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CREDIT OPINION
30 April 2021

Update

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RATINGS

**Atrium Ljungberg AB**

| | |
|---|---|
| Domicile | Sweden |
| Long Term Rating | Baa2 |
| Type | LT Issuer Rating - Dom Curr |
| Outlook | Stable |

*Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.*

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# Atrium Ljungberg AB

## Update to discussion of Key Credit Factors

## Summary

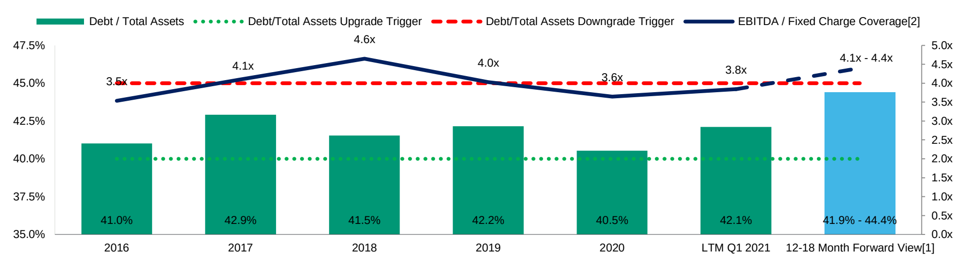
Atrium Ljungberg's Baa2 issuer rating reflects (1) its strong market position as one of the leading commercial real estate companies in Sweden (Aaa stable); (2) its solid portfolio of mostly large office and retail mixed-use estates, concentrated in Stockholm, which is well-positioned for sustainable long-term growth with a controlled development programme; (3) moderate leverage of 42.1% as of March 2021; (4) strong fixed-charge coverage of 3.8x, also as of March 2021; and (5) an adequate liquidity covering 18 months of liquidity as of Q1 2021 and a comfortable level of unencumbered assets.

Counterbalancing these strengths are: (1) a competitive environment for shopping centers and its broader retail segment combined with the increasing penetration of e-commerce; (2) high net debt/EBITDA due to significant project development; (3) the company's short-dated debt maturity profile of 4.6 years; and (4) a significant but reduced reliance on commercial paper in its funding mix (13% of total debt as of March 2021, down from 30% in December 2016).

Exhibit 1

**Debt/gross assets is in line with expectations**

**Moody's-adjusted debt/gross assets and EBITDA/fixed charge coverage ratio**




[1] This represents Moody's forward view, not the view of the issuer.
[2] Fixed charges includes capitalised interest. Explained in Moody's Approach to Global Standard Adjustments in the Analysis of Financial Statements for Non-Financial Corporations, revised August 2018.
*Source: Moody's Financial Metrics, Moody's Estimates*

## Credit challenges

» Further downside risks because of a potentially prolonged slump driven by the coronavirus outbreak, leading to reductions in rent levels, occupancy and lower market values

» Controlling shareholders contribute to stability but could hamper access to equity capital

» Significant exposure to retail

» Short-dated debt maturity profile and heavy reliance on short-term debt which weaken liquidity

## Credit strengths

» Leading Swedish real estate company with a portfolio that is well-positioned for long-term growth

» The company's controlled development programme and strong pipeline will enhance value

» Moderate leverage and strong fixed-charge coverage

## Rating outlook

The stable outlook reflects our expectation that Atrium Ljungberg will continue to generate stable cash flow, improve its liquidity, and maintain or build further capacity in leverage, other debt ratios and coverage metrics while maintaining high occupancy levels and a balanced growth strategy.

## Factors that could lead to an upgrade

» Maintains a Moody's-adjusted gross debt/total assets below 40%, with financial policies that support that level, together with a declining trend of Moody's-adjusted net debt to EBITDA

» Fixed-charge coverage above 4.5x on a sustained basis

» Considerably reduced reliance on short-term funding and significantly extending debt maturities

## Factors that could lead to a downgrade

» Moody's-adjusted leverage sustained above 45% with an increasing trend of net debt to EBITDA from current levels or Moody's-adjusted fixed-charge coverage sustained below 3.5x

» Continued heavy reliance on short-term funding, particularly if no longer fully backed by undrawn long-dated credit facilitiesEffective leverage sustained above 45%

