

Green framework Q4 2020

ALLOCATION REPORT



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Green highlights 2020

During 2020 we further established our sustainability framework. These efforts are based on three focus areas:

- **Partnership for the Welfare;** within this focus area we strive to offer efficient and effective property solutions to the Swedish Welfare system which are based on Proactivity, Green financing and engagement in the society.
- **Longterm Solutions;** We use smart technology and creative solutions with a focus on impact over longer periods. Guiding principles are: Smart buildings, Circular use of resources, and Energy and climate.
- **The Human in the Centre;** A large number of people work in, or make daily visits in our Our properties. Therefore we should promote health and well being in our properties. This focus area we also look at health- and safety aspects and the co-worker satisfaction of our own staff as well as the sustainability aspects of our supplier chain.

More about our Sustainability work can be found on our web site:
<https://offentligahus.se/hallbarhet/>

1. OUTSTANDING GREEN FINANCE INSTRUMENTS

Issued Green Bonds under the existing Green Framework:	SEK '000
Bonds issued in september 2019, Maturing in 2023	700 000
Bonds issued in October 2020, maturing in 2024	550 000
Sum	1 250 000

2. APPROVED PROJECTS UNDER GREEN FINANCE FRAMEWORKS

There are in total three categories of investments in the framework, although the below investments all belong to the category "Existing buildings incl. Acquired buildings".

Property Pyramiden 20 in Södertälje	731 000	Acquisition of existing property, certified as "Miljöbyggnad silver"
Property Fagersta 3:94 & 3:95 in Fagersta	73 000	Acquisition and total refurbishment of existing property. Planned to be certified as a Green Building in accordance with the terms under the Green Framework.
Property Önnerröd 45:11 in Gothenburg, "Opaltorget I"	400 000	Acquisition of newly built administrative building for regional government. Planned to be certified as a Green Building in accordance with the terms under the Green Framework.
Property Önnerröd 45:17 in Gothenburg, "Opaltorget II"	318 000	Ongoing new-construction of property for Student Housing. Planned to be certified as a Green Building in accordance with the terms under the Green Framework.
Sum	1 522 000	
Unallocated sources	-	

Selected acquisition case studies

ACQUISITION OF PYRAMIDEN 20 – CLOSED JUNE 2019 ¹		
<p>Municipality</p>   <p>Certified as green building (Sv. Miljöbyggnad Silver) since February 2019</p>	 <p>Södertälje</p>	 
	<ul style="list-style-type: none"> ✓ Södertälje municipality accounts for 1 per cent of Sweden's population, but also for 10 per cent of Sweden's exports.¹ ✓ Södertälje Science Park is an ESG-focused research and innovation hub for companies and universities.² 	
Transaction characteristics	<ul style="list-style-type: none"> ■ The property was acquired by Acturum, jointly owned by FAM AB, Peab AB and the Wallenberg Stiftelserna AB ■ Pyramiden 20 houses eight buildings. The lettable area consists of colleges and universities as well as public offices ■ Gross lettable area: 29,825 square meters including 332 parking spaces ■ Economic occupancy rate: 95 per cent ■ Property value: SEK 730 million ■ Environmental certification: Miljöbyggnad Silver received in February 2019 ■ Selected tenants: Royal Institute of Technology (KTH) and Södertälje Municipality ■ Rental value: SEK 49 million with an average WAULT of 6 years 	
Post-acquisitions initiatives	<ul style="list-style-type: none"> ■ Leasing initiative for vacant spaces <ul style="list-style-type: none"> ✓ Potential increase in economic occupancy rate and rental income ■ Branding of Södertälje Science Park together with KTH, Södertälje Municipality, AstraZeneca and Scania ■ Focus on energy efficiency <ul style="list-style-type: none"> ✓ Possible improvement in property management costs 	

1. <https://www.dn.se/brandstudio/sodertalje-science-park/sodertalje-visar-vagen-for-hallbar-produktion/> (24 January 2020).

2. Based on growth in average monthly salaries in the primary municipal sector 2008–2018, SCB.

3. SGBC is an environmental certificate for buildings issued by the Sweden Green Building Council.

Selected acquisition case studies

GROUND UP DEVELOPMENT OF OPALTORGET I AND II		
<p>Municipality</p>   <p>Property planned to be certified as green building in accordance with the terms under the Green Framework</p>	 <p>Gothenburg</p>	 
<p>Project characteristics (Opaltorget I)</p>	<ul style="list-style-type: none"> • Opaltorget has been in construction since 2018 and is expected to be ready at Q4 2020 • The property acquisition was made through a company acquisition. The seller was Opalparken Förvaltning AB • At completion the property value is estimated to SEK 400 million based on a 5 per cent yield as well as an occupancy rate of 100 per cent at access • WAULT: >10 years • Lettable area: 8,538 square meters • Rentable value: SEK ~22.5 million • The lettable area mainly consists of Healthcare & care and Public offices • The anchor tenants are Göteborg Stad, Västra Götalandsregionen and Axfood 	
<p>Project characteristics (Opaltorget II)</p>	<ul style="list-style-type: none"> • The development of Opaltorget II started in Q2 2020 and is expected to be ready in Q3 2022 • One of Offentliga Hus' current major tenant driven investment projects with Stiftelsen Göteborgs Studentbostäder which will comprise accommodations for students upon completion • The annual rental value of the property is estimated to SEK ~16 million at completion • Market value at completion according to valuation, by Newsec in June 2020, is SEK 300 million • A 20-year triple net block-lease has been signed with Stiftelsen Göteborgs Studentbostäder (municipality controlled) 	



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