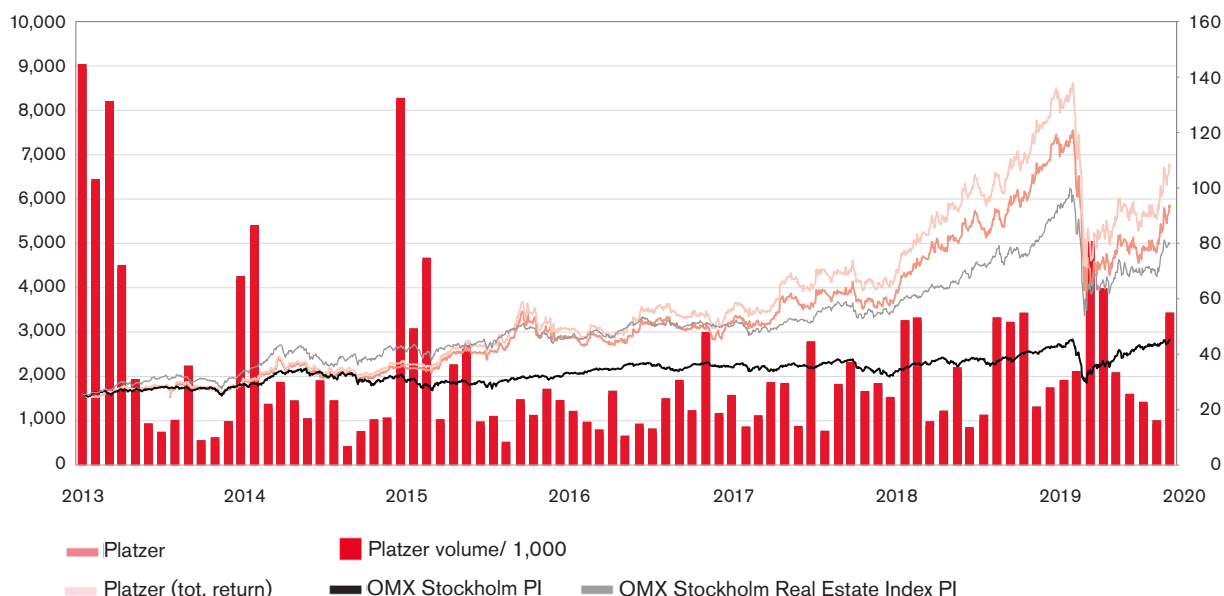
## Ownership

The number of shareholders as at 30 September stood at 6,874 (6,019). Foreign ownership amounted to 7% of equity. Platzer's Articles of Association include a pre-emptive rights clause, which states that a buyer of Class A shares, who did not previously own Class A shares, must offer other holders of Class A shares the right of first refusal, unless this acquisition took place through an intra-Group transfer or equivalent within any of the current groups of shareholders. If the holders of Class A shares do not take up this right of first refusal, the transferred shares will automatically be converted into B shares before the acquiring party is entered in the shareholders' register.

## Information for shareholders

Platzer's primary information channel is the website [platzer.se](http://platzer.se). All press releases and financial reports are published here. Press releases and reports can be obtained by email in connection with publication. The website also includes presentations, general information about the share and reports on corporate governance and financial data.