## Key indicators

**Key indicators**
**Atrium Ljungberg AB**

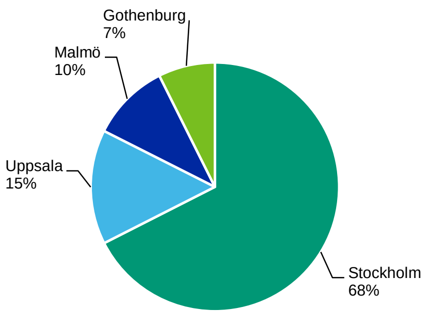
| | 31/12/2016 | 31/12/2017 | 31/12/2018 | 31/12/2019 | 31/12/2020 | LTM 31/03/2021[3] | 12-18 Month Forward View[1] |
|---|---|---|---|---|---|---|---|
| Total Assets (USD Billion) | $4.1 | $5.2 | $5.1 | $5.5 | $6.0 | $5.9 | $5.9 - $6.3 |
| Unencumbered Assets % | n.a | 39.1% | 42.1% | 46.5% | 46.3% | 43.4% | 47.2% - 48.3% |
| Debt / Total Assets | 41.0% | 42.9% | 41.5% | 42.2% | 40.5% | 42.1% | 41.9% - 44.4% |
| Net Debt / EBITDA | 10.8x | 11.3x | 11.9x | 12.8x | 13.4x | 14.0x | 14.3x - 14.9x |
| Secured Debt / Total Assets | 23.4% | 21.1% | 20.0% | 17.8% | 13.9% | 14.4% | 14.1% - 14.4% |
| EBITDA / Fixed Charge Coverage[2] | 3.5x | 4.1x | 4.6x | 4.0x | 3.6x | 3.8x | 4.1x - 4.4x |

[1] This represents Moody's forward view, not the view of the issuer
[2] Fixed charges includes capitalised interest. Explained in Moody's Approach to Global Standard Adjustments in the Analysis of Financial Statements for Non-Financial Corporations, revised August 2018
[3] As of 3/31/2021(L); Source: Moody's Financial Metrics™
*Source: Moody's Financial Metrics*

## Corporate profile

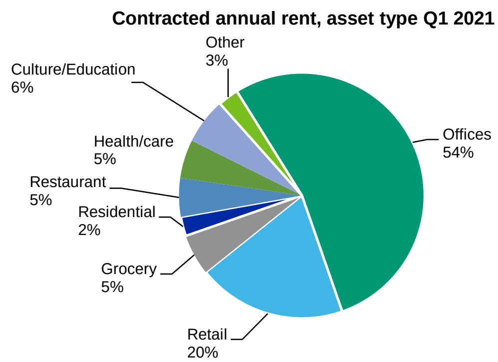
Atrium Ljungberg AB is a real estate company headquartered and listed in Stockholm with a market capitalisation of SEK23.6 billion as of 20 April 2021. The company owns, develops and manages an SEK48.0 billion retail- and office-focused portfolio across Sweden's major cites.

Exhibit 3
**Exposure to Sweden's four largest cities**
**Rental value as of March 2021**




*Source: Atrium Ljungberg*

Exhibit 4
**74% exposure to offices and retail/FMCG***
**Rental value as of March 2021 (excluding project properties)**




*FMCG = fast-moving consumer goods
*Source: Atrium Ljungberg*

## Detailed credit considerations

### Leading Swedish real estate company with stable portfolio, well-positioned for long-term growth

Atrium Ljungberg owns an SEK48.0 billion portfolio across Sweden's four largest and fastest growing cities. Its 70 properties spanning more than 1.1 million square metres (sqm) are 91% occupied and generate SEK2.3 billion in annual rent as of end March 2021.

The company focuses on the long-term ownership and development of large mixed-use districts within cities. Most of its mixed-use estates are office- and retail-led, but it also owns residential, cultural and educational facilities. Atrium Ljungberg's pure retail consisting of clothing and fashion exposure is 20%. The retail sector remains under pressure from online growth and because of ongoing structural changes in retail. Dominant shopping centres will benefit from sustained demand from tenants but secondary shopping centres, especially in secondary locations, will suffer declining footfall, falling retail sales and further value declines. In Sweden, the E-commerce share of total sales increased by 13% and the total market share is 11% as of 2019. Although the pace of e-commerce growth has softened in 2019, there are spots for more growth going forward. A good example is FMCG trade, where e-commerce accounts for only 2% of sales as compared to 11% share in the total retail trade in Sweden. The dynamics in retail segment will be inevitably altered by the effect of corona virus pandemic, which will add to the already existing challenges. The negative impact of the corona virus shock will be more pronounced for nonfood and apparel sub-segments, while food and grocery retailers are more insulated.

