



Oscar Properties

Capital Markets Day

March 2022



Disclaimer

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TODAY'S AGENDA

- 1 | INTRODUCTION TO OSCAR PROPERTIES
- 2 | STRATEGY AND FINANCIAL TARGETS
- 3 | TRANSACTIONS AND PROPERTY DEVELOPMENT
- 4 | PROPERTY MANAGEMENT
- 5 | FINANCING
- 6 | FINANCIAL INFORMATION AND Q4 HIGHLIGHTS
- 7 | CONCLUDING REMARKS
- 8 | Q&A

TODAY'S PRESENTERS

Oscar Properties team



Oscar Engelbert
CEO and Board Member

INTRODUCTION TO
OSCAR PROPERTIES

STRATEGY AND
FINANCIAL
TARGETS

CONCLUDING
REMARKS



Fanny Algstedt
Investment Analyst

TRANSACTIONS
AND PROPERTY
DEVELOPMENT



Marc Siösteen
Head of Property Management

PROPERTY
MANAGEMENT



Sara Ekesiö
Financing Analyst

FINANCING



Per-Axel Sundström
CFO

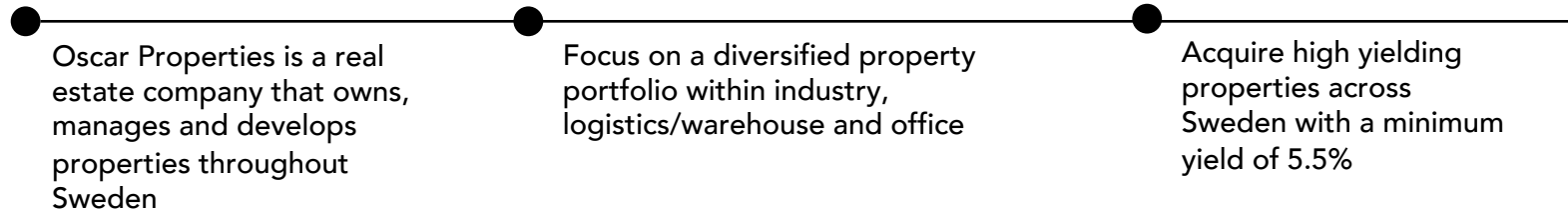
FINANCIAL
INFORMATION AND
Q4 HIGHLIGHTS

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Oscar Properties at a glance

BUSINESS STRATEGY



WELL REPUTED INVESTORS

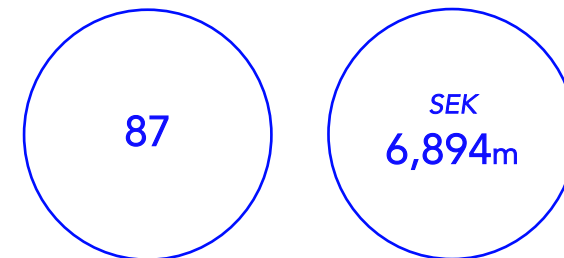


KVALITENA



COMPACTOR
FASTIGHETER AB
(Sven-Olof Johansson)

KEY PORTFOLIO METRICS Q4 2021

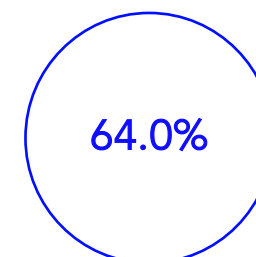


No. properties

Property value



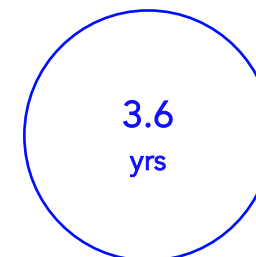
NOI



NET LTV



Property value



WAULT

Oscar Properties business overview

Investment property



Property development



Support functions



Our core business is focused on owning, managing and developing properties throughout Sweden

Investment properties

Core business

Our core business is focused on managing and developing our well-diversified investment property portfolio which is well spread around Sweden

The portfolio has a mix of offices, industrial-, logistics/warehouse-, retail-, grocery retail-, public- and residential properties

Current focus is on growth from acquisitions as well as value-creating management of properties

Property development

Max. 10% of total assets

Property development is the function responsible for the development of zoning plans and building permits. The property development

team focuses on development of building rights and value-adding investments in existing property portfolio

The target for the company is that the exposure towards ongoing development projects shall never represent more than 10% of the total assets

Transaction & finance

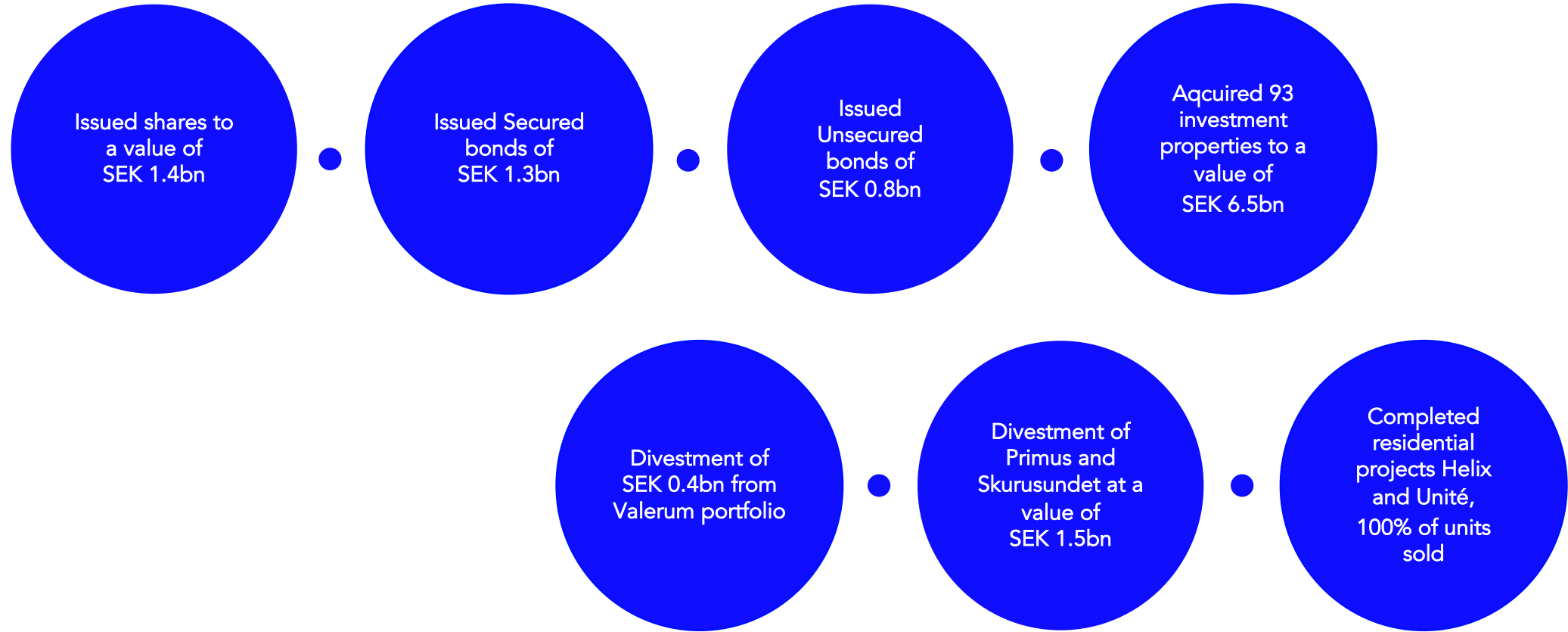
Strong transaction team with high capabilities of attracting off market-deals with swift execution due to an efficient DD processes and short lead time

Experienced financing team capable of finding attractive sources of funds. A strong focus on refinancing and lowering the overall cost of capital will be a top priority going forward as it is

identified as one of the key drivers in improving the company's earnings capacity and overall profit in short and long term

