

# Interim Report

1 January – 30 June 2019

- Rental income increased to SEK 553 million (513)
- Income from property management improved by 18% to SEK 297 million (251)
- Profit for the period amounted to SEK 560 million (649)
- Property portfolio increased in value to SEK 19,542 million (18,388)
- Income from property management per share amounted to SEK 2.48 (2.10)
- Earnings per share totalled SEK 4.61 (5.40)
- Long-term net asset value (EPRA NAV) per share was SEK 75.73 (69.54)
- Platzer developing a school in Södra Änggården for the International English School
- Platzer and Bygg-Göta developing offices at Skeppsbron for Forsman & Bodenfors
- Almedals Fabriker selected as pilot project for faster construction process
- In accordance with the decision by the Annual General Meeting in April 2018, Platzer is selling 50% of the property Gårda Vesta and leasing premises to Länsförsäkringar Göteborg och Bohuslän



# Q2

GÖTEBORGS BÄSTA PLATZER

 **platzer**  
FASTIGHETER



Almedals Fabriker, with a potential planning permission for around 20,000 sq.m., is now chosen as one of five pilot projects in which developers are more involved in the process of creating a detailed development plan. (the cover is also from Almedals Fabriker)

# 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 70 properties with a total area of approximately 830,000 sq. m., worth SEK 20 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 aim to create the best workplace in this industry by attracting, developing and retaining employees from different backgrounds and with different skills, all of whom work together to put our core values into practice.

### • Finance

Platzer's financing is to be based on the value of our properties, with growth primarily being achieved without funding from shareholders and with the company's loan-to-value ratio reflecting a reasonable level of risk in all market conditions.

### • Customers

Platzer's customer relationships are managed by Platzer's own staff, who maintain a sensitive and knowledgeable dialogue that helps us continuously develop and boost demand for our products and services.

## Sustainability

Sustainability is to be achieved by creating a balance between a healthy financial position, satisfied employees, minimal environmental impact and a positive contribution to society. At Platzer, sustainability forms an integral part of operating activities and incorporates economic, ecological and social sustainability. The Company takes a systematic approach to day-to-day environmental performance and Platzer is ISO 14001 certified.

## Financial targets

- Long-term net asset value (EPRA NAV) to increase by > 10% per year
- Equity/assets ratio > 30%
- Loan-to-value ratio must not exceed 60%
- Interest coverage ratio > 2.0
- Property and project investments to achieve a return on investment of > 20%

For outcome, see Key Performance Indicators on pages 16-17 and Key Performance Indicators per share on page 29.

## 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.



A word from the CEO

# Successful lettings in strategic locations

Platzer's property assets grew by nearly SEK 1.2 billion in the first six months of the year as a result of investments and increases in value. Demand for our projects remains strong in the stable property and rental market in Gothenburg.

In the second quarter, we concluded large leases for Gårda Vesta, Gullbergsvass, Skeppsbron and Södra Änggården. The leases will generate increases in value both in the short and long term and will boost future cash flow. Our rental income from leases that have been signed but are not included in earning capacity is at a record high and stood at nearly SEK 170 million.



### **New record quarter for operating surplus and income from property management**

The operating surplus increased by 9% in the first half and income from property management rose to SEK 297 million, which corresponded to an increase of 18% on the same period in the previous year. This means that in the second quarter of 2019, we achieved new heights for a single quarter both in terms of operating surplus and income from property management.

### **Positive net lettings despite increase in properties being vacated**

We set a goal for 2019 of achieving positive net lettings in every quarter and we met this target in both the first and second quarter, despite one of our largest tenants in the property Gullbergsvass 1:1, CBD, deciding to give notice to end the lease and vacate the property at the end of June 2020. This will of course have a major negative impact in the short term, but at the same time it offers great potential for property development and significantly better rent levels in the future. The termination was more than made up for by a healthy rate of letting in our projects. And this does not even take into account a lease for 9,000 sq. m. with the International English School in Södra Änggården since not all terms and conditions of this deal have yet been achieved.

### **Net asset value increased by 9%**

One of our long-term financial targets is to increase our EPRA NAV per share by 10% per year. We are already well on the way to exceeding this target this year. Since the turn of the year, the EPRA NAV has increased by 9% and the rolling 12-month figure is 20%.

### **Detailed development plan for Södra Änggården out for consultation**

Our single largest urban development project, Södra Änggården, where we are looking to develop a new district comprising some 200,000 sq. m. of gross floor area of predominantly housing, entered an exciting phase in the second quarter. The Building Committee took a decision to send the future detailed development plan out for consultation, which is the stage preceding approval in the City of Gothenburg detailed development plan process. After that, the only thing that remains is for the plan to become legally binding.

### **Sustainability on the journey to and from work**

We have been at the forefront of ecological sustainability with regard to districts and properties for a number of years. We have achieved substantial reductions in our energy consumption and carbon dioxide emissions. Over 90% of our properties have been awarded environmental certification, 46 % of our financing is green and 45% of our rental income have green clauses in their lease agreement. Now we are taking additional steps towards a sustainable society and are increasingly actively working on mobility solutions, among other things. As a landlord, it is in our interests to ensure that our tenants have access to efficient and sustainable

transport options for the journey to and from work.

During the Almedalen political event in Visby, we arranged a well received seminar on mobility which included a presentation by a representative from the city of Rotterdam on the work they have done there. For instance, in Rotterdam they have been working on creating mobility hubs that connect different modes of transport. Since we are currently in the process of building a public bike parking facility at our mobility hub Gamlestads torg we were interested to hear what they have been doing in Rotterdam.

Mobility issues are also becoming increasingly important to our customers. We are seeing a steady rise in the number of people looking to be able to travel to and from work in a smart and sustainable way. At the same time, we ourselves want to set a good example - for instance by phasing out all our company cars as of 2020.

### **On the way "to making Gothenburg the best city in Europe to work in".**

Our vision is for Gothenburg to develop into something more and something bigger than it is today, that our city will be the role-model for a good life and good work opportunities. By actively working on sustainable urban development and customer-oriented office and logistics solutions both in our existing portfolio and in new areas being developed, we are taking steps to achieve this vision. We can't do everything at once, but need to work on constant improvements in our day-to-day activities in order to move forward step by step.

An important parameter of this work is to ensure that we ourselves have a sound and profitable business that is able to grow even without the assistance of a favourable economic climate. As the company's CEO, this is one of my main responsibilities in order to ensure that we are a dependable ambassador for a successful Gothenburg. It is therefore nice to see that most things are currently moving in the right direction within Platzer and that we are able to develop and expand the business "organically", although I'm not complaining about the low interest rates or stable yield and rent levels.



P-G Persson  
CEO

Gamlestaden and Almedals Fabriker:

# Two exciting and challenging urban development projects

Meatpacking District, Kødbyen, East End and Poblenou. The examples of older industrial districts that have been transformed are numerous. Some have even become destinations. In Gothenburg, the transformation of Gamlestaden is currently underway. Next in turn is Almedals Fabriker. Platzer is leading the development of both these areas.

For a long time, New York's Meatpacking District was a place characterised by high levels of crime, extensive drug dealing and widespread prostitution. Before that, it was at the heart of New York's meat industry and home to abattoirs, warehouses and workers. Since the early 2000s, the Meatpacking District has undergone significant change. Today, restaurants and bars compete for space with galleries and creative industries. At the same time, several of the abattoirs remain in business.

## Industrial heritage

New York is not the only city with this kind of district. In Barcelona, the old industrial quarters in Poblenou have been revitalised. London's East End has been undergoing extensive transformation for several years. And closer to home, Copenhagen has succeeded in turning its old abattoir district, Kødbyen, into a food destination.

Gothenburg has areas which offer similar potential for positive development. In two of these, Platzer is taking a leading role. These are the areas Gamlestaden and Almedals Fabriker – both reminders of the city's vibrant textile industry in the early 20th century.

## Tenants create unique atmosphere

What marks out these and similar areas is that they have often evolved spontaneously and in an unplanned way when the former principal industrial activities closed down or moved. Run-down buildings at the edges of the current centre have attracted many entrepreneurs and creative artists who were drawn to these areas by the charming environment and low rents. This, in turn, has created an interesting mix of businesses that partially support each other.

The challenge involved in the transformation of both

Gamlestaden and Almedals Fabriker lies in being able to retain the features that make the areas attractive and unique, while simultaneously adding new qualities. This could involve adding more restaurants, service and residential units. With the right kind of planning, the residential units will bring life into the areas in the evenings and at weekends, making them both more attractive and safe.

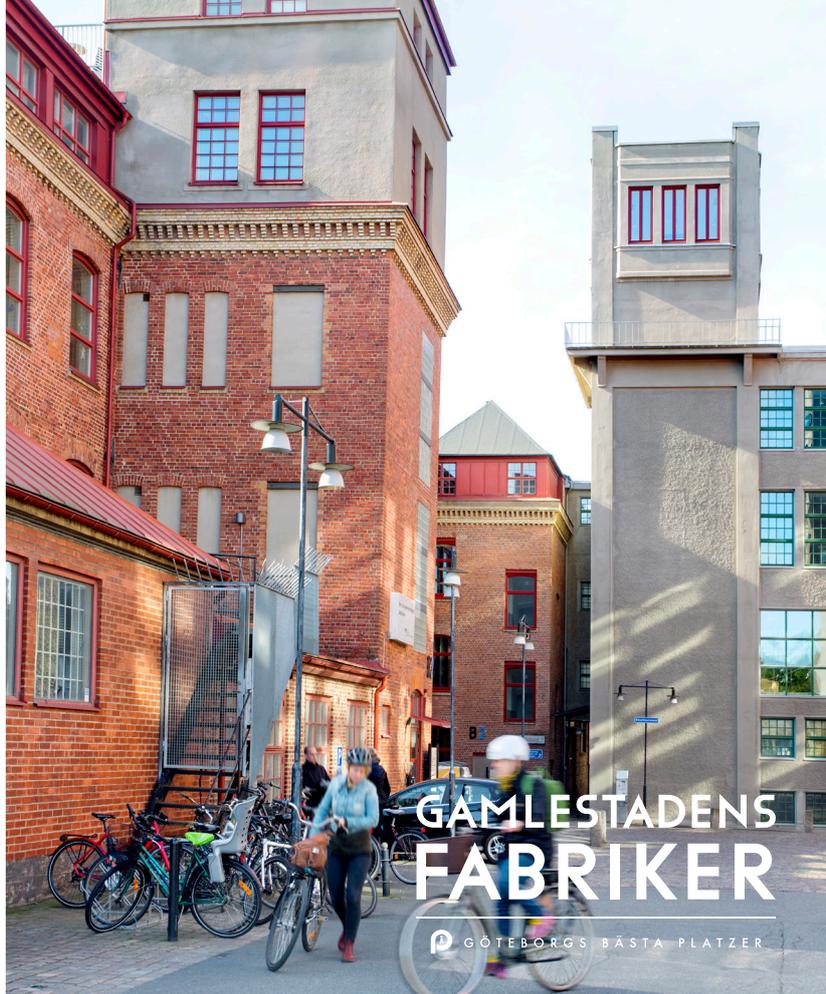
It is also important to ensure that the businesses currently operating in the area which have become successful are able to continue to develop. These areas must be able to grow alongside the stakeholders already present, and vice versa.