After having divested several retail properties in 2018, Atrium Ljungberg has slightly increased its exposure to the retail sector in 2019. In March 2020, the company sold Farsta Centrum for almost SEK 4 billion and this transaction was closed on June 1, 2020. After the sale of Farsta Centrum, Atrium Ljungberg has three regional retail hubs, Sickla in the greater Stockholm area, Uppsala and Mobilia in Malmö. The retail part in Atrium Ljungberg's portfolio is not a pure shopping centre setup with the exception of Mobilia, but it is rather mixed-use estates which benefit from footfall from both the office estates during working hours and residential estates after working-hours.

Atrium Ljungberg's properties are in well-connected locations and provide good services and facilities. The company will invest around SEK2 billion per annum over the next two years on redevelopment and refurbishment projects within its existing portfolio that we believe will enhance the portfolio's overall value. The potential to organically grow the current portfolio by more than a quarter from identified projects provides the company with a degree of stability and predictability, and makes it less reliant on acquisitions in a competitive investment market.

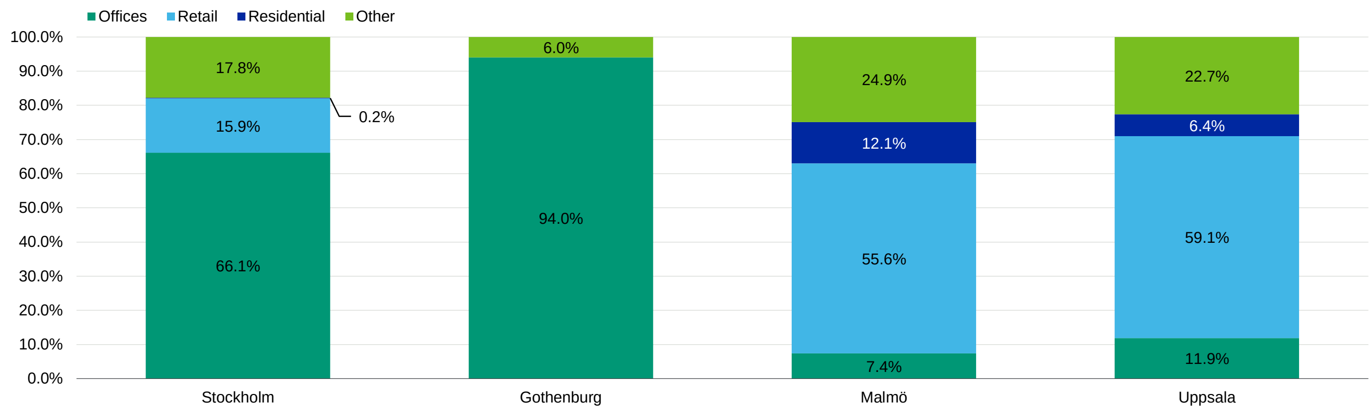
Several positive aspects to Atrium Ljungberg's strategy of controlling large estates will help sustain cash flows and asset values over the longer term. Control over large estates provides greater flexibility to create the right mix between retail/leisure, office and residential in responding to ever-changing market demands. In addition, critical mass in certain locations puts the company in a better position to work with local municipalities through the often long and difficult planning process that is a key driver of value.

An inevitable consequence of the company's approach is a higher micro-location concentration than we typically see with other real estate companies. However, this concentration risk is largely offset by the company's geographic diversification and exposure to varied underlying economic drivers.

Exhibit 5

**Good mix across asset types**

**Share of rental value per location as of December 2020**



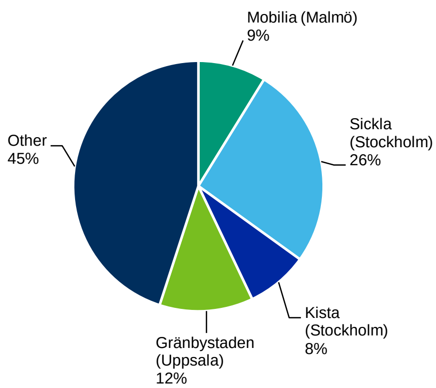

Excludes garage and other space
"Other" includes healthcare, culture, education and restaurants
*Source: Atrium Ljungberg*

Another consequence of the company's strategy is the higher concentration of its office portfolio in suburbs as opposed to more central districts. While neither a major nor immediate concern, values of less central office locations tend to underperform in a downturn. As of 31 December 2020, average prime office yields in Stockholm in central locations were 3.3%, compared with a historical eight-year high of 5.6%, while the average prime office yields for less central Stockholm offices were 4.3% compared with a eight-year high of 6.9%. Rental growth for central Stockholm offices has outperformed less central locations over the past five years, with a 8.0% compound annual growth rate (CAGR) compared with around 3.7% for less central locations.[1]