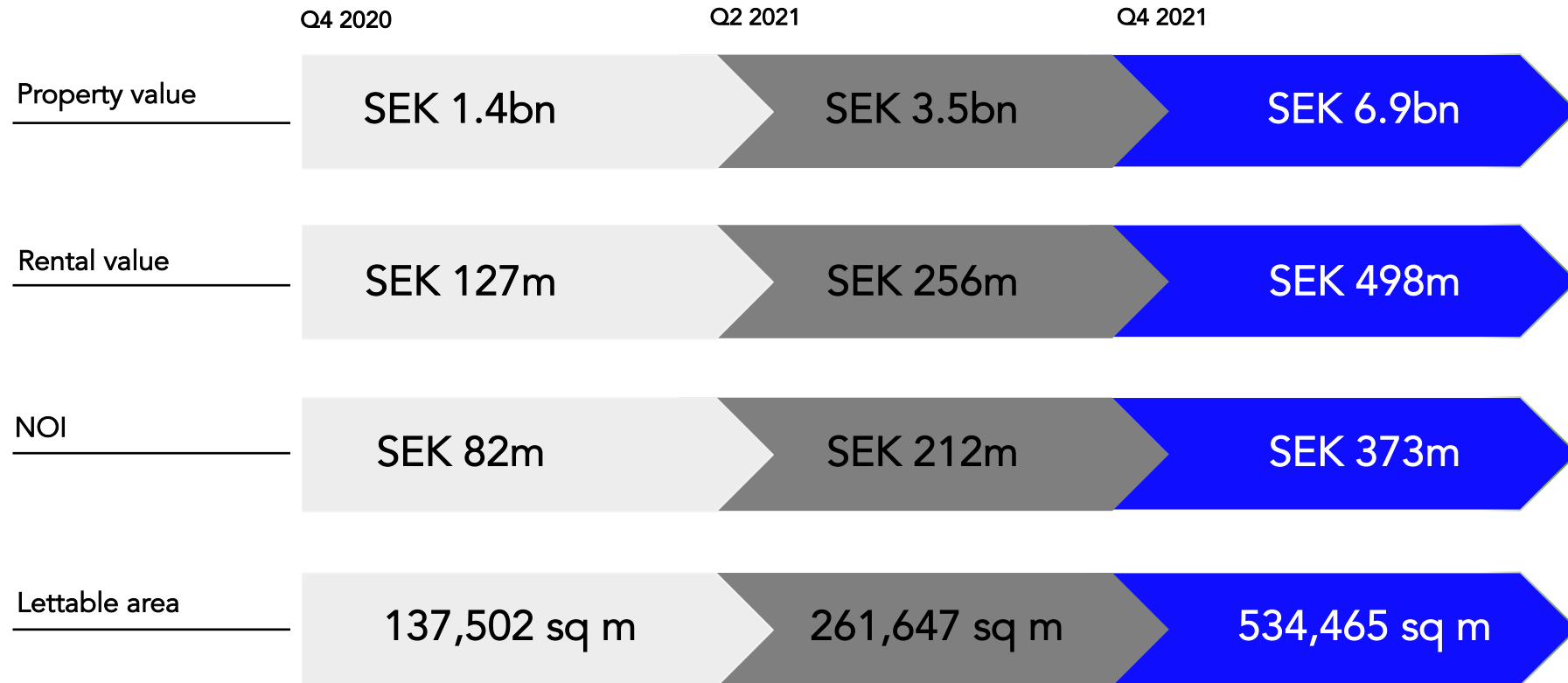
Our journey in the last 15 months

KEY HIGHLIGHTS IN THE COMPANY TRANSFORMATION



Successful start on execution of our strategy...

...but it is only the beginning



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Financial and operational targets

Our operational and financial targets announced in Q4 2021

OPERATIONAL GOALS


- The property value shall exceed SEK 20bn by the end of 2024
- The company's growth will take place through acquisitions and value-adding management as well as through project development. Project development shall not exceed more than 10% of the company's balance sheet
- Wault of at least 5 years
- Ambition to reach Investment Grade, IG, rating within 3 years

FINANCIAL GOALS

- Average return on equity of 15% per year over a business cycle
- The equity / assets ratio must not be less than 30% and within 3 years amount to 40%
- The interest coverage ratio, ICR, shall exceed 2 times over a business cycle

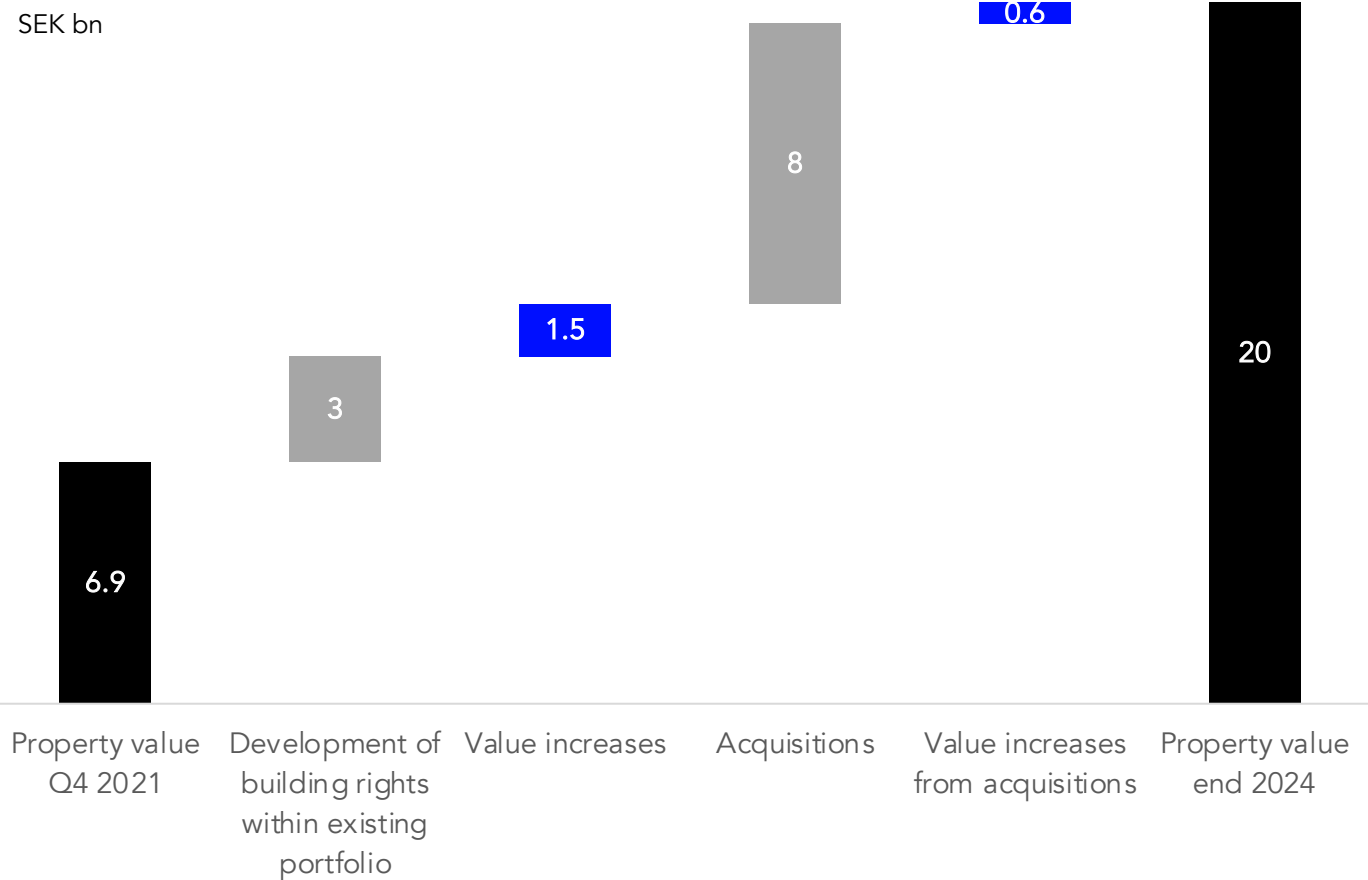
Strategic priorities

Our key strategic areas in order to reach our operational and financial targets

- 
- Property acquisitions generating stable cash flows
 - Segments, 30-30-30 industrials, logistics/warehouse and office
 - Value-creating project development within the property portfolio including identified building rights
 - Lowering financial costs
 - Strong property management