## Platzer Fastigheter Holding AB (publ) -share price performance



**Major shareholders in Platzer Fastigheter Holding AB (publ) as at 30 September 2020**

Name	Number of Class A shares	Number of Class B shares	Number of shares	Share of votes, %	Share of equity, %
Ernström & C:o	11,000,000	1,573,164	12,573,164	37.2	10.5
Länsförsäkringar Göteborg och Bohuslän	5,000,000	15,075,112	20,075,112	21.7	16.8
LF Skaraborg Förvaltning AB	4,000,000	968,000	4,968,000	13.7	4.1
Family Hielte/Hobohm		22,558,994	22,558,994	7.5	18.8
Länsförsäkringar fondförvaltning AB		15,632,966	15,632,966	5.2	13.0
Fourth Swedish National Pension Fund		11,517,129	11,517,129	3.8	9.6
SEB Investment Management		4,770,894	4,770,894	1.6	4.0
Lesley Invest (incl. private holdings)		4,030,562	4,030,562	1.3	3.4
Handelsbanken funds		2,198,902	2,198,902	0.7	1.8
VERDIPAPIRFOND ODIN EJENDOM		1,685,084	1,685,084	0.6	1.4
Other shareholders		19,805,056	19,805,056	6.6	16.5
<b>Total number of shares outstanding</b>	<b>20,000,000</b>	<b>99,815,863</b>	<b>119,815,863</b>	<b>100.0</b>	<b>100.0</b>
Buyback of own shares		118,429	118,429		
<b>Total number of registered shares</b>	<b>20,000,000</b>	<b>99,934,292</b>	<b>119,934,292</b>		

**Data per share**

	2020 Jan-Sept	2019 Jan-Sept	2019 Jan-Dec	2019/2020 Oct-Sept
Equity, SEK	76.83	66.14	70.84	96.83
Long-term net asset value (EPRA NAV), SEK	92.21	80.02	84.00	92.21
Share price at the end of the period, SEK	93.00	96.20	110.00	93.00
Profit after tax, SEK <sup>1)</sup>	8.00	7.50	12.19	12.69
Income from property management, SEK <sup>2)</sup>	3.97	3.77	5.05	5.47
Cash flow from operating activities, SEK	3.74	2.59	4.54	4.97
Dividend, SEK	-	-	2.00	-
Number of shares as at the balance sheet date, thousand	119,816	119,816	119,816	119,816
Average number of shares, thousand	119,816	119,816	119,816	119,816

For definitions and calculations of Key Performance Indicators, please see pages 28-29.

<sup>1)</sup> There is no dilution effect as there are no potential shares. Refers to result attributable to Parent Company's shareholders.

<sup>2)</sup> Income from property management excluding changes in value attributable to associates.

# Definitions

Platzer applies ESMA guidelines on alternative performance measures. The company discloses some financial performance measures in its interim report which are not defined in IFRS. The company believes that these measures provide valuable supplementary information to investors and the company management since they facilitate evaluation of the company's performance. Because not all companies calculate financial measures in the same way, these are not always comparable with measures used by other companies. These financial measures should therefore not be viewed as a replacement for measures defined in accordance with IFRS. The table below presents the alternative performance measures considered relevant. Platzer uses the alternative performance measures debt/equity ratio, interest coverage ratio, loan-to-value ratio, equity/assets ratio and return on equity because these are considered to provide readers of

the report with relevant supplementary information to enable them to assess the potential for dividends and strategic investments and also to assess the company's ability to meet its financial commitments. In addition, the company uses the key indicators investment yield and surplus ratio, which are measures that are considered to be relevant to investors who want to understand how the company generates results. As a listed company, Platzer has also opted to use key performance indicators per share that are relevant to the industry sector, such as long-term net asset value (EPRA NAV).

The key performance indicators are based on statements of income, financial position, changes in equity and cash flow. In the event that the key ratios cannot be directly derived from the above statements, the basis for and method by which these ratios are calculated are shown below.