We are comfortable with the company's 68% concentration in Stockholm, which generates around a third of Sweden's GDP, because we do not believe this concentration will lead to a material divergence from overall economic and property trends. Stockholm is also likely to outperform other Swedish regions in respect of population and economic growth. Stockholm is one of Sweden's strongest property markets and benefits from diverse corporate demand for office space. It is also Sweden's largest and most liquid commercial real estate investment market, attracting 24% of the SEK180 billion investment volume in 2020.[2] Stockholm also attracts consumers with disposable incomes above the national average that will help sustain the company's shopping centres as an attractive place for retailers to locate.

The company's SEK2.3 billion in annual rent (March 2021) has an average remaining lease length of around 3.4 years and is spread across approximately 1,933 tenants that are well-diversified across industries. The 10 largest tenants account for 21% of the company's rental income. Positively, around 8% of rent is from government-related entities that we view as ultimately the credit risk of the government of Sweden. Around 14% of current contracted rental income will be renegotiated in 2021. We expect the company to maintain its strong reletting record and keep its occupancy rate around 95%.

Exhibit 6
**Four largest clusters**
**Rental value as of December 2020**




*Source: Company data*

Exhibit 7
**Description of five largest clusters**

| | Property Description |
|---|---|
| **Sickla** | The estate represents 26% of total rental value. The shopping area has 131 stores spanning 66,800 m2 attracting 13 million visitors annually and generates more than SEK 3.2 billion in retail sales. The office area spans 103,000 m2. |
| **Gränbystaden** | A retail-centric portfolio in Uppsala spanning 96,800 m2 and representing 12% of total rental value. It consists of 154 stores with SEK 2.8 billion in sales. |
| **Kista** | A northern district in Stockholm containing a large cluster of ITC (Information, technology and communication) companies. Atrium Ljungberg's letting area span 82,000 m2 and represents 8% of total rental value. Tenants include IBM, Fujitsu Sweden and Stockholm Science & Innovation School. |
| **Mobilia** | A vibrant city district located in Malmö's souther part. The portfolio spans 102,000 m2 representing 9% of total rental value. |

*Source: Company data*

## Property market fundamentals may face more challenges by a difficult macroeconomic environment[3]

Atrium Ljungberg reported a -1.1% like-for-like rental decrease as of end-Q1 2021 compared with Q1 2020, with the office portfolio demonstrating 1.1% growth trumping a decline in the retail segment of 4.4%, caused mostly by higher vacancies and lower sales rent. Uncertainties corresponding to the impact of corona virus will weigh on the operating performance in 2021 and we expect that the office part of the portfolio will to some extent balance the negative pressure arising from a downturn in retail. The office part will not be immune as there are uncertainties how work from home will develop in the longer term, which can lead to increasing yields, lower rents and higher vacancy.

Even before the corona virus outbreak Swedish economy experienced a softening in economic indicators and as a result Swedish GDP growth slowed to 1.3% in 2019 compared to 2.0% in 2018. The global spread of the COVID-19 virus as of March 2021 has caused both a supply and demand shock to the world economy. In Sweden, as in many other economies, the outbreak is severely hampering trade and supply chains, as well as depressing domestic consumption. This being said, the official strategy differs from that of many other European countries, as Sweden has not implemented lock-downs, keeping businesses and schools open. The Swedish authorities outlined a package of measures to mitigate the negative effects of Covid-19 on the economy. The package includes both fiscal support (implementation of the layoff scheme, tax deferrals and targeted sector support) and monetary accommodation (lending program of up to SEK500 billion to support companies' liquidity and purchase of securities by up to SEK 300 billion in 2020, reduction in the lending rate for overnight loans to banks from 0.75 to 0.20 percentage points above the repo rate). Overall, the comprehensive policy package will help to partly mitigate the negative effect of the coronavirus. As in many other countries, its effectiveness will, however, be conditional on the authorities ability to contain the spread of the virus. As a result, Moody's has revised its GDP growth forecasts for 2021 down to 3.0%. Given the circumstances, risks are clearly tilted to the downside.

## Controlled development programme with strong pipeline will enhance value

The company's SEK6.4 billion (SEK 2.6 billion remaining to be spent) development pipeline of ongoing projects that is high at around 13% of total assets. In addition, the company plans for longer-term SEK36 billion of potential development projects. Investments in new residential, office, and retail space are likely to increase footfall and make its large estates more attractive to potential tenants.