From SEK 7bn to SEK 20bn

Development in property portfolio coming 3 years



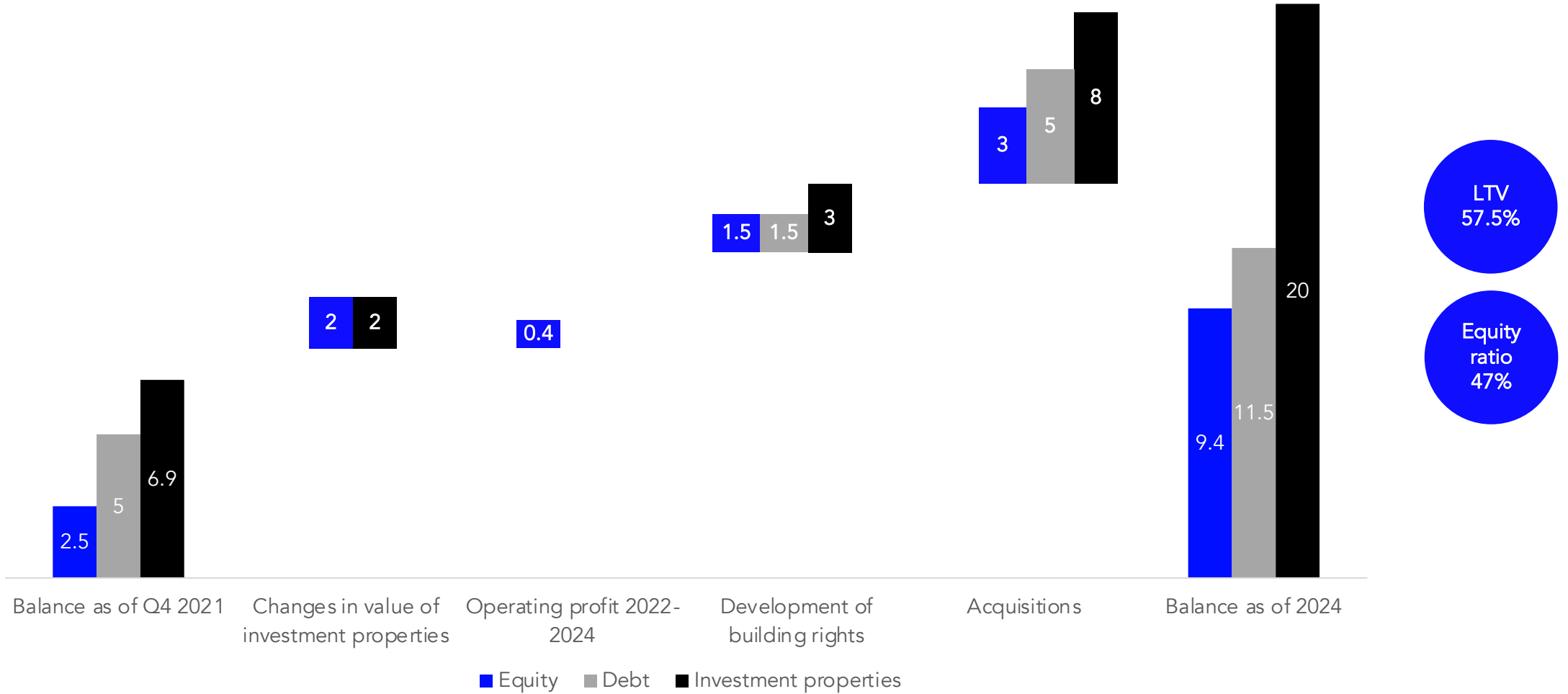
Value increases in the property portfolio

| | Q4 2021 | 2022 | 2023 | 2024 |
|------------------------------------------------|---------|------|------|--------------|
| Rental Income | 443 | 456 | 470 | 484 |
| Index adj CPI - 3% | | 13 | 14 | 14 |
| Value increase – 5.8% yield | | 229 | 236 | 243 |
| Rental increase 10% | | | | 44 |
| Value increase – 5.8% yield | | | | 764 |
| Total value increase existing portfolio | | | | 1 472 |

Illustrative growth of balance sheet

High level overview of development of balance sheet in accordance with growth strategy

SEK bn



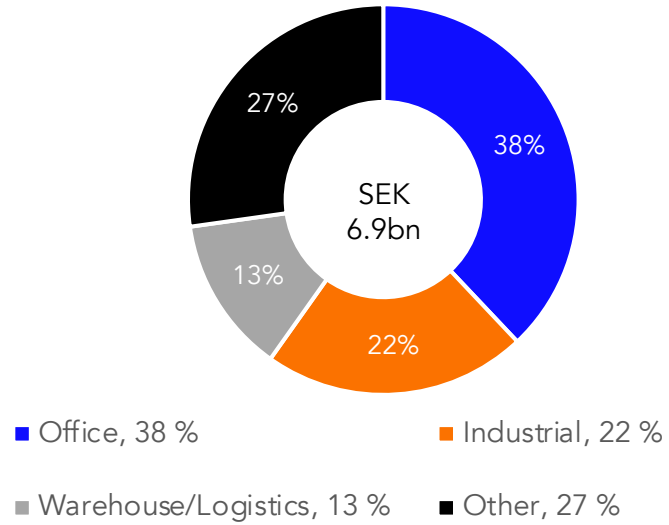
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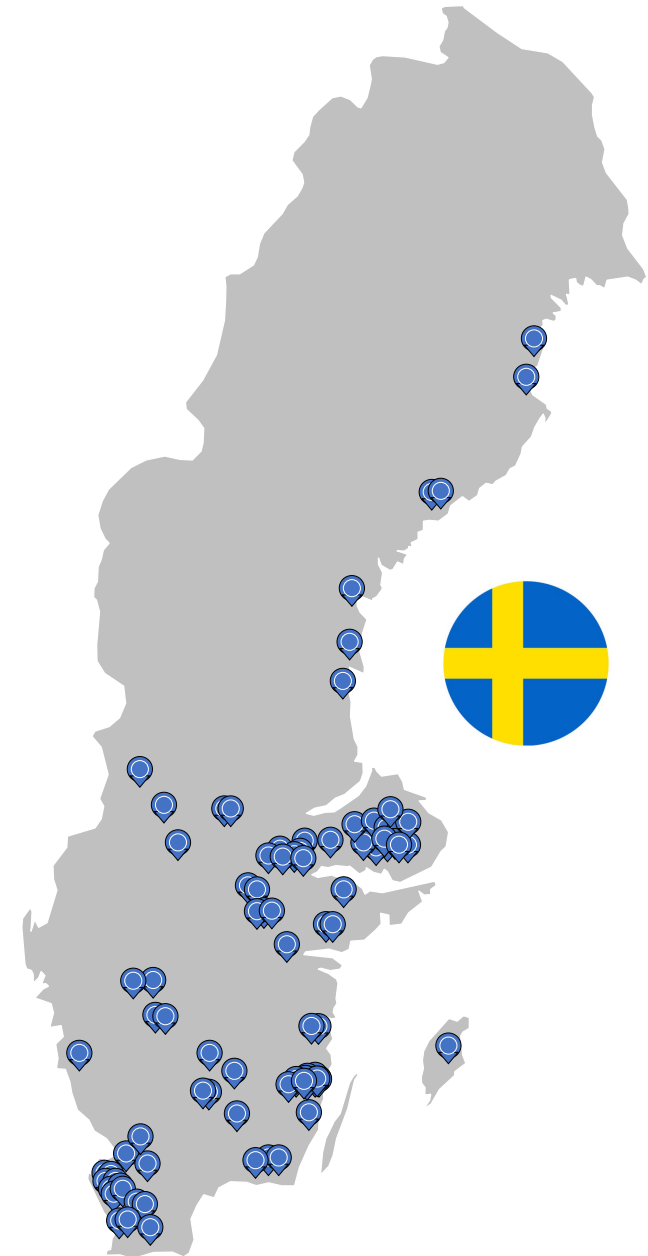
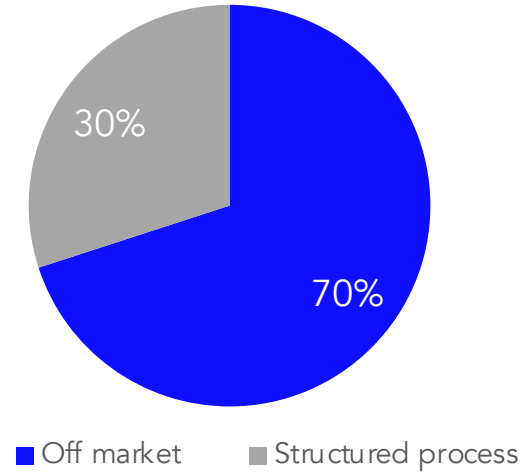
Transaction