## Dialogue and cooperation

In this process it is essential to maintain a good and close dialogue with the existing tenants. They are the ones making each district unique. But the process also involves cooperation with other stakeholders in order to create new things together. Gamlestaden offers exciting opportunities for connecting Platzer's properties at Gamlestadens fabriker, Gamlestads torg and Bagaregården with Slakthusområdet (Slaughterhouse District), which is owned by other property owners.

Work on developing Gamlestaden is at a slightly more advanced stage than that of Almedals Fabriker and the area is also significantly larger. This means that we will have a lot of experience to draw on when we start the planning work in autumn 2019. As the property owner, we have a lot of scope for influencing planning because the City of Gothenburg has chosen Almedals Fabriker as one of five pilot projects in which developers are more involved in the process of creating a detailed development plan. This gives us an opportunity to contribute to a larger extent to the preparatory work involved in the detailed development plan process.

	Year of construction	Existing lettable area, sq. m.	New area, floor area (gross), sq. m.	Cooperations
Almedals Fabriker	1870	8,500	20,000	Wallenstam, Svenska Hus
Gamlestadens Fabriker	1729	62,000	100-120,000	JM



# Comments Jan-Jun 2019

Comparative values for income statement items refer to the corresponding period in the previous financial year and for balance sheet items as at 31 December 2018.

## Results

Income from property management in the first half of the year amounted to SEK 297 million (251), corresponding to an increase of 18%. Income from property management per share amounted to SEK 2.48 (2.10). Changes in the value of properties in the period amounted to SEK 747 million (504), while changes in the value of financial instruments totalled SEK -209 million (-4) and SEK -93 million (-) for unrealised changes in value of financial agreements. Profit after tax for the period amounted to SEK 560 million (649), corresponding to a decrease of 14%, which was due to the decrease in the unrealised value of financial instruments.

## Rental income

Rental income for the period increased to SEK 553 million (513), up by 8%. The increase was primarily due to completed property transactions and completion of projects. As at 30 June 2019, annualised rental income from existing leases was estimated at SEK 1,148 million (1,071). The economic occupancy rate for the period was 94% (95).

## Property costs

Property costs for the first half of the year amounted to SEK -139 million (-134). Property costs were on a par with costs in the previous year despite the property portfolio being bigger. This was primarily due to lower costs for corrective maintenance. Property operating expenses and maintenance costs are subject to seasonal variations. Costs in the first and fourth quarter are normally higher than in the second and third quarters, primarily due to utility costs and snow clearance costs.

## Operating surplus

The operating surplus for the period amounted to SEK 414 million (379), corresponding to an increase of 9%. The surplus ratio was 75% (74). The investment yield for the properties was 4.4% (4.8).

## Central administration

Central administration expenses for the period amounted to SEK -28 million (-27). Central administration expenses were on a par with the same period in the previous year. At the end of the period, the number of employees was 81, up from 74 as at 30 June 2018.

## Share of profit of associates

Platzer owns 20% of SFF Holding AB and, since 31 December 2017, 50% of Kommanditbolaget Biet. Share of profit of associates for the period amounted to SEK 1 million (1).

## Net financial income/expense

Net financial expense for the period amounted to SEK -90 million (-102). Borrowings increased by SEK 1.7 billion compared with the same period in the previous year. The loans were used to finance ongoing projects and net acquisitions. The fact that interest expenses were not higher was due to the restructuring of interest rate derivatives carried out in December 2018. This resulted in the realisation of a deficit

of SEK 239 million and the average interest rate decreased by 0.6 percentage points at the time of the transaction. At the end of the period, the average interest rate, including the effects of derivative instruments, was 1.86% (2.43).

## Tax

Tax expense for the period amounted to SEK -182 million (-102). Property disposals which give rise to realised capital gains/losses are normally conducted as company divestments. In June 2018, the Swedish Parliament passed a decision on "New taxation regulations for the corporate sector", which include a limit on interest expense deductions in accordance with EU directives. The amended legislation came into force on 1 January 2019 and means that deductions for interest expenses will be limited to 30% of taxable EBITDA, while corporation tax will be reduced in two stages, to 21.4% with effect from 2019 and to 20.6% from 2021. The change is expected to have a limited effect on the tax paid by Platzer based on its current financial performance. Some tax lock-in effects may occur in some subsidiaries. The decision means that deferred tax that is expected to be due in 2021 or later will now be calculated using the tax rate 20.6%.

## Cash flow

Cash flow from operating activities for the period amounted to SEK 174 million (145). Income tax paid amounted to SEK 69 million, of which SEK 40 million comprised monetary settlement of previous years' taxes. Investments in existing properties amounted to SEK 407 million (277). No property acquisitions or sales were carried out in the six months to end-June 2019. Cash flow for the period amounted to SEK 99 million (-19). Cash and cash equivalents totalled SEK 256 million (122) as at the balance sheet date. In addition to cash and cash equivalents, as at 30 June 2019 the company had unutilised credit facilities and overdraft facilities of SEK 1,618 million, SEK 1,518 million of which comprised construction loans.

## Investment properties and changes in the value of properties

The properties were recognised at a fair value of SEK 19,542 million (16,118), 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. At each year-end, Platzer also carries 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. The purpose of the external valuation is to provide quality assurance of the internal valuation. The investment properties are valued within level 3 in the IFRS 13 fair value hierarchy.

The internal property valuation for the period showed a change in the value of investment properties of SEK 747 million (504). Increased market rents and new and renegotiated leases accounted for 50% of the change in value. Approximately 40% was attributable to property and project development and the remaining 10% was due to lower required yields in the market. Because each property is valued individually, the portfolio premium that can occur in the

market has not been taken into account. The average yield requirement in the valuation at the balance sheet date was 5.1%, compared with 5.2% as at 31 December 2018, which was due to unchanged market yields.

Platzer has previously concluded agreements for 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. Currently, this is expected to take place in late 2019 or early 2020. The transaction will be implemented in three stages, with the first completion expected in 2020. The received down payment of a total of SEK 103 million is 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 1.7 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 e.g. 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 Platzer's 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 to boost equity by SEK 6-7 per share.

No property acquisitions or sales were carried out in the first six months of this year. In April we passed a resolution to transfer 50% of Gårda 2:12 to Länsförsäkringar Göteborg och Bohuslän when the Gårda Vesta project is finished, which is expected to be in 2021. Investments in existing properties in the period amounted to SEK 407 million (291), with the largest single investment involving the new build project Gårda Vesta (Gårda 2:12).

#### Equity

Consolidated equity amounted to SEK 7,645 million (7,288) as at 30 June 2019, after dividend of SEK 1.70 per share. The equity/assets ratio as at the reporting date was 38% (38). Equity per share as at the reporting date stood at SEK 63.26 (60.34), while the long-term net asset value (EPRA NAV) was SEK 75.73 kr (69.54).

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

As at the reporting date, interest-bearing liabilities amounted to SEK 10,159 million (9,817), which corresponded to a loan-to-value ratio of 52% (53). 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.

In addition, Platzer is borrowing SEK 1,529 million through six green bond issues via Svensk Fastighetsfinansiering (SFF). A total of 46% of our outstanding debt comprises green bonds and loans.

Platzer also has a commercial paper programme with a framework amount of SEK 2 billion. As at the balance sheet date, outstanding commercial paper amounted to SEK 450

million. The average fixed interest term, including the effect of derivatives contracts, was 3.7 years (4.1) as at 30 June 2019, excluding agreements with forward start dates of 4.0 years (3.7). The average loan term was 2.5 years (2.2).

In order to achieve the desired fixed interest rate structure the company uses interest rate derivatives in the form of interest rate swaps, which are recognised at fair value in the balance sheet, while gains/losses are recognised through profit or loss without applying hedge accounting. Platzer has concluded derivative contracts totalling SEK 5,370 million (5,120), of which SEK 350 million are swaps with forward start dates.

The derivatives portfolio was restructured in December 2018, resulting in the realisation of a deficit of SEK 239 million. This was implemented in order to lower the average interest rate in the debt portfolio and to achieve a more even distribution of the maturity dates of derivatives contracts. The market value as at 30 June 2019 was SEK 235 million in the red (26), which corresponded to a change in value of SEK -209 million for the period. Only realised changes in value 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.

The financial assets and liabilities that are 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 fair value of non-current, interest-bearing liabilities is equivalent to their carrying amount because the discounting effect is not significant when the interest rate on the loans is variable and in line with market rates.

#### Personnel and organisation

At the end of the reporting period, the number of employees stood at 81 (79 refers to 31 December 2018). Platzer's property portfolio is organised into two market segments with responsibility for daily operation and management, as well as development of properties. The market segments are supported by two operational specialist units: Project development and Lettings. Platzer's Group and staff functions comprise the CEO, finance and accounting, HR, communication/marketing and sustainability/procurement.

#### 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.

#### Significant risks and uncertainty factors

The property business, as all businesses, is always exposed to risks. Good internal controls and audits performed by external auditors, well-functioning administrative systems and policies, as well as proven procedures for property valuations are among the methods used by Platzer to manage and reduce risks. The main risks and uncertainties that affect Platzer have not changed over the year, and they are described in detail in the Annual Report for 2018 on pages 60-64 and 78-79.