We expect the company to maintain its roughly 2-3% exposure to residential properties over the next few years, but believe the asset class diversification benefit is higher than the 2-3% suggests. We expect the company to increasingly develop and sell residential units into the undersupplied housing market, and to generally only keep residential units it wants to rent or which are designated as rental stock under planning regulations.

The company wholly owns TL Bygg, a building contractor with 129 employees and around SEK858 million in annual sales that is experienced in costing, purchasing and project management. TL Bygg performs work for both Atrium Ljungberg and external third parties. Atrium Ljungberg provides parent guarantees to TL Bygg that are normally 10% of the contract amount during construction, falling to 5% during the subsequent five-year warranty period.

We believe TL Bygg provides Atrium Ljungberg with valuable in-house expertise in planning and executing its development projects, helping it to extract maximum value from its portfolio. We expect the company to continue to manage TL Bygg in a disciplined and controlled manner, and to not take on risks with the potential to create a material financial liability for the whole group.

### Moderate leverage and strong fixed-charge coverage

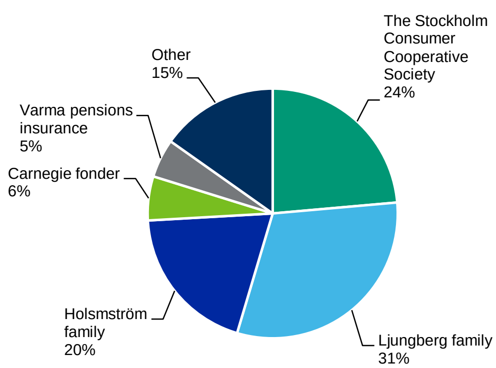
The company's financial policy is to keep its gearing ratio as measured by debt to the fair value of investment properties below 45%. The most recent leverage as measured by Moody's adjusted gross debt/assets was 42.1% and we expect the company to maintain its established track record of keeping leverage as measured by Moody's gross debt/assets within the range of 40-45%. However, net debt/EBITDA rose to 14.0x as of LTM Q1 2021 from 9.4x in 2015 reflecting sizeable development activities but also leveraging of compressed yields. Unsecured creditors are adequately covered with unencumbered assets providing 1.6x coverage. We expect the company to sustain its strong fixed-charge cover, which is currently solid at 3.8x.

### Controlling shareholders contribute to stability but could hamper access to equity capital

We believe the three largest shareholders, who together control around 75% of the company's votes, contribute to the company's stability and allow management the time and space to build long-term value. Furthermore, we believe the controlling shareholders are a key influence in keeping the company's leverage well below most of its Swedish real estate peers.

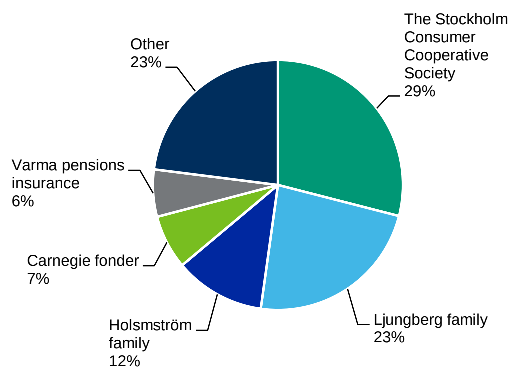
Counterbalancing these positives is our view that the current shareholder structure somewhat limits liquidity because it reduces the free float and may make it more difficult to raise equity if needed. However, we do not envisage the company needing to raise capital in the near future. Moreover, the company pays out less cash to shareholders than many of its European peers, and unlike real estate investment trusts (REITs) has no legal obligation to pay a high proportion in dividends. This gives it more leeway to use funds from operations to reduce leverage if needed.

Exhibit 8
**Share of votes**
**As of December 2020**




*Source: Company data*

Exhibit 9
**Share of capital**
**As of December 2020**




*Source: Company data*

### Short-dated debt maturity profile and heavy reliance on short-term debt

The company's average debt maturity was 4.6 years as of 31 March 2021, up from three years in 2013, dragged down by the 13% reliance on commercial paper in its funding mix. Six percent of its debt matures in 2021. Positively, the company's SEK5 billion commercial paper programme is fully backed by undrawn revolving credit facilities (RCFs) with a staggered maturity profile until 2029. The average cost of debt was low at 1.6% as of March 2021, which has benefited the company's fixed-charge coverage ratio.