Strong business inflow due to last 15 months increased activity level

Portfolio split by segment

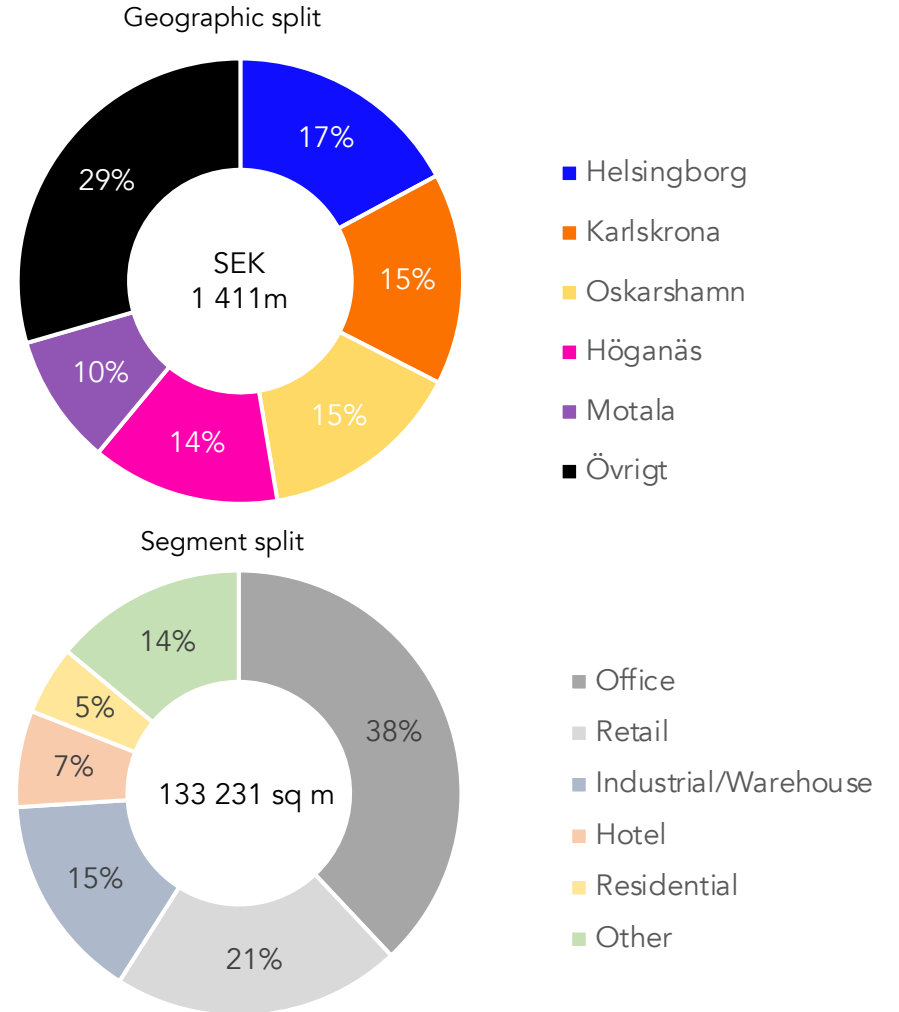


Majority of acquisition are off market deals



Valerum portfolio

Where the new journey started



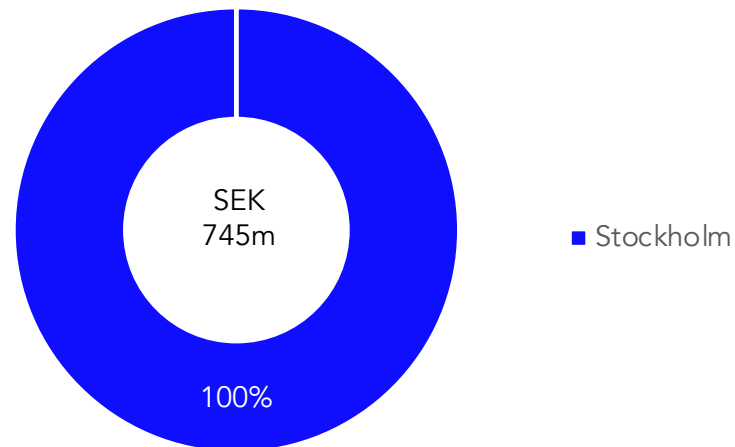
- Closing Q4 2020
- Volume SEK 1.4bn
- 80,000 sq m building rights
Byggmax facility in Höganäs
- Divested 25% of the portfolio during 2021 to a value exceeding acquisition price with 5%. Earn out of SEK 20m from building rights
- Additional divestments of SEK 200m during 2022

Älvsjö/Västberga portfolio

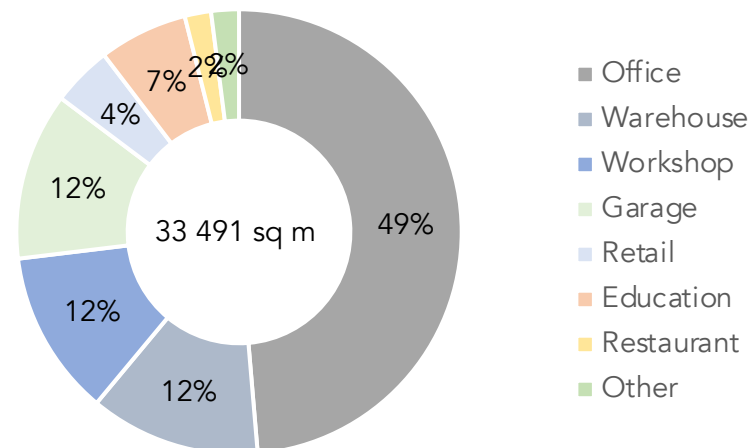
Off-market transaction with development potential



Geographic split



Segment split



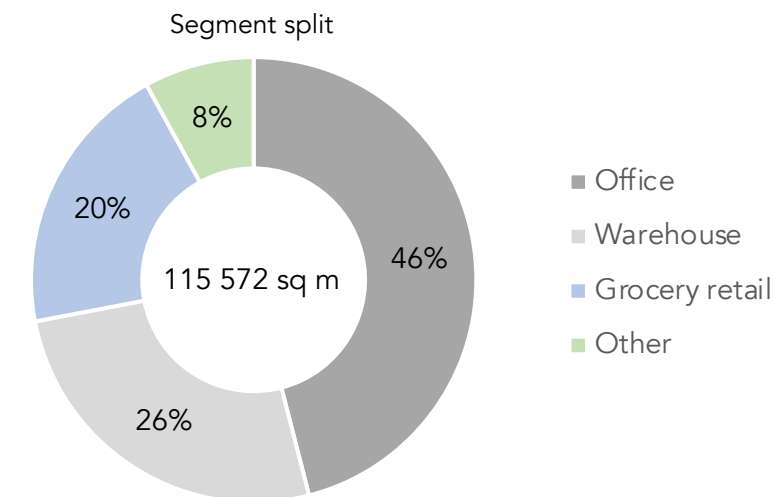
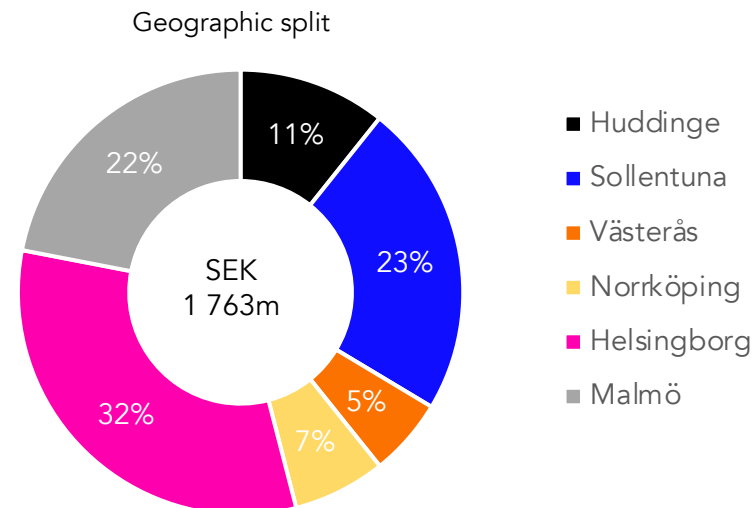
Closing Q2 2021

Acquisition yield 5.8%. External valuation yield by acquisition of 5.5%. External valuation yield today of 5.2%

Identified building rights of 30,000 sq m within zoning plan

Castellum portfolio

Agile business mindset
Secured an attractive portfolio



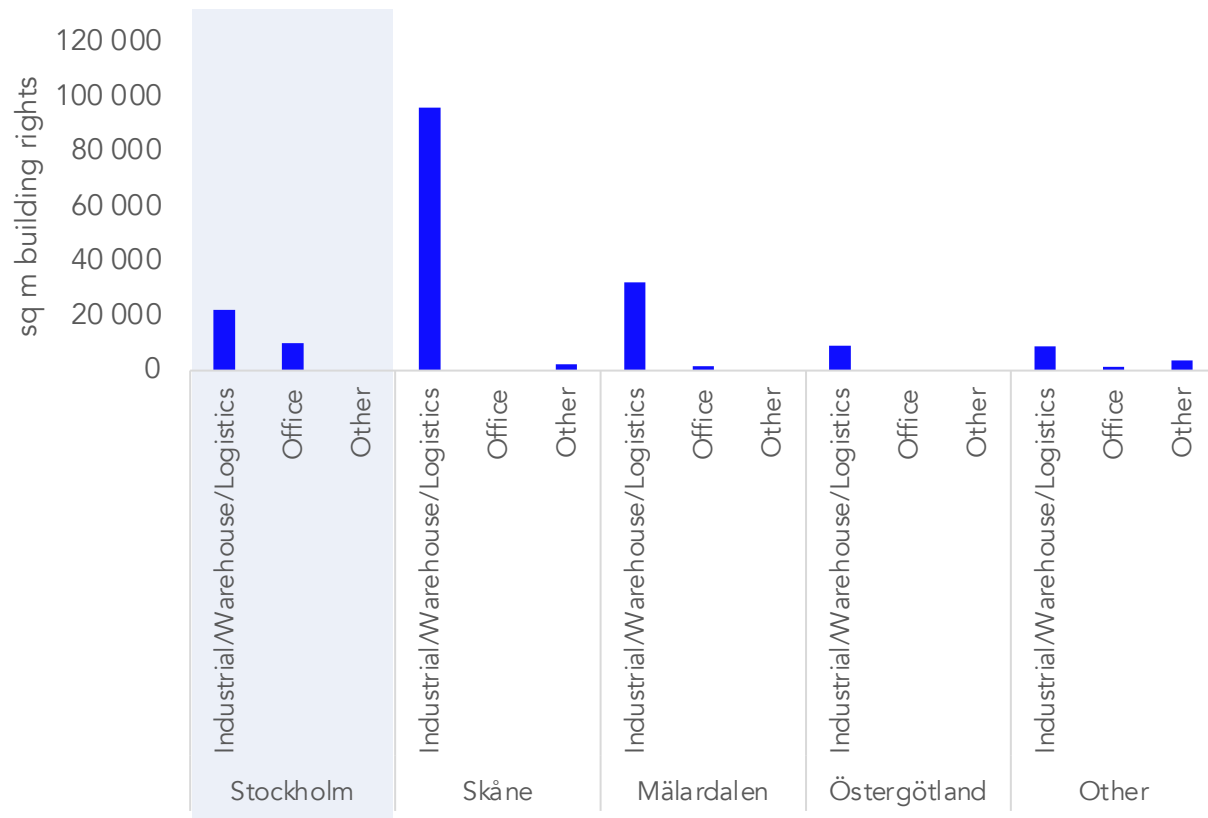
- Closing Q4 2021
- Acquisition SEK 1,763m
- External valuation SEK 1,850m on closing
- LOI and DD-process in July
- Large potential to reduce vacancies – 10% of vacancies within 4 months