### Related party transactions

The company's ongoing related party transactions are described in the Annual Report for 2018, page 91. Aside from these agreements and those shown below under the heading "Significant events after the end of the reporting period", there were no significant transactions with related parties.

The Annual General Meeting on 26 April 2018 passed a resolution to transfer, on special terms and conditions, 50% of Gårda 2:12 to Länsförsäkringar Göteborg och Bohuslän when the Gårda Vesta project is finished, which is expected to be in 2021. The agreement on the transfer and a lease for premises was concluded on 11 April 2019, in accordance with the decision by the Annual General Meeting.

### 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 RFR2. As of 1 January 2019, the Parent Company also applies IFRS 16 Leases. The transition has not had an impact on the Parent Company's financial performance and position. As of 1 January 2019, the Group applies the following new standards: IFRS 16 Leases, which replaces IAS 17 Leases and related interpretations IFRIC 4, SIC-15 and SIC-17. The standard will have an impact on lessees, who will no longer be able to make a distinction between operating and financial leases. This means that operating leases too must be recognised in the balance sheet, with the exception of leases with a term of less than 12 months or where the underlying asset is of low value. Accounting requirements for lessors will be substantially unchanged. IFRS 16 will impact the way the Group accounts for leases where the company is the lessee. Platzer has chosen to apply the simplified approach to transition, which means that IFRS 16 is not applied retrospectively and comparative information is not restated. Those of the Group's leases that will see the biggest impact are ground leases. These ground leases are recognised in the balance sheet as "Right of use assets, leasehold". The corresponding lease payments are recognised as lease liabilities. The ground lease costs are recognised as a financial expense. Income from property management is therefore not affected. When calcu-

lating the interest coverage ratio, the ground lease costs are added back as operating costs in line with accounting under the previous standard.

Other new or amended standards from IFRS are not judged 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

No significant events after the end of the reporting period.

### Interim report 1 January - 30 June 2019

This Interim Report has not been reviewed by the company's auditors.

The Board of Directors and the CEO hereby confirm that the Interim Report, to the best of their knowledge, offers a fair presentation of the activities, position and financial performance of the Parent Company and of the Group, and describes the material risks and uncertainties that the Parent Company and the companies that form part of the Group face.

Gothenburg, 9 July 2019

Platzer Fastigheter Holding AB (publ)

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



**Cykelfest**

Vi välkomnar alla våra hyresgäster på en mini-stadsfest med kaffe, glass och cykelfix!

Cykelfix: 8:00-17:00

Kaffe och glass: 12:00-14:00

Varmt välkommen! //Platzer

**Om Bike Fixx**

**platzer**

Bike Festival at Gamlestads torg  
 A mini festival arranged in May in our districts  
 Gamlestaden, Lindholmen, Arendal, Krokslätt och Gårda.

## Consolidated

# Income statement

CONDENSED

SEK million	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec	2018/2019 Jul-Jun
Rental income	276	254	553	513	1,044	1,084
Property costs	-66	-62	-139	-134	-263	-268
<b>Operating surplus</b>	<b>210</b>	<b>192</b>	<b>414</b>	<b>379</b>	<b>781</b>	<b>816</b>
Central administration	-14	-13	-28	-27	-50	-51
Share of profit of associates	1	1	1	1	5	5
Net financial income/expense <sup>1)</sup>	-48	-52	-90	-102	-205	-193
<b>Income from property management (including associates)</b>	<b>149</b>	<b>128</b>	<b>297</b>	<b>251</b>	<b>531</b>	<b>577</b>
Change in value, investment properties	328	155	747	504	1,311	1,554
Change in value, financial instruments	-111	-10	-209	-4	12	-193
Changes in value, financing agreements	-2	-	-93	-	-19	-112
<b>Profit before tax</b>	<b>364</b>	<b>273</b>	<b>742</b>	<b>751</b>	<b>1,835</b>	<b>1,826</b>
Tax on profit for the period	-77	3	-182	-102	-324	-404
<b>Profit for the period <sup>2)</sup></b>	<b>287</b>	<b>276</b>	<b>560</b>	<b>649</b>	<b>1,511</b>	<b>1,422</b>
<b>Profit for the period attributable to:</b>						
Parent company's shareholders	285	275	553	647	1,503	1,409
Non-controlling interests <sup>3)</sup>	3	1	8	2	8	14
Earnings per share <sup>4)</sup>	2.37	2.30	4.61	5.40	12.55	11.76

<sup>1)</sup> Net financial income/expense includes ground lease costs totalling SEK 0.3 million (-) for the period.

<sup>2)</sup> The Group had no 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 minority interest in jointly owned companies where Platzer holds the controlling interest.

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

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

## Consolidated

# Balance sheet

CONDENSED

SEK million	30 Jun 2019	30 Jun 2018	31 Dec 2018
<b>Assets</b>			
Investment properties	19,542	16,118	18,388
Right of use assets, leasehold	30	-	-
Other non-current assets	14	10	14
Non-current financial assets	148	121	144
Current assets	101	160	115
Cash and cash equivalents	256	122	355
<b>Total assets</b>	<b>20,091</b>	<b>16,531</b>	<b>19,016</b>
<b>Equity and liabilities</b>			
Equity	7,645	6,432	7,288
Deferred tax liability	1,272	885	1,122
Non-current interest-bearing liabilities	9,121	4,217	5,762
Lease liability	29	-	-
Other non-current liabilities	654	367	355
Current interest-bearing liabilities	1,038	4,257	4,055
Other current liabilities	332	373	434
<b>Total equity and liabilities</b>	<b>20,091</b>	<b>16,531</b>	<b>19,016</b>

## Consolidated

# Statement of changes in equity

CONDENSED

SEK million	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
<b>Equity attributable to the Parent Company's shareholders</b>			
At the beginning of the period	7,230	5,907	5,907
Reversal, share incentive plan	-	1	1
Adjustment of issue costs*	-	-	-2
Comprehensive income for the period	553	647	1,504
Dividend	-204	-180	-180
<b>At the end of the period</b>	<b>7,579</b>	<b>6,375</b>	<b>7,230</b>
<b>Equity attributable to non-controlling interests</b>			
At the beginning of the period	58	55	55
Withdrawals	-	-	-4
Comprehensive income for the period	8	2	7
<b>At the end of the period</b>	<b>66</b>	<b>57</b>	<b>58</b>
<b>Total equity</b>	<b>7,645</b>	<b>6,432</b>	<b>7,288</b>

\*) Refers to issue costs from 2016.

## Change in the value of properties

SEK million	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
<b>Value of properties, opening balance</b>	<b>18,388</b>	<b>15,559</b>	<b>15,559</b>
Investments in existing properties	407	291	723
Property acquisitions	-	-	1,031
Property sales	-	-236	-236
Changes in value	747	504	1,311
<b>Value of properties, closing balance</b>	<b>19,542</b>	<b>16,118</b>	<b>18,388</b>

# Consolidated Cash Flow Statement

CONDENSED

SEK million	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec	2018/2019 Jul-Jun
<b>Operating activities</b>						
Operating surplus	210	192	414	379	781	816
Central administration	-15	-12	-28	-25	-48	-51
Net financial income/expense	-47	-51	-90	-101	-205	-194
Income tax	16	-10	-69	-37	-55	-87
<b>Cash flow from operating activities before changes in working capital</b>	<b>164</b>	<b>119</b>	<b>227</b>	<b>216</b>	<b>473</b>	<b>484</b>
Change in current receivables	-4	20	46	-21	-6	61
Change in current liabilities	-137	-66	-99	-50	76	27
<b>Cash flow from operating activities</b>	<b>23</b>	<b>73</b>	<b>174</b>	<b>145</b>	<b>543</b>	<b>572</b>
<b>Investing activities</b>						
Investments in existing investment properties	-168	-170	-407	-277	-708	-838
Acquisitions of investment properties	-	-	-	-	-1,031	-1,031
Disposals of investment properties	-	208	-	214	214	-
Acquisition/disposal of shares in companies	-	-	-	-	224	224
Other investments	-	-	-	-1	-7	-6
<b>Cash flow from investing activities</b>	<b>-168</b>	<b>38</b>	<b>-407</b>	<b>-64</b>	<b>-1,308</b>	<b>-1,651</b>
<b>Financing activities</b>						
Changes in non-current receivables	22	-4	22	-3	-21	4
Change in interest-bearing liabilities	203	-23	342	83	1,426	1,685
Changes in non-current liabilities	-26	-	-26	-	-246	-272
Dividend	-204	-180	-204	-180	-180	-204
<b>Cash flow from financing activities</b>	<b>-5</b>	<b>-207</b>	<b>134</b>	<b>-100</b>	<b>979</b>	<b>1,213</b>
<b>Cash flow for the period</b>	<b>-150</b>	<b>-96</b>	<b>-99</b>	<b>-19</b>	<b>214</b>	<b>134</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>406</b>	<b>218</b>	<b>355</b>	<b>141</b>	<b>141</b>	<b>122</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>256</b>	<b>122</b>	<b>256</b>	<b>122</b>	<b>355</b>	<b>256</b>

The Group has an unutilised overdraft facility of SEK 100 million (100) and unutilised construction loans of SEK 1,518 million (1,705).