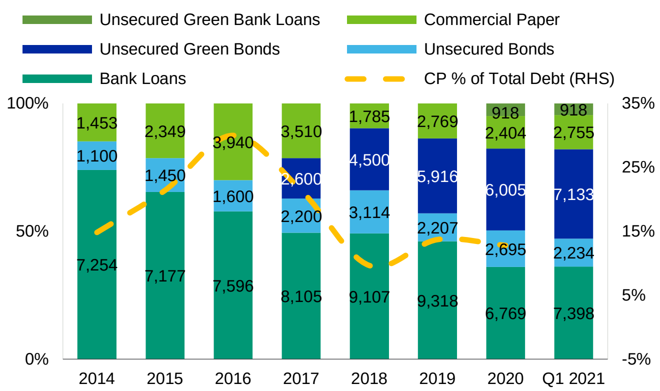
Secured bank lending amounts to 36% of the company's outstanding debt. For the most part it contains cross default provisions and benefits from parent guarantees.

The company's average interest rate fixing period is 4.6 years, the same as the average debt maturity. As of 31 March 2021, it held SEK14.7 billion in interest and currency swaps covering 72% of outstanding debt with various maturity dates until 2030. The company booked a SEK210 million unrealised gain on its derivatives portfolio in Q1 2021, bringing the accumulated unrealised losses to SEK285 million.

Exhibit 10

**Reliance on commercial paper has reduced (13% of total debt as of March 2021)**

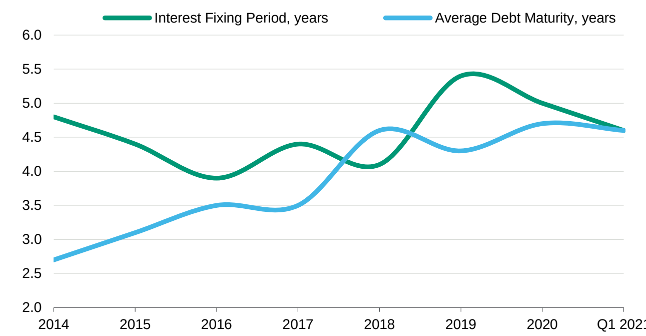
**Debt structure, 2014-Q1 2021**




*Source: Atrium Ljungberg*

Exhibit 11

**Average debt maturity has increased**




*Source: Company reporting*

## Liquidity analysis

The company has adequate liquidity, underpinned by:

» Cash position of SEK1.2 billion as of 31 March 2021 and SEK 640 million proceeds from bond issuance

» SEK300 million of an undrawn on-demand overdraft credit facility

» Secure and stable SEK2.3 billion gross annual rental income stream

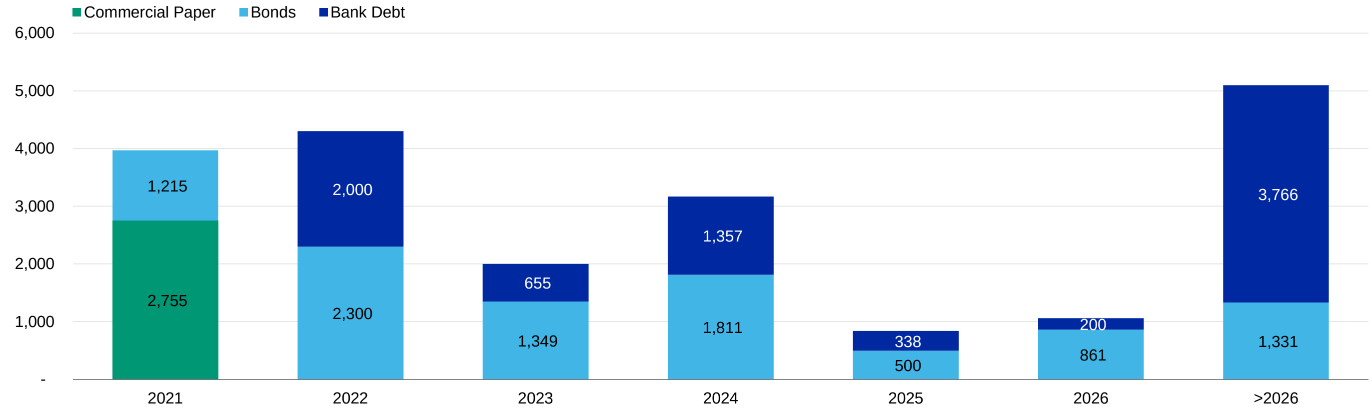
» SEK5.35 billion of undrawn RCFs, mainly backing its commercial paper programme but which could be used for general corporate purposes. The RCFs are spread across several facilities with well-staggered maturities between November 2022 and June 2028.