Identified building rights within existing portfolio

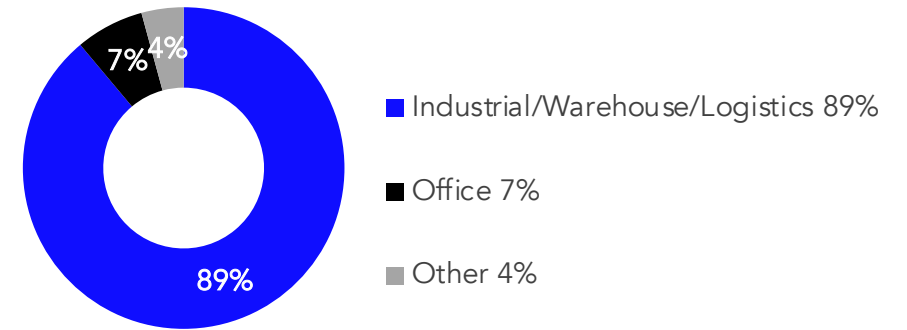
Increasing portfolio value with SEK 3bn by developing building rights within the existing portfolio

BUILDING RIGHTS IDENTIFIED

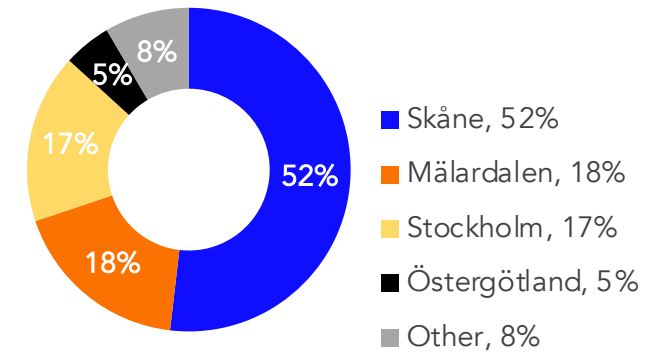
APPROX 189.000 SQ M BUILDING RIGHTS IDENTIFIED WITHIN CURRENT ZONING PLANS



Segment split

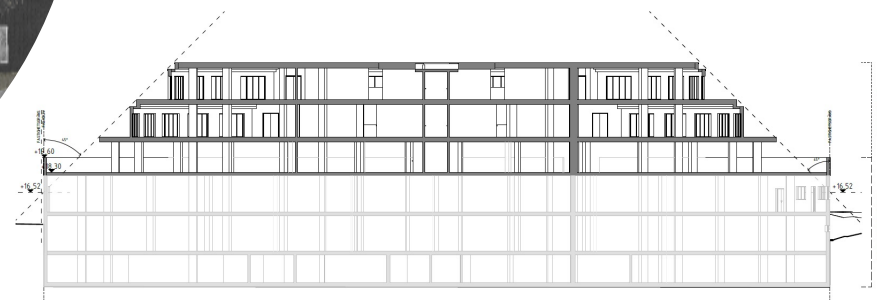


Geographic split



Alphyddan

Successful change of business plan created new opportunities



Building permit application for 2,000 sq m office premises

Property originally acquired for residential development. Will now be developed as a commercial investment property

Renegotiations and new let of premises resulting in an increase of rental income by 40% and Wault went from 0.7 years to above 5 years