## Parent Company

# Income statement

CONDENSED

SEK million	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Net sales	8	9	16
Operating expenses	-7	- 10	-15
Net financial income/expense	-21	- 51	-100
Change in value, financial instruments	-209	- 4	12
<b>Profit before tax and appropriations</b>	<b>-229</b>	<b>- 56</b>	<b>-88</b>
Appropriations	-	-	337
Tax	49	12	-55
<b>Profit for the period <sup>1)</sup></b>	<b>-180</b>	<b>- 44</b>	<b>194</b>

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

## Parent Company

# Balance sheet

CONDENSED

SEK million	30 Jun 2019	30 Jun 2018	31 Dec 2018
<b>Assets</b>			
Participations in Group companies	1,886	1,844	1,877
Other non-current financial assets (primarily financing of Group companies)	2,227	2,422	2,413
Receivables from Group companies	676	1,140	1,086
Other current assets	63	40	40
Cash and cash equivalents	5	5	6
<b>Total assets</b>	<b>4,857</b>	<b>5,451</b>	<b>5,422</b>
<b>Equity and liabilities</b>			
Equity	2,281	2,430	2,665
Untaxed reserves	50	50	50
Non-current liabilities	2,068	959	768
Current liabilities	458	2,012	1,939
<b>Total equity and liabilities</b>	<b>4,857</b>	<b>5,451</b>	<b>5,422</b>

# Key performance indicators, Group

	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec	2018/2019 Jul-Jun
<b>Financial</b>				
Debt/equity ratio (multiple)	1.3	1.3	1.3	1.3
Interest coverage ratio (multiple)	4.3	3.5	3.6	4.0
Loan-to-value ratio, %	52	53	53	52
Equity/assets ratio, %	38	39	38	38
Return on equity, %	11.0	12.7	22.9	20.4
<b>Property-related</b>				
Investment yield, %	4.4	4.8	4.7	4.6
Surplus ratio, %	75	74	75	75
Economic occupancy rate, %	94	95	95	94
Rental value, SEK/sq. m.	1,449	1,391	1,378	1,413
Lettable area, sq. m. (thousand)	828	784	821	828

For definitions and calculations of Key Performance Indicators, please see pages 30-31.

## Segment reporting Jan-Jun

	Central Gothenburg		South/West Gothenburg		North/East Gothenburg		Project properties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>SEK million</b>										
Rental income	232	202	37	43	274	256	10	12	553	513
Property costs	-51	-45	-8	-10	-76	-74	-4	-5	-139	-134
<b>Operating surplus</b>	<b>181</b>	<b>157</b>	<b>29</b>	<b>33</b>	<b>198</b>	<b>182</b>	<b>6</b>	<b>7</b>	<b>414</b>	<b>379</b>
Investment properties, fair value	9,850	7,422	974	943	7,395	6,255	1,323	1,498	19,542	16,118
Of which investments/ acquisitions/disposals/ changes in value over the year	719	268	28	-169	171	159	236	301	1,154	559

In the Group's internal reporting, activities are divided into the segments shown above.

The total operating surplus above is the same as the operating surplus reported in the income statement. The difference between the operating surplus of SEK 414 million (379) and profit before tax of SEK 742 million (751) consists of central admin-

istration expenses of SEK -28 million (-27), net financial expense, including share of profit/loss of associates, of SEK -89 million (-101) and changes in the value of property and financial instruments of SEK 538 million (500) and SEK -93 million (0) for unrealised changes in value of financial agreements.

# Interest-bearing liabilities

Year	Interest maturity		Loan maturity	
	Loan amount, SEK million	Average interest, %	Credit agree- ments, SEK m	Utilised, SEK m
2019	4,848	1.33	1,288	1,039
2020	500	1.87	3,282	3,282
2021	291	1.33	3,297	3,297
2022	-	-	938	938
2023	300	2.22	970	970
2024	300	2.18	-	-
2025	520	2.25	-	-
2026	850	2.37	-	-
2027	920	2.48	-	-
2028	1,380	2.63	634	634
2029	250	2.16	-	-
<b>Total</b>	<b>10,159</b>	<b>1.86</b>	<b>10,408</b>	<b>10,159</b>

Pledged assets as at 30 June 2019 amounted to SEK 8,188 million (SEK 7,672).

Contingent liabilities as at 30 June 2019 amounted to SEK 8 million (8).

## Quarterly Summary

SEK million	2019		2018				2017	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Rental income	276	277	276	255	254	259	251	247
Property costs	-66	-73	-70	-59	-62	-72	-78	-60
<b>Operating surplus</b>	<b>210</b>	<b>204</b>	<b>206</b>	<b>196</b>	<b>192</b>	<b>187</b>	<b>173</b>	<b>187</b>
Central administration	-14	-14	-15	-8	-13	-14	-17	-8
Share of profit of associates	1	0	5	1	1	0	22	0
Net financial income/expense	-48	-42	-51	-52	-52	-50	-49	-49
<b>Income from property management (incl. associates)</b>	<b>149</b>	<b>148</b>	<b>144</b>	<b>137</b>	<b>128</b>	<b>123</b>	<b>129</b>	<b>130</b>
Change in value, investment properties	328	419	588	219	155	349	841	113
Change in value, financial instruments	-111	-98	-30	46	-10	6	1	10
Unrealised changes in value, financing agreements	-2	-91	-19					
<b>Profit before tax</b>	<b>364</b>	<b>378</b>	<b>683</b>	<b>402</b>	<b>273</b>	<b>478</b>	<b>971</b>	<b>253</b>
Tax on profit for the period	-77	-105	-135	-87	3	-105	-211	-52
<b>Profit for the period</b>	<b>287</b>	<b>273</b>	<b>548</b>	<b>315</b>	<b>276</b>	<b>373</b>	<b>760</b>	<b>201</b>
Investment properties	19,542	19,046	18,388	17,570	16,118	16,015	15,559	14,533
Investment yield, %	4.4	4.4	4.8	4.7	4.8	4.7	4.6	5.2
Surplus ratio, %	76	74	75	77	76	72	69	76
Economic occupancy rate, %	94	94	95	94	95	95	97	94
Return on equity, %	8.3	8.7	12.9	9.8	8.1	10.8	18.8	9.8
Equity per share, SEK	63.26	62.65	60.34	55.81	53.21	52.47	49.36	43.04
Long-term net asset value (EPRA NAV) per share, SEK	75.73	73.58	69.54	65.71	62.85	62.22	58.39	50.70
Share price, SEK	86.00	76.50	59.50	62.30	58.50	52.40	52.00	50.75
Earnings after tax per share, SEK	2.37	2.24	10.11	2.63	2.30	3.11	6.31	1.63
Cash flow from operating activities per share, SEK	0.19	1.26	1.47	1.85	0.61	0.60	0.77	1.19

# Rental and property market in Gothenburg

According to Riksbanken, the international economic climate is characterised by a certain amount of apprehension about the ongoing trade conflict between the USA and a number of other countries, structural problems in the European banking sector, problems relating to weak public finances in many European countries and Brexit.

These developments, in turn, are affecting the Swedish manufacturing industry, as evidenced by the Swedish National Institute of Economic Research (Konjunkturinstitutet) barometer, which slipped to 98.1 from 99.4 in June. The economic sentiment indicator points to normal/strong confidence in the Swedish economy. In June, the Swedish National Institute of Economic Research (Konjunkturinstitutet) forecast that Sweden's GDP will grow by 1.8% this year.

Growth in employment is expected to continue, albeit at a slower rate. Unemployment is expected to bottom out at 6.3% in autumn 2019 and then increase slightly next year. Wage development is predicted to be moderate and inflation subdued. Many observers believe that the Swedish central bank Riksbanken will not continue to raise the repo rate in line with its forecast and that no further increases in the repo rate will take place in 2019. However, access to capital, and also the willingness to invest, particularly among foreign investors, are expected to remain good.

In Gothenburg the economy remains stable but is no longer booming. The labour market remains strong. Wages increased by 5.5% in the first quarter and jobs grew by 2.8%, twice as much as the national average. In May, unemployment in Gothenburg was 5.3 per cent. This was the lowest level since the financial crisis. The motor industry saw a strong start to the year but is forecasting a weaker second half. Industries which are expected to continue to show strong growth in the autumn are IT services, business services and wholesalers.

In the longer term, the Gothenburg region is expected to continue to see strong growth – primarily thanks to major public investment in infrastructure and continued urbanisation. In turn, this contributes to a good rental and property market. Gothenburg is currently in the midst of its most expansive period for the last 50 years.

## Rental market

The vacancy rate for offices in Gothenburg remains at historically low levels even though it has started to creep up slowly. In the first quarter, the vacancy rate rose from 3.6% till 4.0%. The increase was most noticeable in the central parts of

Gothenburg. The increase was primarily due to the increase in supply due to new production. This could also be seen in the increased lettings volume for office space.

Rent levels in Gothenburg have remained more or less unchanged since the beginning of 2018. The areas that reported a small increase in rents were Central Business District (CBD) and Norra Älvstranden. Areas with large volumes of new production of modern office space are also expected to see a more positive development in rents in the coming year. One such area is East Gothenburg, which includes Gamlestadens, where new production has caused rents to double.

New production in the coming year will probably lead to more relocations and will better meet tenants' need for modern premises that make effective use of space. Together with continued low supply of modern office space in good locations, this means the conditions are good for a positive rental market in 2019.

Demand for logistics facilities remained strong in the first half of 2019. Demand was mostly driven by growing online sales volumes and the fact that consumers require shorter delivery times, which means having more, and more efficient, facilities closer to the end customer. In the USA and the UK, customers are currently offered delivery within a few hours. Everything suggests that Sweden will see the same development.

Torslanda and Arendal offer the best logistics location in Sweden with access to roads, railways and the largest port in the Nordic region. Including the overall cost of logistics, 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 prime location in Gothenburg is currently almost SEK 700/sq. m. Vacancy rates for logistics facilities in Class A locations in Gothenburg stood at 2% at the end of 2018 and are expected to remain at 2% in 2019. The vacancy rates in Sweden for logistics facilities are generally low, which is due to the fact that fewer logistics facilities are being built as speculative projects than in the rest of Europe.

## Property market

In the first five months of this year, property transactions worth SEK 59 billion took place in Sweden, compared with SEK 45 billion in the corresponding period in 2018. The number of transactions has been lower in 2019, however.

The largest transactions in Gothenburg in the second quarter were Platzer's sale of 50% of Gårda Vesta and Balder's acquisition of a mixed portfolio comprising hotels, offices, logistics facilities and housing.

Sources: Riksbanken, BRG, JLL and Newsec

Demand for centrally located office properties with secure cash flows is expected to remain good. Yield requirements are therefore expected to remain at the present low levels for the rest of 2019.

Demand for logistics facilities is also reflected in the transaction market, where yield requirements in recent years have fallen by around one percentage point to between 4.50%

and 4.75% for newly built logistics facilities in Torslanda and Arendal. According to Newsec, yield requirements are expected to remain at the same level in 2019.