» SEK22.3 billion pool of unencumbered assets as of end March 2021

We view the company's significant short-term funding as credit negative and a potential threat to liquidity because it increases the duration mismatch between funding sources and the long-term nature of real estate assets. Moreover, companies with a high proportion of short-term debt are more vulnerable to instability in capital and lending markets, and more quickly affected by a change of sentiment towards the cyclical real estate sector. However, we are comfortable that the long-dated RCFs with ample covenant headroom provide a backstop against the unlikely risk that the company could struggle to roll over its commercial paper. We expect the company to continue to rely on long-term sources of funding to a greater extent.

We expect the major demands on cash from operations in the next 12-18 months to come from capital expenditure on redevelopments and refurbishments of properties, as well as dividend payments. Other than rolling over the SEK2.76 billion of commercial paper outstanding, the company will need to refinance SEK2.16 billion of bonds and SEK618 million of bank debt maturing in the next 18 months.

Exhibit 12
### Front-loaded debt maturity structure
**Debt maturities as of March 2021 SEK million**




*Source: Atrium Ljungberg*

Exhibit 13
### Ample headroom under the RCF and bank loan covenants
**Atrium Ljungberg AB**

| | Covenant | Level as of December 2020 | Headroom under the covenant |
|---|---|---|---|
| Interest Coverage Ratio, termination rights | 1.3x - 1.7x | 4.6x | 307% |
| Equity / Assets ratio, % | 25% - 30% | 45.7% | 166% |
| Leverage at property level (individual loans limited of maximum LTV) | 65% - 75% | met | N/A |

*Source: Atrium Ljungberg*

## Rating methodology and scorecard factors

The principal methodology used in this rating was Global Rating Methodology for REITs and Other Commercial Property Firms published in September 2018. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

The current grid-indicated Baa3 rating is one notch lower than the Moody's forward view grid outcome. The one notch gap between the rating assigned and the grid implied rating reflects the greater emphasis we have placed in our assessment on the company's debt to assets and fixed charges coverage ratios compared to the weights in the grid.

Rating Factors
Atrium Ljungberg AB

| Atrium Ljungberg AB | | | | |
|---|---|---|---|---|
| REITs and Other Commercial Real Estate Firms Industry Scorecard [1][2] | Current LTM 3/31/2021 | | Moody's 12-18 Month Forward View As of 4/26/2021 [3] | |
| **Factor 1 : Scale (5%)** | **Measure** | **Score** | **Measure** | **Score** |
| a) Gross Assets (USD Billion) | $5.9 | Baa | $5.9 - $6.3 | Baa |
| **Factor 2 : Business Profile (25%)** | | | | |
| a) Market Positioning and Asset Quality | Baa | Baa | Baa | Baa |
| b) Operating Environment | A | A | A | A |
| **Factor 3 : Liquidity and Access To Capital (25%)** | | | | |
| a) Liquidity and Access to Capital | Ba | Ba | Ba | Ba |
| b) Unencumbered Assets / Gross Assets | 43.4% | Ba | 47.2% - 48.3% | Ba |
| **Factor 4 : Leverage and Coverage (45%)** | | | | |
| a) Total Debt + Preferred Stock / Gross Assets | 42.1% | Baa | 41.9% - 44.4% | Baa |
| b) Net Debt / EBITDA | 14.0x | Ca | 14.3x - 14.9x | Ca |
| c) Secured Debt / Gross Assets | 14.4% | Baa | 14.1% - 14.4% | Baa |
| d) Fixed Charge Coverage | 3.8x | Baa | 4.1x - 4.4x | Baa |
| **Rating:** | | | | |
| a) Scorecard-Indicated Outcome | | Ba1 | | Baa3 |
| b) Actual Rating Assigned | | | | Baa2 |

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 3/31/2021(L); Source: Moody's Financial Metrics™
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures
*Source: Moody's Financial Metrics™*

## Ratings

Exhibit 15

| Category | Moody's Rating |
|---|---|
| **ATRIUM LJUNGBERG AB** | |
| Outlook | Stable |
| Issuer Rating -Dom Curr | Baa2 |