Västberga/Älvsjö

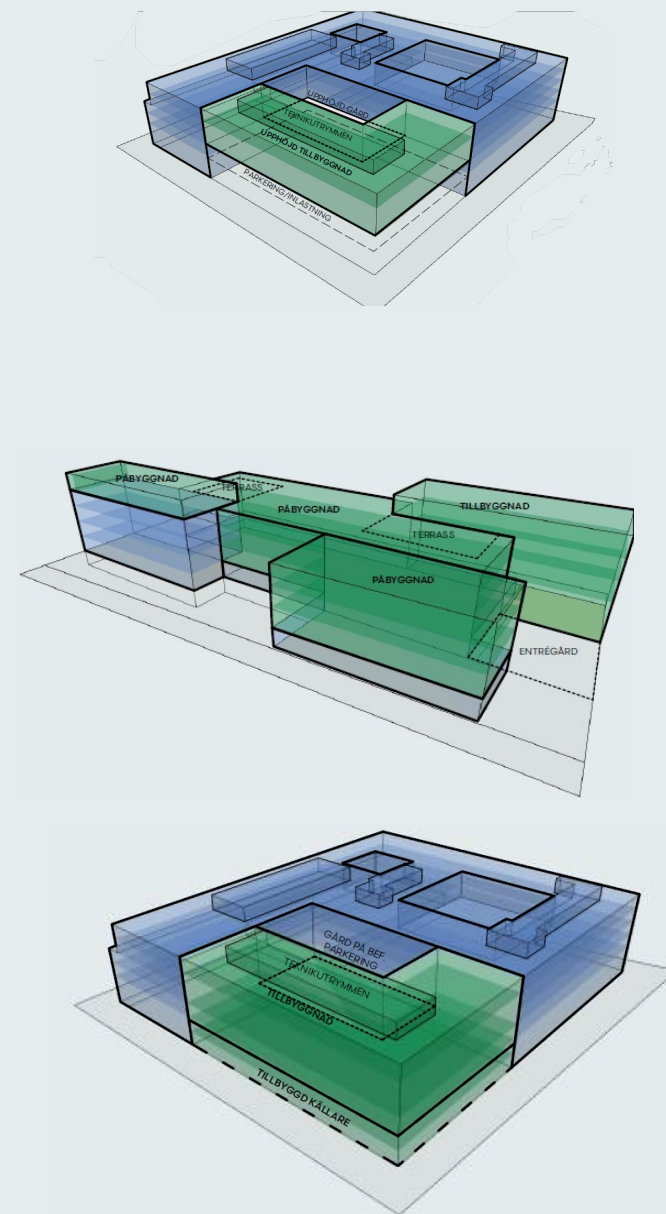
Strong demand in attractive area



● Building rights of 30,000 sq m

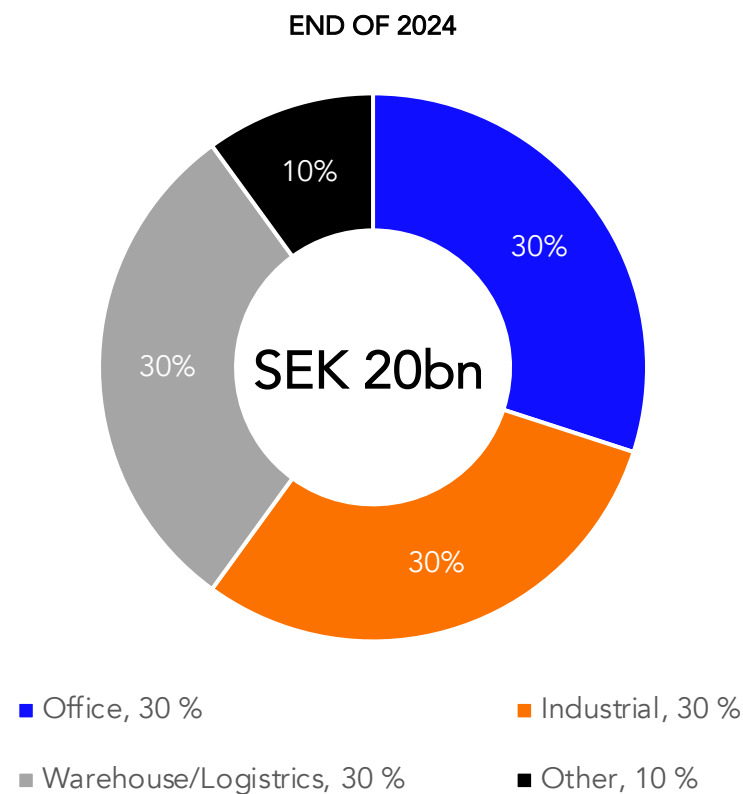
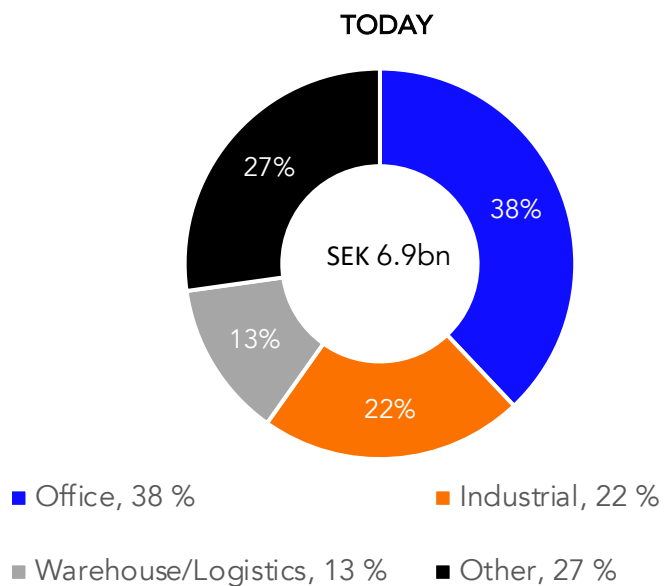
● Additional office, warehouse and industrial premises

● Vacancies around 0% since acquisition



The journey to SEK 20bn

Strategic pillars to achieve our goals



Increase portfolio value with SEK 8bn from acquisitions

Increase within segments industrial, logistics/warehouse

Increase Wault by acquisitions towards goal of 5 years

Increase portfolio value with SEK 3bn from development of building rights within the portfolio

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Strategic goals and priorities for property management

Strong focus on rental and renegotiations to reach a higher Wault

STRATEGIC GOAL

- Value increase in existing portfolio SEK 1.5bn over a three year period and SEK 0.6bn from new acquisitions
- Improve Wault from 3.6 years to 5 years
- Economic vacancy shall not exceed 10% in total and reduce the vacancy to 5% in properties that we manage over time

MANAGEMENT TEAM AND METHODS

- Our management teams are located in Stockholm and Växjö
- Organization consist of eight employees, property managers and senior commercial managers
- Our main focus is to work with our existing tenants local and national brokers and architects who handle vacant premises
- Technical management is handled by local entrepreneurs

SHORT TERM PRIORITIES

- Initiate the rental process on all vacant objects over 100 sq m
- Conduct customer visits with our 50 largest tenants
- Renegotiations are initiated at an early stage
- Business plans and strategy for each individual property
- Increase the average rent by 10% over a 3-year period
- Strengthen the organization

LONG TERM PRIORITIES

- Establish a nationwide service center
- Centralized purchasing-economies of scale
- Sign green leases in office segment
- Create 10-year maintenance plans
- Employer branding
- Continue to strengthen the brand in property management

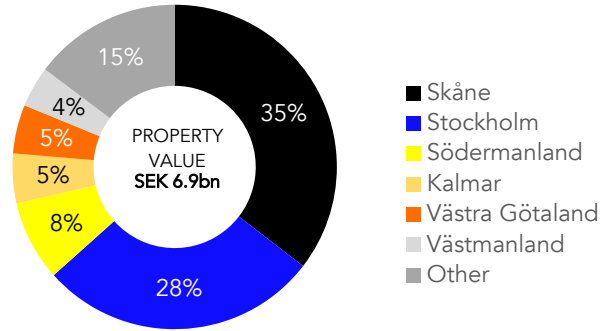
Investment portfolio and tenants

Low tenant concentration combined with a diversified lease duration

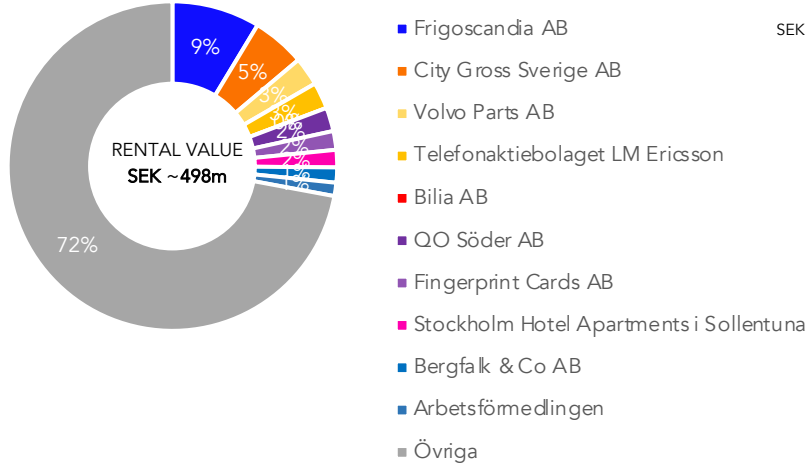
A well-diversified tenant-base

Tenant overview

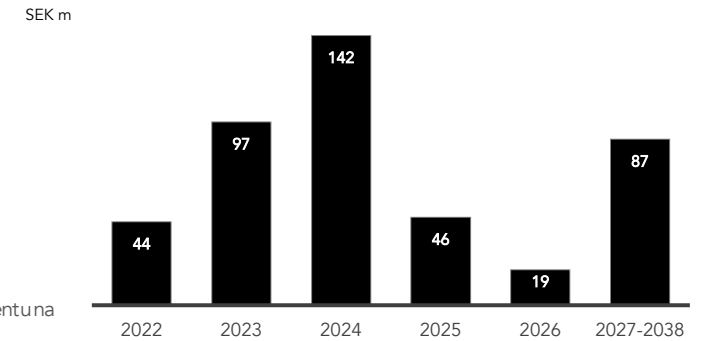
GEOGRAPHICAL SPLIT BY PROPERTY VALUE



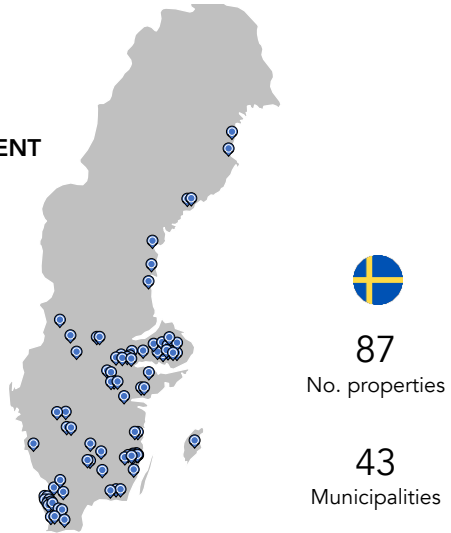
TENANT BASED ON RETAIL VALUE



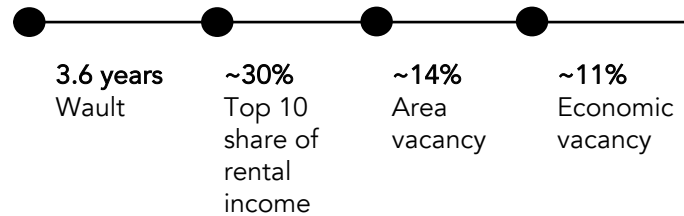
LEASE DURATION RENTAL INCOME¹ (SEKM)