#### Office space data by geographical area

Area	Prime Rent, SEK/sq m/year		Prime yield, %	
	Q1 2019	Q1 2018	Q1 2019	Q1 2018
Central Business District (CBD)	3,500	3,300	4.00	4.00
City centre excl. CBD	2,600	2,600	4.25	4.75
Norra Älvstranden	2,700	2,600	4.25	4.50
Hisingen, other	2,000	2,000	5.50	5.50
Mölnadal	2,000	2,000	5.75	6.00
West Gothenburg	1,200	1,200	6.50	6.75
East Gothenburg	2,500	2,500	5.00	6.00

Area	Vacancy rate	Vacancy rate	Change in percentage points 2018-2019
	Q1 2019, %	Q1 2018, %	
Central Business District (CBD)	3.10	1.50	1.60
City centre excl. CBD	2.30	2.70	-0.40
Norra Älvstranden	1.60	0.90	0.70
Hisingen, other	5.60	4.80	0.80
Mölnadal	8.50	9.00	-0.50
West Gothenburg	10.30	10.30	0.00
East Gothenburg	5.70	5.40	0.30
<b>Totalt</b>	<b>4.00</b>	<b>3.60</b>	<b>0.40</b>

Source: JLL

# Letting and property management

Platzer owns and develops commercial properties in the Gothenburg area. The properties can be divided into three geographical areas: Central Gothenburg (Centre, Gårda, Almedal and Gullbergsvass), South/West Gothenburg (Högsbo and Mölndal) and North/East Gothenburg (Backaplan, Gamlestaden, Lindholmen, Mölnlycke, Arendal and Torslanda). Platzer aims to be the leading player in all prioritised areas through profitable growth. Currently, the company is the leading player in Arendal, Gullbergsvass, Gårda, Gamlestaden and Högsbo.

## Property portfolio

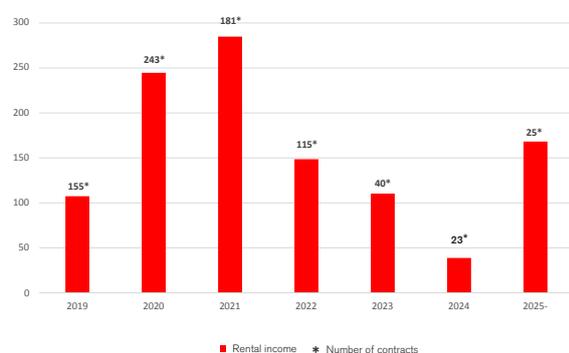
As at 30 June 2019, the property portfolio comprised 70 properties with a fair value of SEK 19,542 million. The property portfolio of 70 properties includes 23 project properties and 1 jointly owned property accounted for as an associate. The total lettable area was 828,848 sq. m., divided as follows: offices 54%, retail 2%, industrial/warehouses 31% and other 13%. The economic occupancy rate in the period was 94% (95).

## Rent development

Platzer has 782 lease agreements for non-residential premises generating total rental income of SEK 1,101 million on an annual basis. The biggest tenants include DFDS, DHL, the Swedish National Courts Administration, the Swedish Social Insurance Agency, the City of Gothenburg, HCL Technologies, the Swedish Migration Agency, Nordea, Plastal, Ramboll, Schenker, SSAB, Sveafjord and Zenuity. In addition to leases for non-residential premises there are parking agreements for indoor and outdoor parking, short-term parking, agreements for advertising signs and masts with a total rental value of SEK 47 million. The 20 largest lease agreements accounted for 32% of rental value, with leases with the largest tenant accounting for 11% of rental value. The largest lease accounted for 3% of the total value.

The average remaining term was 39 months. In addition, Platzer has concluded leases in new and refurbished projects for occupancy in 2019 - 2021.

Contract structure per year of maturity



## Net lettings

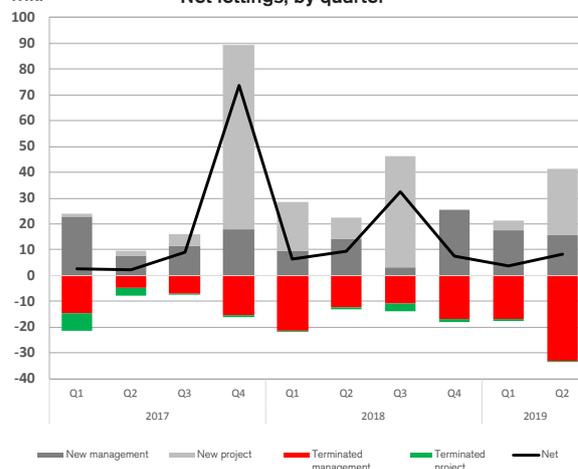
Net lettings in investment and project properties in the second quarter of 2019 amounted to SEK 18 million (9).

Lettings in investment properties totalled SEK 25 million (14) while notices of termination amounted to SEK -33 million (-12). The majority of notices of termination were attributable

to one of the Group's properties in Lilla Bommen, where a large tenant has opted to move out. This is a challenge for us, but also an opportunity to develop not only the property but the entire area. Work on this is already underway.

Lettings in project properties amounted to SEK 26 million (8). The largest leases were signed with Länsförsäkringar, which is moving into our project Gårda Vesta and Forsman & Bodenfors, which is moving to our jointly owned property at Skeppsbron, where a new building will be built on the site. We have issued information on these leases before. The lease agreement with the International English School in Södra Änggården is not included, because some conditions remain to be fulfilled. Notices of termination in project properties amounted to SEK 0 million (-1).

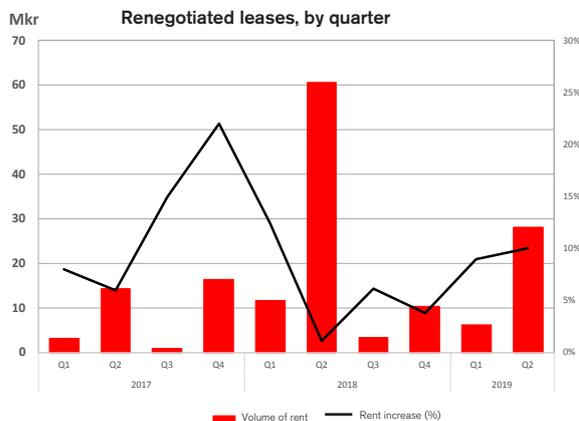
Net lettings, by quarter



## Renegotiated leases

In the second quarter of 2019, we renegotiated leases for a total volume of rent of SEK 28 million (61). The average increase in rent was 10% (1). The largest volume was attributable to a number of larger renegotiated leases for industrial and logistics facilities. The largest increases in rent were for properties in central locations in Gothenburg.

Renegotiated leases, by quarter



# Earning capacity

	Number of properties	Lettable area, sq. m.	Fair value, SEK million	Rental value, SEK million	Economic occupancy rate, %	Rental income, SEK million	Operating surplus, SEK million	Surplus ratio, %
Central Business District (CBD)	7	67,802	3,656	175	98	172	135	78
Other Inner City	17	162,154	6,194	336	95	318	249	78
<b>Central Gothenburg</b>	<b>24</b>	<b>229,956</b>	<b>9,850</b>	<b>511</b>	<b>96</b>	<b>490</b>	<b>384</b>	<b>78</b>
East Gothenburg	5	121,442	2,359	174	87	152	110	72
Norra Älvstranden/Backaplan	6	46,668	1,684	105	99	104	78	75
Hisingen, other	4	345,842	3,352	323	95	308	222	72
<b>North/East Gothenburg</b>	<b>15</b>	<b>513,952</b>	<b>7,395</b>	<b>602</b>	<b>94</b>	<b>564</b>	<b>410</b>	<b>73</b>
West Gothenburg	3	28,975	228	21	95	20	14	70
Möln dal	4	17,556	746	55	100	55	44	80
<b>South/West Gothenburg</b>	<b>7</b>	<b>46,531</b>	<b>974</b>	<b>76</b>	<b>99</b>	<b>75</b>	<b>58</b>	<b>77</b>
<b>Total investment properties</b>	<b>46</b>	<b>790,439</b>	<b>18,219</b>	<b>1,189</b>	<b>95</b>	<b>1,129</b>	<b>852</b>	<b>75</b>
<b>Project properties</b>	<b>23</b>	<b>38,409</b>	<b>1,323</b>	<b>27</b>	<b>70</b>	<b>19</b>	<b>9</b>	<b>-</b>
<b>Total Platzer</b>	<b>69</b>	<b>828,848</b>	<b>19,542</b>	<b>1,216</b>	<b>94</b>	<b>1,148</b>	<b>861</b>	<b>75</b>

The summary comprises the property portfolio as at 30 June 2019 and provides a snapshot of the company's earning capacity, which is not a forecast. Earning capacity does not include properties accounted for as associates.

In 2018, we decided to review our breakdown by district and now report income from our properties across a larger number of districts. The new division into districts is in line with the general geographical breakdown used by the property industry in Gothenburg, with the exception that we are reporting our properties at Backaplan together with Norra Älvstranden. We will continue to recognise our project properties as a separate segment, regardless of their geographical location in Gothenburg. Project properties include all our properties in Södra Änggården, where we are working on a new detailed development plan, which is expected to be legally binding by the end of 2019 or early 2020.

Rental value refers to rental income plus the estimated market rent for vacant premises in their existing 'as is' condition. The results-related columns include current leases, including for future occupancy over the next six months, if occupancy relates to existing properties. Leases for later occupancy or for properties currently under construction are not included.

Rental income refers to contracted rental income including agreed supplements, such as payments for heating and property taxes, and excluding limited period discounts of approximately SEK 22 million. The information in the table relating to rental value, income and operating surplus for project properties refers to the current situation, before project start. In addition to the table, the company has concluded leases for ongoing and future new build projects worth SEK 138 million in rental income, for occupancy throughout 2021 and 2022, as well as leases for investment properties worth SEK 31 million in rental income for occupancy in 2020. The lease agreement with the International English School in Södra Änggården is not included in above mentioned rental incomes. Since not all terms and conditions of this lease agreement have been achieved.

The operating surplus shows the properties' earning potential on an annual basis, defined as contracted rental income as at 1 July 2019. Deductions are made for estimated property costs including property administration for a normal year over a rolling 12-month period. Earning capacity provides a snapshot of the present situation and is not an assessment of changes in vacancy rates or leases.