Alternative Performance Measures	Definition and calculation
Return on equity	Profit after tax as a percentage of average equity, converted into an annual figure for interim periods. Attributable to Parent Company's shareholders. See next page for calculation.
Loan-to-value ratio	Interest-bearing liabilities divided by the value of properties (including the value of properties under the heading assets held for sale).
Investment yield	Operating surplus as a percentage of the average value of investment and project properties, as well as properties recognised as held-for-sale assets; annualised amount given for interim periods. See next page for calculation.
Economic occupancy rate *	Rental income as a percentage of rental value, where rental income is defined as debited rent plus supplements for heating and property tax, and rental value is defined as rental income plus estimated market rent (rent excluding operating costs) for non-leased premises (in their 'as is' condition).
Rental income	Rental value reduced by rent discounts.
Rental value, SEK/sq.m.*	Rental value divided by average leasable area where rental value is defined as rental income plus estimated market rent (excluding operating costs) for non-leased premises (in their 'as is' condition). Interim figures are restated as annualised figures.
Rent increase, renegotiated leases	The increase in rent is calculated by comparing the previous rent with the new rent as per the new lease agreement. Rent is defined according to the same model as for new leases and terminated leases, see definition of Net lettings.
Investment gain	(Market value when completed – Investment including any cost on acquisition) / The investment
Long-term net asset value (EPRA NAV)	Equity according to the balance sheet, including reversals of interest rate derivatives and deferred tax. Attributable to Parent Company's shareholders. See next page for calculation.
Net lettings	Annual income and supplements relating to leases signed during the period, including deductions for discounts, less annual income and supplements relating to terminated leases in the period. All discounts are included for new leases and are annualised on the basis of the lease term.
Key performance indicators per share: Equity, Long-term net asset value, Profit after tax, Income from property management, Cash flow from operating activities	Equity and long-term net asset value are calculated on the basis of the number of outstanding shares as at the balance sheet date. Other indicators per share are calculated on the average number of outstanding shares. Profit after tax refers to profits attributable to the Parent Company's shareholders (definition according to IFRS). Income from property management is calculated excluding changes in value attributable to associates.
Interest coverage ratio	Result after financial income divided by interest expense. Excluding realised changes in the value of derivatives and changes in value attributable to associates. See next page for calculation.
Debt/equity ratio	Interest-bearing liabilities divided by equity
Equity/assets ratio	Equity divided by total assets.
Surplus ratio	Operating surplus as a percentage of rental income.

\* These key indicators are operational and are not considered to be alternative performance measures according to ESMA guidelines.

# Calculation of key performance indicators

	2020 Jan-Sept	2019 Jan-Sept	2019 Jan-Dec	2019/2020 Oct-Sept
<b>Interest coverage ratio (multiple)</b>				
Operating surplus	665	625	837	877
Central administration	-40	-37	-52	-55
Interest income	0	0	0	0
<b>Total</b>	<b>625</b>	<b>588</b>	<b>785</b>	<b>822</b>
Interest expense	-149	-137	-182	-194
	<b>4.2</b>	<b>4.3</b>	<b>4.3</b>	<b>4.2</b>
<b>Return on equity, %</b>				
Attributable to the Parent Company's shareholders:				
Profit after tax			1,461	1,520
Income from property management (annualised)	729	611		
Change in value, investment properties	753	1,116		
Change in value, financial instruments	-123	-392		
<b>Total amount after tax</b>	<b>1,068</b>	<b>1,049</b>	<b>1,461</b>	<b>1,520</b>
Average equity	8,846	7,578	7,859	8,565
	<b>12.1</b>	<b>13.8</b>	<b>18.6</b>	<b>17.7</b>
<b>Long-term net asset value (EPRA NAV), SEK</b>				
Attributable to the Parent Company's shareholders:				
Equity	9,205	7,925	8,487	9,205
Reversal of deferred tax	1,568	1,339	1,426	1,568
Reversal of interest rate derivatives	274	324	152	274
<b>Total</b>	<b>11,047</b>	<b>9,588</b>	<b>10,065</b>	<b>11,047</b>
Number of shares, thousand	119,816	119,816	119,816	119,816
	<b>92.20</b>	<b>80.02</b>	<b>84.00</b>	<b>92.20</b>
<b>Investment yield, %</b>				
Operating surplus (annualised)	887	833	837	831
Average value of properties	21,133	19,239	19,433	18,830
	<b>4.2</b>	<b>4.3</b>	<b>4.3</b>	<b>4.4</b>

In terms of the property values used for calculation of investment yield, the average value for the full year 2019 has been adjusted for the value of the properties Tingstadsvassen 3:8 and Tingstadsvassen 4:3, which were sold in a transaction that was completed in the last quarter of 2019. The calculation also includes properties under the item "Assets held for sale"