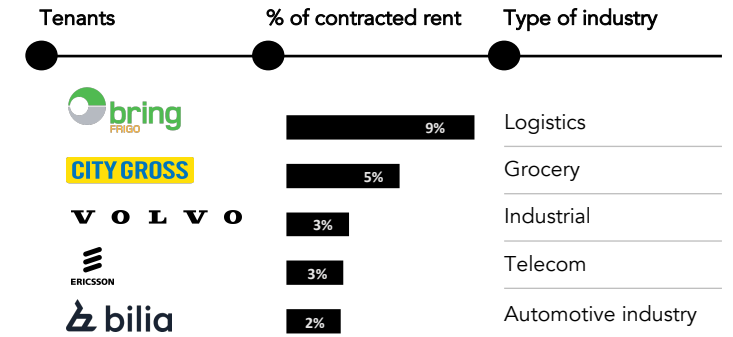
MAP OF INVESTMENT PROPERTIES



KEY METRICS



TOP 5 TENANTS



¹ Excluding residential and other running contracts

Investment properties 1/2

A broad selection of tenants and businesses

Talja 1:26

Municipality
Flen

Type of property
Industrial

Area
22,000 sq m



Kavalleristen 9

Municipality
Helsingborg

Type of property
Office

Area
12,400 sq m



Singeln 22

Municipality
Umeå

Type of property
Car dealership
and workshop

Area
5,950 sq m



Skravsätt 1:29

Municipality
Sundsvall

Type of property
Education

Area
10,513 sq m



Rausgård 22

Municipality
Helsingborg

Type of property
Logistics

Area
68,000 sq m



Jordlinan 2

Municipality:
Västerås

Type of property
Grocery retail

Area
8,864 sq m



Investment properties 2/2

Diverse geographical spread

Sicklaön 88:1

Municipality
Nacka

Type of property
Workshop

Area
8,000 sq m



Ekstubben 25

Municipality
Sollentuna

Type of property
Education

Area
1,000 sq m



Ekplantan 4

Municipality
Sollentuna

Type of property
Office

Area
9,900 sq m



Konsumenten 2

Municipality
Älvsjö

Type of property
Office

Area
23,300 sq m



Gripen 1

Municipality
Arboga

Type of property
Retail

Area
3,900 sq m



Rovan 1

Municipality:
Ängelholm

Type of property
Grocery retail

Area
3,000 sq m

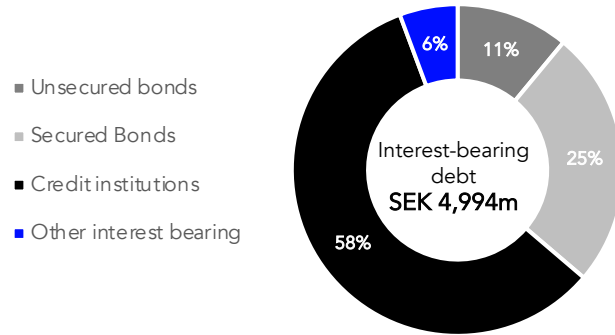


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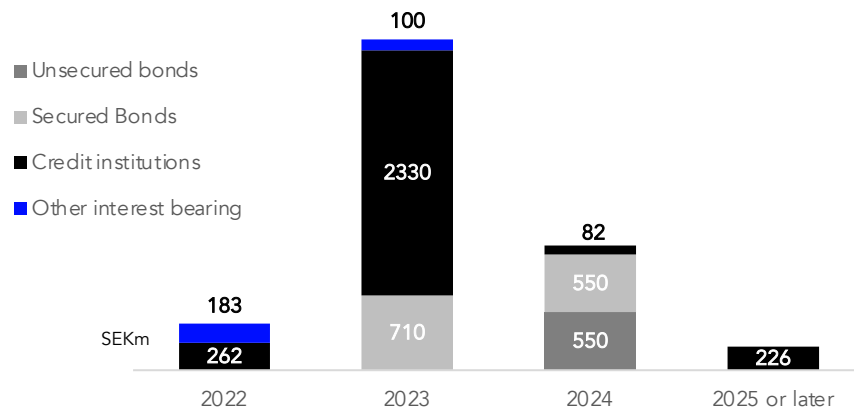
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Solid capital structure and diverse sources of funding

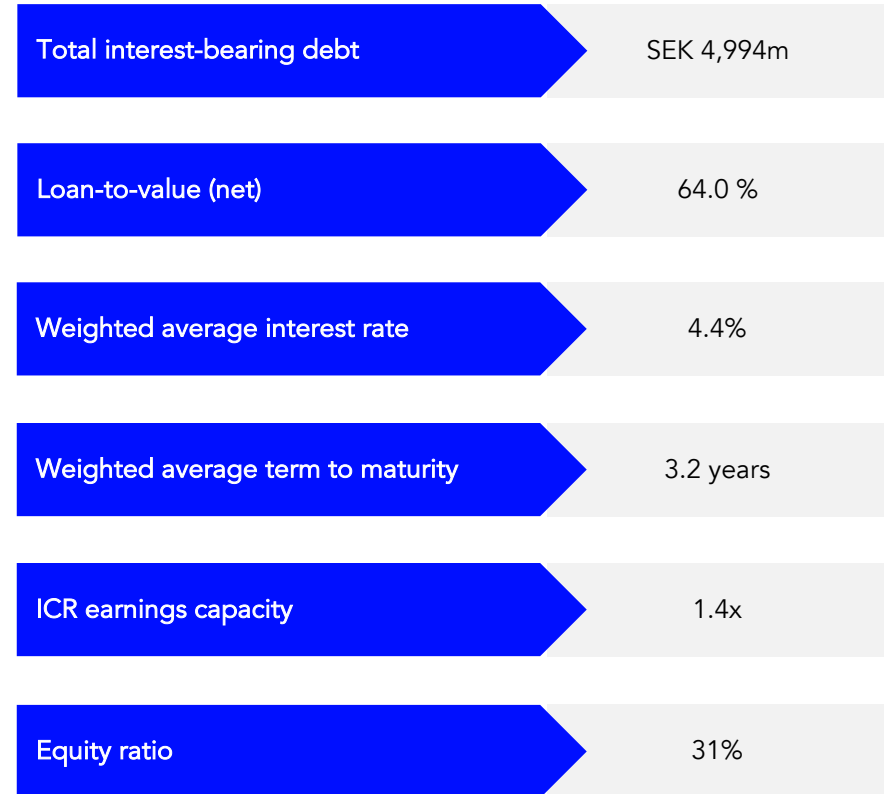
VARIOUS SOURCES OF DEBT



DEBT MATURITY STRUCTURE

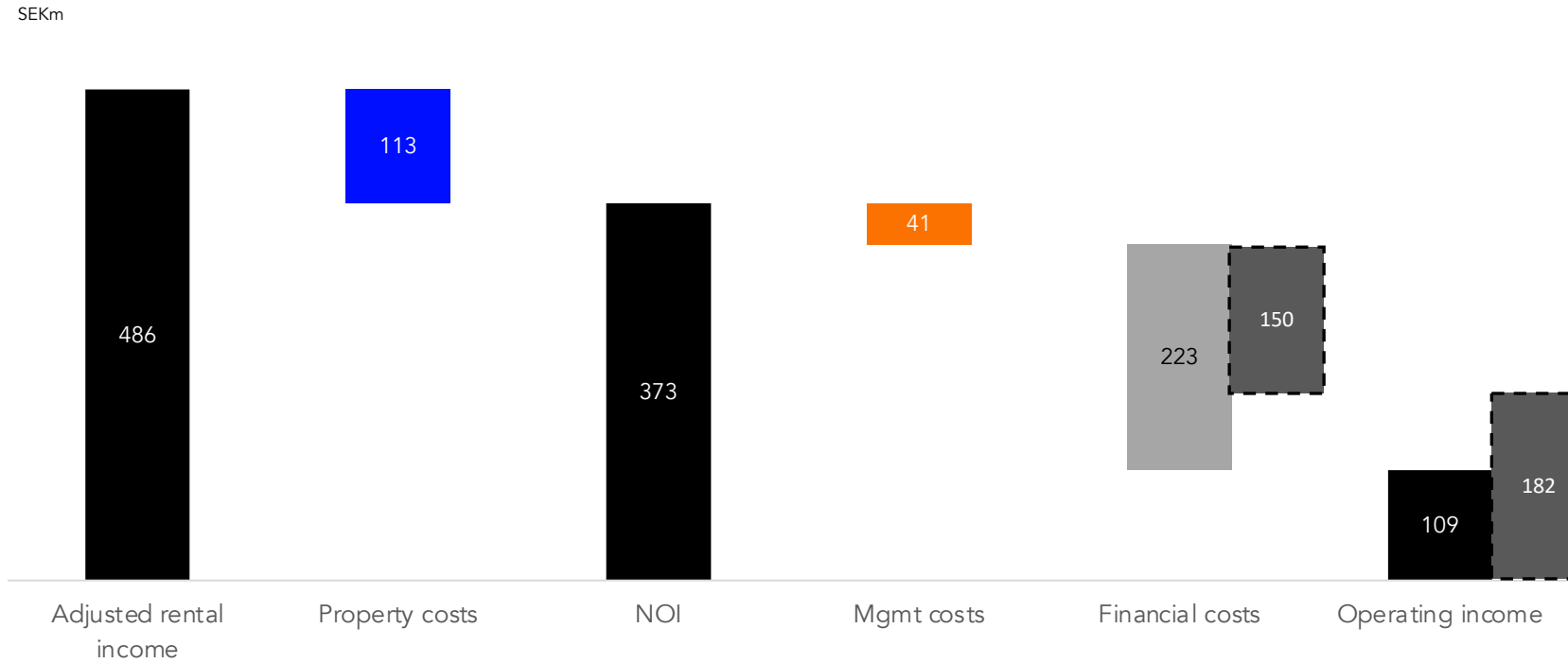


KEY METRICS AS OF Q4 2021



Earnings capacity

Net operating income of SEK 109m with upside potential



The earnings capacity is calculated based on actual vacancies as of 31 December 2021 and includes rent guarantees. Financial costs updated as of 2022-02-28.