# Property transactions

## Acquisitions

No acquisitions took place in the period.

## Disposals

In April, we concluded an agreement on the sale of 50% of Gårda Vesta to Länsförsäkringar Göteborg och Bohuslän when the project is finished, which is expected to be in 2021.

At the same time, Länsförsäkringar Göteborg och Bohuslän signed a lease for 5,360 sq. m. of office space in the property. Consequently, Gårda Vesta is now 80% pre-let.



Gårda Vesta, one of the highest office-buildings in Gothenburg

# Development projects

*Platzer develops both individual properties and entire districts of mixed-use development. Our current major development projects comprise a total of 55,000 sq. m. of lettable area, while potential development projects have a gross floor area (GFA) of around 700,000 sq. m. The total project volume is estimated at SEK 17 billion, of which SEK 10 billion comprises commercial property and SEK 7 billion housing.*

## Property development

Development of Gullbergsvass 5:10, where our head office is located, is continuing. The project comprises redevelopment of the entire building and upward extension of 1,600 sq. m. of new office space. The refurbishment will create efficient office space which together with the extension will provide plenty of space for services at ground floor level, thereby adding to the attractiveness of the area. The second quarter was successful and after the latest lease agreement the occupancy rate is 88%.

## Project development

### Gårda

Construction at Gårda Vesta (Gårda 2:12) is continuing apace and the building, which will be Gothenburg's tallest office block, is starting to become visible to everyone in the area and those travelling on the E6/E20 motorway. The building will have a total floor area of 27,000 sq. m., 16,000 sq. m. of which has already been let to the Swedish Tax Agency. In April, we signed a lease with Länsförsäkringar for 5,360 sq. m. for occupancy in the second quarter of 2021. Consequently, Gårda Vesta is now 80% pre-let.

Groundworks at Kineum, our other high rise project in Gårda, are proceeding according to plan and piling work has been completed. Kineum will house hotel operations, offices and other business activities. In 2018, we signed a lease with 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 to make southern Gårda a more vibrant district at all hours of the day and night. During construction we will share ownership 50-50 with NCC.

### Gullbergsvass

The area between Gothenburg central railway station and the river is undergoing rapid change. A lower design for the Hisingsbro bridge and an underpass for the E45 will create space for development. The inner city is expanding towards the river and an attractive area close to the water, within walking distance of the central railway station and featuring mixed-use development such as housing, offices and services, is taking shape. We have an option to buy two planning permissions, comprising a total GFA of 43,000 sq. m. for the site where the Götaälvbron bridge is located. Construction could potentially start in 2023/24.

## Property development

Property development involves development of existing investment properties. Development is undertaken either to adapt the property for a specific tenant or to change the use of the building in order to attract new tenants.

An example of such a project is Gullbergsvass 5:10, which has been transformed from a building with traditional office space to a flexible workplace for tenants with different requirements.

## Project development

Project development is characterised by new production. It refers to the entire process from idea to completed building. This type of development project normally takes between two and five years.

One example of project development is Gårda Vesta, which will become one of the largest buildings in Gothenburg. The building will have a total floor area of 27,000 sq. m.

## Urban development

Urban development means that we assume greater responsibility and contribute to the development of an entire district.

Sometimes we do this on our own, but just as often we work in collaboration with other property owners or stakeholders in the area. In the long term this helps to raise the value of our properties. Urban development projects require a long-term perspective and normally take five to ten years.

If a project has the potential for housing to create attractive urban environments, we develop building rights that are sold to cooperation partners. Aside from creating more vibrant areas, this contributes towards financing future projects. An example of urban development is Södra Änggården, which is being developed from an area of office and industrial space to a modern, mixed-use urban district.

### Centre of Gothenburg

At Skeppsbron we are joint owners with Bygg-Göta of the property Merkurhuset (Inom Vallgraven 49:1) and the associated planning permission. This offers an opportunity for construction of 7,000 sq. m. of office space. In June, we concluded a lease with the advertising agency Forsman & Bodenfors for 3,350 sq. m., which means we will now begin construction.

### Urban development

#### 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.

The detailed development plan was out for consultation in 2018. On the basis of the feedback received, the City Planning Office decided to divide up the detailed development plan in order to keep the process on schedule. The plan is now out for consultation again and is expected to be approved in 2019. Demolition and site preparation works are continuing as planned. At the end of June, we concluded a lease with the International English School (IES) in Södra Änggården. The lease is for 20 years and comprises approx. 9,000 sq. m. The lease is conditional on us finding a long-term owner for the property and on the detailed development plan becoming legally binding. Preliminary occupancy is scheduled for August 2022.

#### Gamlestad

Gamlestad is one of Gothenburg's most interesting districts and is also among the districts best served by public transport. 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 Gamlestad. In the autumn, work on the property Gamlestads torg (Gamlestad 740:132) was completed. The detailed development plan for the adjacent property Gamlestads Fabriker (Olskroken 18:7) is out for consultation. We have previously concluded an agreement on the sale of future planning permission 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. No decision has yet been taken on when to start work on the detailed development plan.

#### Backaplan

Backaplan is to be transformed from a retail park with large asphalted areas to a built up urban environment comprising housing, services, offices and retail. The plans include 7,000 new residential units and a commuter railway station. The detailed development plan is being prepared by the City of Gothenburg in collaboration with the property owners in the area. We own properties estimated to comprise planning permission for around 60,000 - 90,000 sq. m. of gross floor area (GFA) in Backaplan.

#### Torslanda/Arendal

Torslanda/Arendal is one of the best logistics locations in Sweden. We currently own 787,000 sq. m. of land in Torslanda, including planning permission under the detailed development plan for 190,000 sq. m. GFA for logistics and industrial facilities. These assets include an undeveloped site where we are planning a facility of around 10,000 sq. m. We also own land next to Volvo Torslanda. Here, we are planning to build warehouse and logistics facilities of between 10,000 - 90,000 sq. m.

#### Almedals Fabriker

Almedals Fabriker is a former industrial district located alongside the Mölndalsån river, just south of Liseberg. It was formerly home to one of Gothenburg's foremost textile industries. Today, the area contains a number of smaller businesses, many of which relate to the creative arts.

Platzer owns Almedals Fabriker with a potential planning permission for around 20,000 sq. m. of office space. Work on a detailed development plan has started, but was halted for a while due to the construction of the West Link railway tunnel. The City of Gothenburg has chosen Almedals Fabriker as one of five pilot projects in which developers are more involved in the process of creating a detailed development plan. The pilot project gives developers an opportunity to contribute to a larger extent to the preparatory work involved in the detailed development plan process. The aim is to reduce the total time spent on the project. Work on the detailed development plan will get underway in the third quarter of 2019.

Gullbergsvass 5:10, Kämpegatan 3-7. A property development project comprising refurbishment of the whole building and a 1,600 sq. m. extension.



## Major projects underway

Property	Type <sup>1)</sup>	Converted area, lettable area, sq. m.	New area, lettable area, sq. m.	Total inv. incl. land, SEK million <sup>2)</sup>	Of which outstanding inv., SEK million	Fair value, SEK million	Rental value, SEK million <sup>3)</sup>	Occupancy rate, %	Completed
Gullbergsvass 5:10	Property Dev.	11,900	1,600	552	113	718	45	88	Q2 2020
Gårda 2:12, Gårda Vesta	Project Dev.		27,000	1,050	620	649	79	80	Q4 2021
	Project Dev./								
Gårda 16:17, Kineum	Property Dev.	16,000	26,000	1,860	1,020	1,052	133	77 *	Q3 2022
<b>Total</b>		<b>27,900</b>	<b>54,600</b>	<b>3,462</b>	<b>1,753</b>	<b>2,419</b>	<b>257</b>		

## Potential development projects

Property	Type <sup>1)</sup>	Type of property	New floor area (gross) sq. m.	Project phase	Potential construction start <sup>4)</sup>
Gårda 4:11, Källhuset	Project Dev.	offices	2,000	detailed development plan available	2019
Sörred 7:21	Project Dev.	logistics/industry	30,000	detailed development plan available	2019
Syrhåla 3:1	Project Dev.	logistics/industry	60,000	detailed development plan available	2019
Sörred 8:12	Project Dev.	logistics/industry	90,000	detailed development plan available	2019
Arendal 764:720, Arendals kulle	Project Dev.	logistics/industry	11,000	detailed development plan available	2019
Olskroken 18:7, Gamlestadens Fabriker	Urban Dev./ /Property Dev.	mixed use development	100 - 120,000	detailed development plan in progress	2019
Södra Änggården (multiple properties and multiple development phases)	Urban Dev./ Project Dev.	mixed use development	approx. 200,000	detailed development plan in progress	2020
Krokslätt 34:13	Property Dev./	mixed use development	10-15,000	detailed development plan to commence 2019	2020/2021
Skår 57:14, Almedals fabriker	Project Dev.	offices	20,000	detailed development plan in progress	2021/2022
Backaplan (multiple properties)	Project Dev.	mixed use development	60-90,000	detailed development plan in progress	2022/2023
Bagaregården 17:26	Project Dev.	mixed use development	60,000	planning decision taken	2022
Gullbergsvass **	Project Dev.	offices/housing	43,000	detailed development plan available	2023/2024
<b>Total</b>			<b>686,000 - 741,000</b>		

## Jointly owned properties accounted for as associates

Property	Type <sup>1)</sup>	Type of property	New floor area (gross) sq. m.	Project phase	Potential construction start <sup>3)</sup>
Inom Vallgraven 49:1, Merkurhuset ***	Project Dev.	offices	7,000	construction start	2019

\*) The occupancy rate also includes existing buildings.

\*\*) Platzer does not currently own the land but has an option to acquire the land together with planning permission at the market rate.

\*\*\*) Will be accounted for as ongoing project as of Q3 2019.

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

1) See description on p. 23.

2) The total investment including land value includes the acquisition cost and investment in property development.

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

4) 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.