### Platzer's most recent acquisition

Address	Västra Hamngatan 3, Gothenburg
Property designation	Inom Vallgraven 54:11
Tenant	SSRS Hotell (Elite Plaza)
Year of construction	1889, for Brand- & Lifförsäkringsbolaget Svea
Architect	Adolf Emil Melander
Building contractor	F O Peterson
Lettable area	7,100 sq. m.
Lease term	until 2033





# Platzer - the best locations in Gothenburg

Platzer is one of the largest and leading commercial property companies in Gothenburg, primarily in office property. We are proud to be participating in the creation, preservation and regeneration of the best locations in Gothenburg. Best in Gothenburg, best for Gothenburg. Quite simply the best Platzer in Gothenburg. We own and develop 69 properties with a total area of approximately 827,000 sq. m., worth SEK 22 billion.

## Vision

We aim to make Gothenburg the best city in Europe to work in.

## Business concept

Platzer creates value through ownership and development of commercial property in Gothenburg.

## Strategies

- **District development**  
By taking a leading position in selected areas of the market, we are taking responsibility for developing districts that are built for people, achieve sustainable development and are home to the best workplaces in Europe.
- **Growth**  
We create profitable growth through:
  - value added management of our own properties
  - active property, project and urban development
  - strategic property transactions
- **Employees/organisation**  
We create the best workplace in this industry by attracting, developing and retaining employees from different backgrounds and with different skills, who all work together to put our core values into practice.
- **Finance**  
Platzer's financing is based on the value of our properties, with growth primarily achieved without funding from shareholders, and the company's loan-to-value ratio reflects a reasonable level of risk in all market conditions.
- **Customers**  
Platzer's customer relationships are managed by Platzer's own staff and we adopt a thoughtful and experience-based approach that helps us continuously develop and boost demand for our products and services.

## Listed Company of the Year 2019

We are pleased and proud to have been named Listed Company of the Year 2019 by Kanton and Aktiespararna. From the motivation: *Platzer makes it easy for stakeholders to learn about the company, follow its performance and thus take informed decisions.*

The competition comprises companies registered in Sweden with a primary listing on all Nasdaq Stockholm's markets, NGM Equity Stockholm, First North and First North Premier.

This is a unique victory since we also won in all subcategories, that is, Best Annual Report, Best Interim Report and Best Investor Relations website.

## Sustainability promise

At Platzer we want to make a positive contribution to society, leaving a carbon footprint that is as small as possible. The Company takes a systematic approach to day-to-day environmental performance and Platzer is ISO 14001 certified. But above all we take responsibility for Gothenburg by developing sustainable areas that put people first. This requires healthy profitability and growth and, not least, happy and content employees.

Our business is based on long-term goals comprising financial, environmental and social factors. These goals, together with the UN's Global Goals for sustainable development, form the backbone of our sustainability promise. We have chosen to prioritise Goal 5 Gender equality, Goal 7 Sustainable energy for all, Goal 8 Decent work and economic growth and Goal 11 Sustainable cities and communities.



## Financial targets

- Equity/assets ratio: > 30%
- Loan-to-value ratio: not to exceed 50% over time
- Increase in net asset value: 10%/year (long-term, EPRA NAV)
- Interest coverage ratio: > 2 (multiple)
- Return on investment, project investments: >20%

## Value creation

Platzer creates value through letting and management, property projects and urban development, as well as acquisitions and disposals of properties. Platzer prioritises good relationships with tenants and offers a service that focuses on close relationships and commitment.



## Financial Calendar 2021

Year-end Report 2020	29 January at 08:00
Annual General Meeting	31 March at 15:00
Interim Report January–March	21 April at 08:00
Interim Report January–June	6 July at 08:00
Interim Report January–September	19 October at 08:00

For further information, please visit [platzer.se](https://platzer.se) or contact  
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