Financing activities

Strong focus on reducing financial costs and to reach investment grade rating

AMBITION TO REACH AN AVERAGE INTEREST RATE OF 3% WITHIN 18 MONTHS

REFINANCING

- Refinance approx SEK 4bn of total debt of SEK 5bn
- 1.4% decrease in average interest rate would increase earnings capacity by SEK 73m
- Aim is to refinance the outstanding secured bonds with bank debt
- In January Oscar Properties did a tap-issue of SEK 250m on its outstanding unsecured bond in order to refinance short-term debt and debt with higher interest rates

GREEN FINANCE FRAMEWORK

- Oscar Properties has set the target to increase its share of green financing by 10% per year from 2023
- Currently screening the property portfolio in regards to energy consumption, green leases and environmental certifications
- As of today Oscar Properties has identified SEK 470m in property value that meet the green asset criterias, corresponding to 7% of the total portfolio
- Ongoing work on establishing a green finance framework for bonds and loans

INVESTMENT GRADE RATING

- Oscar Properties has set the target to reach an investment grade rating by the end of 2024
- Below actions have been identified as crucial for reaching this target
- Achieve SEK 20bn in investment properties
- Successful execution of strategy and results from property management
- Reduce net loan-to-value to 50%
- Increase ICR to at least 2x

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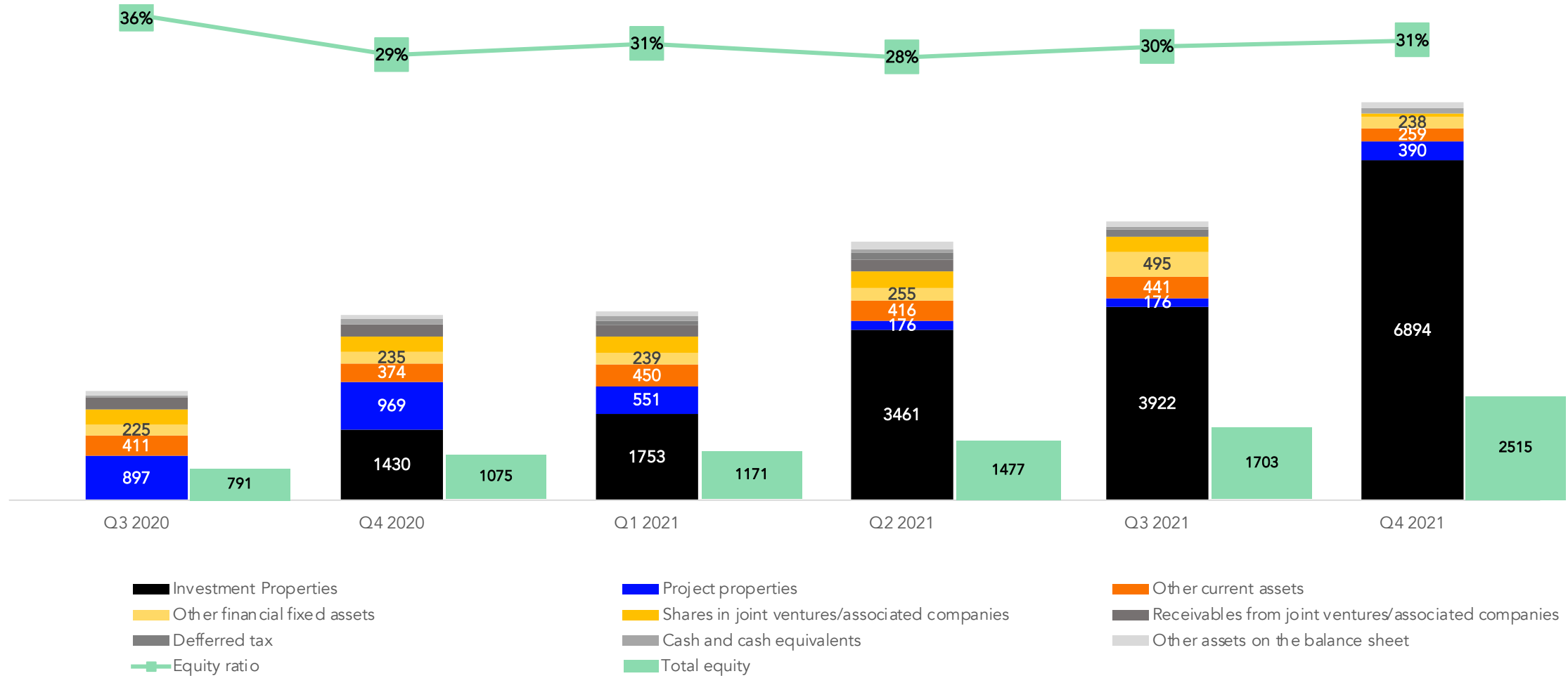
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Balance sheet development with increased exposure to investment properties

Dedicated focus on transforming Oscar Properties to a pure property management company



Financial highlights 2021



- Closed transactions of additional SEK 2.9bn in property value, which resulted in an increase in rental income of 76% since last quarter on a 12 months rolling basis
- The remaining building rights in Project Primus was successfully divested to Patriam. Expected closing in Q2 2022
- Going forward projects will only be attributable to the existing property portfolio and will mainly consist of development of building rights and value-add investments
- The property management team was further strengthened with a new head of property management and a new property manager. As of Q4 2021 the team consists of 8 people
- Operating profit for the full year 2021 of SEK 505.2m and profit of SEK 364.5m
- NAV per share amounted to SEK 18.58
- Profit per share amounted to SEK 2.69

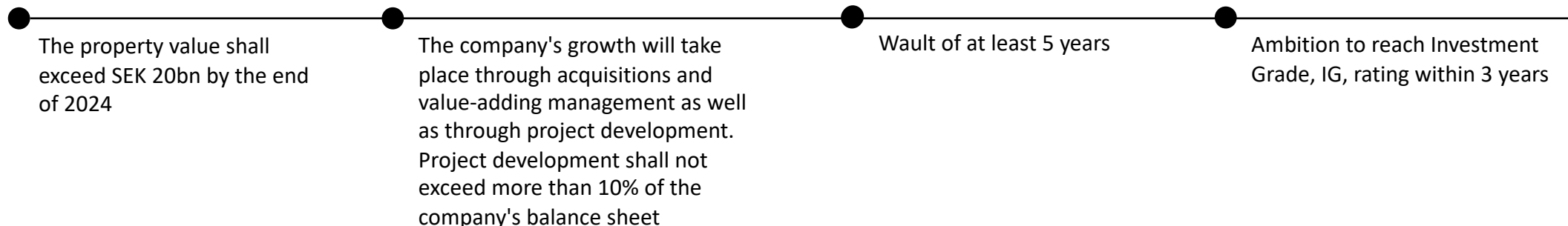
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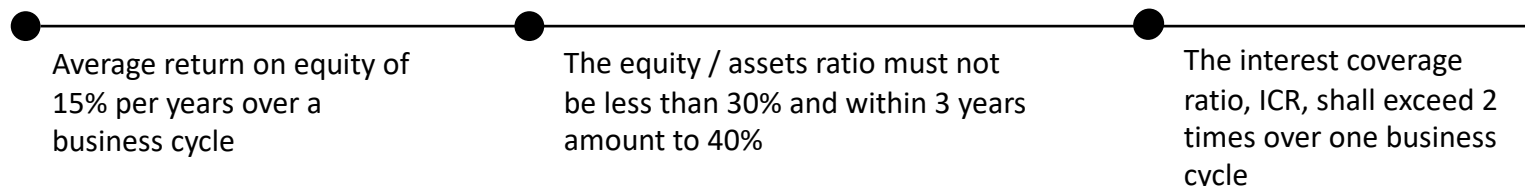
Strategic priorities for Oscar Properties going forward

Our key strategic areas in order to reach our potential and financial targets

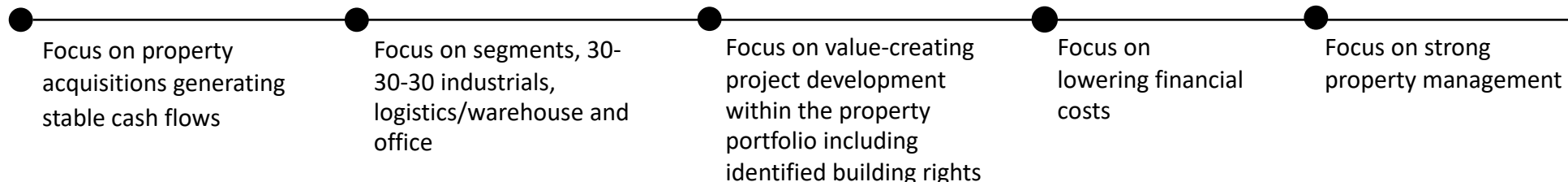
OPERATIONAL GOALS



FINANCIAL GOALS



STRATEGIC FOCUS, To achieve its goals, Oscar Properties must



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