# Real estate inventory as at 30 June 2019

● Environmentally certified properties

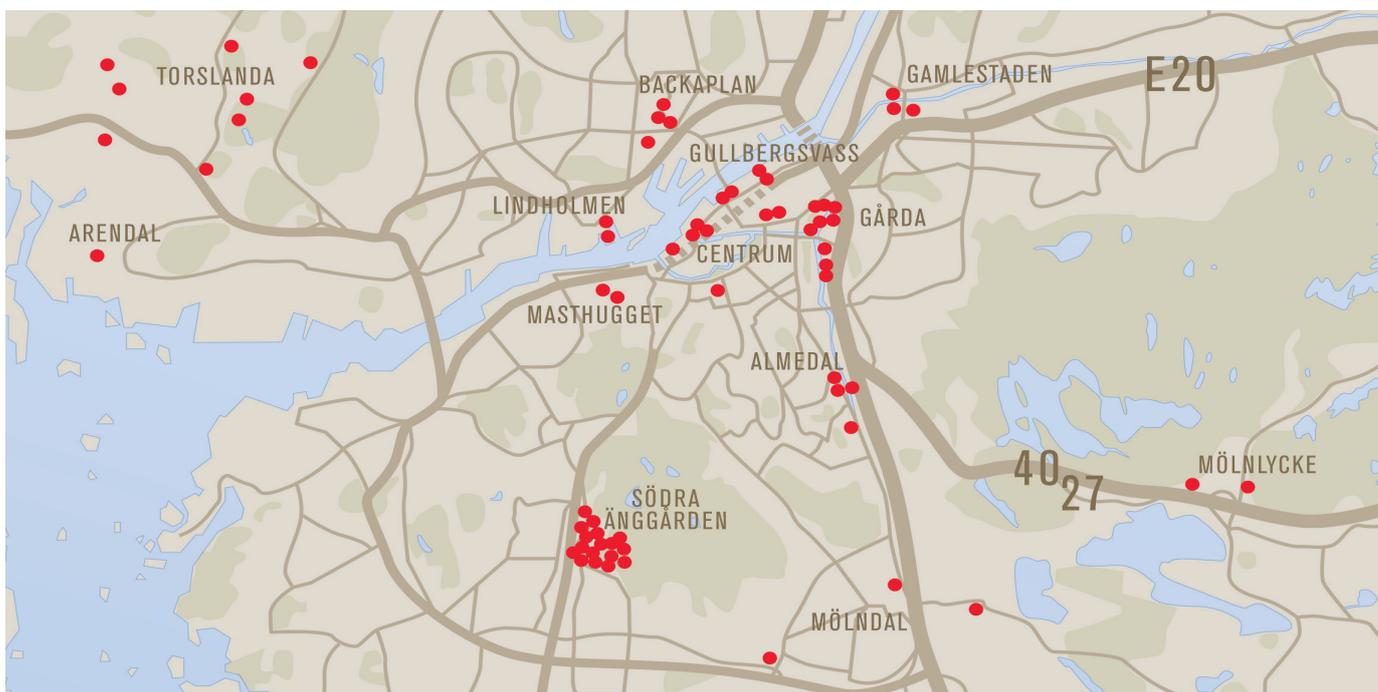
Investment property	Area	Address	Year of construction	Lettable area, sq. m.			Total	
				Offices	Retail	Industrial/warehouse		
● Krokslätt 148:13	Almedal	Mölnsdalsvägen 40-42	1952	2,581		616	20	3,217
● Krokslätt 149:10	Almedal	Mölnsdalsvägen 36-38	1952/98	7,008				7,008
● Skår 57:14	Almedal	Gamla Almedalsvägen 1-51	1929	8,286		119		8,405
● Krokslätt 34:13	Almedal	Mölnsdalsv 91-93 / Varbergsg 2 A-C	1950/88	11,005	725	1,308	375	13,413
● Arendal 764:720	Arendal	Arendal	1960/2009	79,301	68	208,397	4,200	291,966
● Backa 173:2	Backaplan	Deltavägen 4	1979	151	5,380	420		5,951
● Brämregården 35:4	Backaplan	Vågmästaregatan 1	1984/1991	12,370		222	855	13,447
● Tingstadsvassen 3:8	Backaplan	Krokegårdsgatan 5	1991	29	3,966	11	859	4,865
● Tingstadsvassen 4:3	Backaplan	Motorgatan 2	1943/1986	517	3,268			3,785
● Lorensberg 62:1	City centre	Götabergsgatan 17	1932/1965	4,541				4,541
● Nordstaden 13:12	City centre	Packhusplatsen 6 / N Hamngatan 2	1929/1993	5,070				5,070
● Nordstaden 14:1	City centre	Postgatan 5 / Smedjegatan 2	1993/1995	8,705				8,705
		Packhusplatsen 3 / Kronhusgatan 1A /						
● Nordstaden 20:5	City centre	Postgatan 2A	1943	2,537		53		2,590
● Stampen 4:42	City centre	Odinsgatan 8-10 / Barnhusgatan 1	2009	5,769			2,847	8,616
		Polhemsplatsen 5-7 / Odinsgatan 2-4 /						
● Stampen 4:44	City centre	Burggrevegatan 9-11	1930	13,595				13,595
● Bagaregården 17:26	Gamlestaden	Gamlestadsvägen 3 / Byfogdegatan 1-3, 11	1941/2010	24,992	365	7,010	2,555	34,922
	Gamlestaden 740:132	Gamlestads torg	2018	13,523	1,776	642	262	16,203
	Olskroken 18:7	Gamlestadsvägen 2-4	1729/1960	42,008	102	6,842	13,289	62,241
	Gullbergsvass/							
● Gullbergsvass 1:1	Lilla Bommen	Lilla Bommen 3	1988	16,003				16,003
	Gullbergsvass/							
● Gullbergsvass 1:17	Lilla Bommen	Lilla Bommen 8	1993	5,400				5,400
	Gullbergsvass/							
● Gullbergsvass 5:10	Lilla Bommen	Kämpegatan 3-7	1988	12,526		364	463	13,353
	Gullbergsvass/							
● Gullbergsvass 5:26	Lilla Bommen	Kilsgatan 4	2010	15,234	0	0	1,447	16,681
● Gårda 1:15	Gårda	Vestagatan 2	1971/1992	11,859				11,859
	Gårda 13:7	Johan Willins gata 5	2003				14,925	14,925
● Gårda 16:17	Gårda	Drakegatan 6-10	1986	15,238		278	604	16,120
● Gårda 18:23	Gårda	Vädersgatan 6	1989	12,860		368	304	13,532
● Gårda 18:24	Gårda	Gårdatorget 1-2	1991	8,027		235	469	8,731
● Gårda 3:12	Gårda	Anders Personsgatan 2-6	1956/2015	3,503		242	165	3,910
● Gårda 3:14	Gårda	Anders Personsgatan 8-10	2015	8,649				8,649
● Gårda 4:11	Gårda	Anders Personsgatan 14-16	1965/2002	7,656			481	8,137
● Högsbo 1:4	Högsbo	Olof Asklunds gata 11-19	1980	1,638		1,444		3,082
● Högsbo 2:1	Högsbo	Olof Asklunds gata 6-10	1991	6,325				6,325
● Högsbo 32:3	Högsbo	J A Wettergrens gata 5	1974	6,381		1,053	715	8,149
● Lindholmen 30:2	Lindholmen	Lindholmospiren 9	2003	8,702			996	9,698
● Lindholmen 39:3	Lindholmen	Lindholmospiren 2	2016	8,922				8,922
● Stigberget 34:12	Masthugget	Masthuggstorget 3	1967/1999	4,457	2,801	264	229	7,751
● Stigberget 34:13	Masthugget	Fjärde Långgatan 46-48	1969	7,243	120		2,382	9,745
● Bosgården 1:71	Mölnadal	Södra Ågatan 4	1988	4,711	56		50	4,817
● Forsåker 1:196	Mölnadal	Kvarnbygatan 10-14	1955/2002	5,317			150	5,467
● Hårddisken 1	Mölnadal	Betagatan 1	2016	2,146		2,608		4,754
● Lived 1:329	Mölnadal	Streteredsvägen 100	1962				13,937	13,937
● Solsten 1:110	Mölnlycke	Företagsvägen 2	1991	1,678		1,089	356	3,123
● Solsten 1:132	Mölnlycke	Konstruktionsvägen 14	2002	4,953				4,953
● Syrhåla 3:1	Torslanda	Bulyckevägen 25		2,758		21,984	3,280	28,022
● Sörred 7:24	Torslanda	Gunnar Engellaus väg		11,035			4,006	15,041
● Sörred 8:11	Torslanda	Amazonv 8-10, Assar Gabriëlssons v.		10,813				10,813
<b>Total investment properties</b>				<b>446,022</b>	<b>18,627</b>	<b>255,569</b>	<b>70,221</b>	<b>790,439</b>

Project properties	Area	Address	Year of construction	Site area	Lettable area, sq m
Gårda 2:12	Gårda	Venusgatan 2-6		3,600	0
Högsbo 2:2*	Högsbo	Gruvgatan 1		4,400	0
Högsbo 3:5*	Högsbo	Fältspatsgatan 14		11,300	0
● Högsbo 3:11*	Högsbo	Fältspatsgatan 6	1964	6,000	8,269
● Högsbo 3:12*	Högsbo	Fältspatsgatan 2-4	1964	8,400	10,324
Högsbo 3:13*	Högsbo	Fältspatsgatan 2		3,100	0
● Högsbo 3:6*	Högsbo	Fältspatsgatan 8-12	1964	8,200	6,612
● Högsbo 3:9	Högsbo	Olof Asklunds gata 14	1971	4,700	4,362
Högsbo 33:1	Högsbo	Gruvgatan		5,500	0
Högsbo 34:13*	Högsbo	Gruvgatan 2	1981	3,200	1,780
Högsbo 39:1*	Högsbo	Ingela Gathenhielms gata 4		8,200	0
Högsbo 4:1*	Högsbo	Fältspatsgatan 1 / A Odhners gata 8 / Olof Asklunds gata 24		10,400	0
● Högsbo 4:4*	Högsbo	Fältspatsgatan 3	1962	10,300	6,362
Högsbo 4:6*	Högsbo	A Odhners gata 14		6,500	0
Högsbo 757:118*	Högsbo	Fältspatsgatan		2,800	0
Högsbo 757:121*	Högsbo	Fältspatsgatan		1,000	0
Högsbo 757:122*	Högsbo	Fältspatsgatan		1,000	0
Backen 2:18	Möln dal	Streteredsvägen 100		6,900	0
Syrhåla 2:3	Torslanda	Hamneviksvägen		60,000	0
Syrhåla 4:2	Torslanda	Bulyckevägen 7		172,000	700
Sörred 7:21	Torslanda	Hisingsleden		65,000	0
Sörred 8:12	Torslanda	Sörred Norra		254,000	0
Sörred 7:25	Torslanda	Sörreds rondellen		110,000	0
<b>Total project properties</b>				<b>766,500</b>	<b>38,409</b>
<b>TOTAL investment properties and project properties</b>					<b>828,848</b>

\*) Part of the project Södra Änggården

#### Jointly owned properties accounted for as associates

Investment property	Area	Address	Year of construction	Offices	Retail	Industrial/warehouse	Other	Total
Inom Vallgraven 49:1	City centre	Skeppsbron 5	1929/2012	4,702	371	296		5,369



# The share and shareholders

Platzer's Class B shares have been listed on NASDAQ OMX Stockholm, Mid Cap, since 29 November 2013. The company's share price as at 30 June 2019 amounted to SEK 86.00 per share, corresponding to a market capitalisation of SEK 10,304 million based on the number of outstanding shares. In the first half of the year, a total of 11.3 (8.8) million shares, worth a total of SEK 822 million (485), changed hands. Average daily turnover was around 93,000 (72,000) 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 with 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.

## Dividend policy and dividend

The long-term policy is to pay a dividend of 50% of income from property management after tax (tax refers to the 21.4% flat-rate tax).

The Annual General Meeting on 25 April approved a dividend of SEK 1.70 per share (1.50) for 2018.

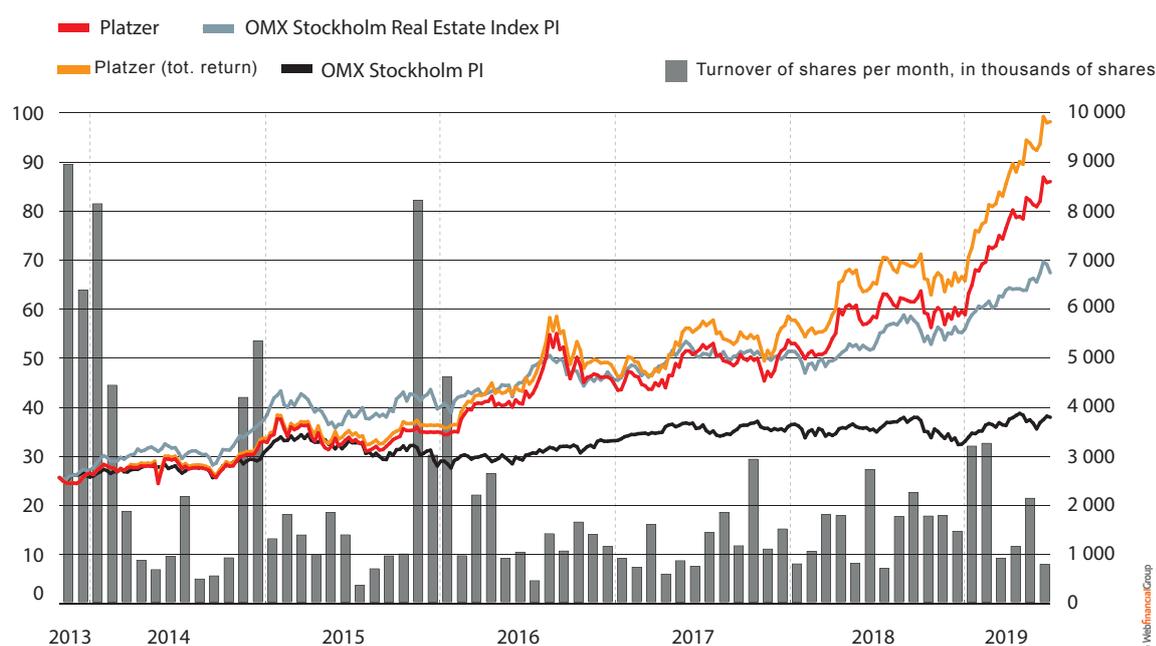
## Ownership

The number of shareholders as at 30 June stood at 5,603 (4,874). Foreign ownership amounted to seven per cent of share capital. 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. 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.

## Share price performance



Källa: PDC & WebFinancialGroup

# Major shareholders

The largest shareholders in Platzer Fastigheter Holding AB (publ) as at 30 June 2019

Owners	Number of Class A shares	Number of Class B shares	Number of shares	Voting rights, %	Share of equity, %
Ernström & C:o	11,000,000	2,273,164	13,273,164	37.4	11.1
Länsförsäkringar Göteborg och Bohuslän	5,000,000	15,203,112	20,203,112	21.7	16.9
Länsförsäkringar Skaraborg	4,000,000	1,000,000	5,000,000	13.7	4.2
Familjen Hielte / Hobohm		22,644,016	22,644,016	7.6	18.9
Länsförsäkringar fondförvaltning AB		12,962,467	12,962,467	4.3	10.8
Fjärde AP-fonden		11,804,256	11,804,256	3.9	9.9
Lesley Invest (inkl privata innehav)		4,064,362	4,064,362	1.4	3.4
SEB Investment Management		3,306,006	3,306,006	1.1	2.8
Svolder AB		3,300,000	3,300,000	1.1	2.8
Carnegie Fonder		2,317,826	2,317,826	0.8	1.9
Other shareholders		20,940,654	20,940,654	7.0	17.5
<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>		

## Key performance indicators per share

	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec	2018/2019 Jul-Jun
Equity, SEK	63.26	53.21	60.34	63.26
Long-term net asset value (EPRA NAV), SEK	75.73	62.85	69.54	75.73
Share price, SEK	86.00	58.50	59.50	86.00
Profit after tax, SEK <sup>1)</sup>	4.61	5.40	12.55	11.76
Income from property management, SEK <sup>2)</sup>	2.48	2.10	4.36	4.74
Cash flow from operating activities, SEK	1.45	1.21	4.53	4.06
Dividend, SEK	-	-	1.70	-
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	119,750	119,750	119,816

For definitions and calculations of Key Performance Indicators, please see pages 30-31.

<sup>1)</sup> There is no dilution effect, as there are no potential shares.

<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
<b>Return on equity</b>	Profit after tax as a percentage of average equity, interim figures are recalculated as annualised figures. Attributable to Parent Company's shareholders. See next page for calculation.
<b>Loan-to-value ratio</b>	Interest-bearing liabilities divided by the value of the properties.
<b>Yield</b>	Operating surplus as a percentage of the average value of investment and project properties, interim figures recalculated as annualised figures. See next page for calculation.
<b>Economic occupancy rate *</b>	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).
<b>Rental value, SEK/sq.m.*</b>	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 recalculated as annualised figures.
<b>Rent increase, renegotiated leases</b>	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.
<b>Investment gain</b>	(Market value when completed – Investment including any cost/value on acquisition) / Investment
<b>Long-term net asset value (EPRA NAV)</b>	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.
<b>Net lettings</b>	Annual income and supplements from leases signed during the period, including deductions for discounts, less annual income and supplements from terminated leases. All discounts are included for new leases and are annualised on the basis of the lease term.  In 2018 we changed the definition of rent, among other things, see Rent increase, renegotiated leases under Definitions. All figures and comparative figures have been restated according to the new definitions.
<b>Key financial indicators per share: Equity, Long-term net asset value, Profit after tax, Income from property management, Cash flow from operating activities</b>	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 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 excluding changes in value attributable to associates.
<b>Interest coverage ratio</b>	Profit after financial income divided by interest expenses. Excluding realised changes in the value of derivatives and changes in value attributable to associates. See next page for calculation.
<b>Debt ratio</b>	Interest-bearing liabilities divided by equity.
<b>Equity ratio</b>	Total shareholders' equity divided by total assets.
<b>Surplus ratio</b>	Operating surplus as a percentage of rental income.

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

# Calculation of key performance indicators

	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec	2018/2019 Jul-Jun
<b>Interest coverage ratio (multiple)</b>				
Operating surplus	414	379	781	816
Central administration	-28	-27	-50	-51
Interest income	0	0	0	0
<b>Total</b>	<b>386</b>	<b>352</b>	<b>731</b>	<b>765</b>
Interest expense	-89	-102	-205	-192
	<b>4.3</b>	<b>3.5</b>	<b>3.6</b>	<b>4.0</b>
<b>Return on equity, %</b>				
Attributable to the Parent Company's shareholders:				
Profit after tax			1,503	1,422
Income from property management (translated into full year for interim periods)	594	502		
Change in value, investment properties	747	504		
Change in value, financial instruments	-302	-4		
<b>Total</b>	<b>817</b>	<b>782</b>	<b>1,503</b>	<b>1,422</b>
Average equity	7,405	6,141	6,568	6,977
	<b>11.0</b>	<b>12.7</b>	<b>22.9</b>	<b>20.4</b>
<b>Long-term net asset value (EPRA NAV), SEK</b>				
Attributable to the Parent Company's shareholders:				
Equity	7,579	6,375	7,230	7,579
Reversal of deferred tax	1,260	875	1,076	1,260
Reversal of interest rate derivatives	235	280	26	235
<b>Total</b>	<b>9,074</b>	<b>7,530</b>	<b>8,332</b>	<b>9,074</b>
Number of shares	119,816	119,816	119,816	119,816
	<b>75.73</b>	<b>62.85</b>	<b>69.54</b>	<b>75.73</b>
<b>Investment yield, %</b>				
Operating surplus (annualised)	828	756	781	799
Average value of properties	18,717	15,839	16,573	17,530
	<b>4.4</b>	<b>4.8</b>	<b>4.7</b>	<b>4.6</b>

Photo: Cover, page 2 and 4 Marie Ullnert, page 7 Marie Ullnert, Priscilla Du Preez and Platzer, page 11 and 24 Platzer and page 22 Tomorrow.



## CALENDAR

Interim Report January - September 2019  
Year-end Report 2019

25 October 2019 at 08:00  
7 February 2020 at 08:00

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