*Source: Moody's Investors Service*

# Appendix

Exhibit 16

## Rating factors peers

| | Atrium Ljungberg Baa2/STA | | Fabege AB Baa2/STA | | Vasakronan AB A3 (BCA: baa1)/STA | | Humlegården Fastigheter AB Baa2/STA | |
|---|---|---|---|---|---|---|---|---|
| | Mar-21(L) | Fwd View[2] | Dec-20 | Fwd View[2] | Sep-20(L) | Fwd View[2] | Dec-20 | Fwd View[2] |
| Gross Assets (USD Billion) | $5.9 | $5.9 - $6.3 | $9.6 | $9 - $10 | $19.4 | $18 - $19 | $4.5 | $4.4 - $4.5 |
| Unencumbered Assets / Gross Assets | 43.4% | 47.2% - 48.3% | 37.4% | 45.0% | 71.0% | 65% - 70% | 66.9% | 66% - 67% |
| Total Debt / Gross Assets | 42.1% | 41.9% - 44.4% | 35.0% | 35% - 37% | 41.7% | 41% - 42% | 39.7% | 39% - 40% |
| Net Debt / EBITDA | 14.0x | 14.3x - 14.9x | 13.5x | 13.2x - 13.5x | 13.5x | 10x - 11x | 12.4x | 12.0x - 12.5x |
| Secured Debt / Gross Assets | 14.4% | 14.1% - 14.4% | 21.1% | 17.0% | 6.3% | 6.5% - 7.5% | 13.6% | 12.8% - 13.1% |
| Fixed-Charge Coverage | 3.8x | 4.1x - 4.4x | 4.0x | 4.10x | 3.7x | 4.0x - 4.5x | 4.7x | 4.8x - 5.0x |

| | TLG Immobilien AG Baa2/POS | | CA Immobilien Anlagen AG Baa2/RUR | | Castellum AB Baa2/STA | | MERLIN Properties Baa2/NEG | |
|---|---|---|---|---|---|---|---|---|
| | Jun-20(L) | Fwd View[2] | Dec-20 | Fwd View[2] | Dec-20 | Fwd View[2] | Dec-20 | Fwd View[2] |
| Gross Assets (USD Billion) | $7.9 | $7.9 - $8.1 | $8.3 | $7.7 - $8.2 | $13.4 | $10.3 - $10.5 | $16.5 | $13.4 - $14.7 |
| Unencumbered Assets / Gross Assets | 60.0% | 69.0% | 55.3% | 47.5% - 52.5% | 59.1% | 60.0% | 85.3% | 80% - 85% |
| Total Debt / Gross Assets | 38.4% | 38% - 40% | 41.5% | 40%- 45% | 42.4% | 44% - 45% | 42.1% | 43% - 46% |
| Net Debt / EBITDA | 14.3x | 9.5x - 10.5x | 10.4x | 11.5x - 12.5x | 11.2x | 10.5x - 11.0x | 16.9x | 13.9x - 15.6x |
| Secured Debt / Gross Assets | 15.1% | 13% - 15% | 15.3% | 15% - 17% | 6.9% | 9% - 10% | 5.3% | 6% - 9% |
| Fixed-Charge Coverage | 3.5x | 3.7x - 4.6x | 3.6x | 3.0x - 3.5x | 4.9x | 4.5x - 4.6x | 2.1x | 2.6x - 3.2x |

[1] Financials based on FY2020 reported financials and Moody's Standard Adjustments for Non-Financial Corporations
[2] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures
All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations
*Source: Moody's Financial Metrics™*

Exhibit 17

## Moody's adjusted debt breakdown

| SEK Million | FYE Dec-17 | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 | LTM Ending Mar-21 |
|---|---|---|---|---|---|
| **Reported Debt** | **18,247** | **18,506** | **21,516** | **20,084** | **21,617** |
| Operating Leases | 176 | 400 | - | - | - |
| **Moody's Adjusted Debt** | **18,423** | **18,906** | **21,516** | **20,084** | **21,617** |

*Source: Moody's Financial Metrics™*

Exhibit 18

## Moody's adjusted EBITDA breakdown

| SEK Million | FYE Dec-17 | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 | LTM Ending Mar-21 |
|---|---|---|---|---|---|
| **Reported EBITDA** | **3,490** | **4,095** | **3,859** | **1,025** | **3,099** |
| Operating Leases | 44 | 40 | - | - | - |
| Fair Value Gains & One-offs | -1,929 | -2,568 | -2,216 | 452 | -1,647 |
| **Moody's Adjusted EBITDA** | **1,605** | **1,567** | **1,643** | **1,477** | **1,452** |

Moody's defines EBITDA as pretax income + interest expense + D&A
*Source: Moody's Financial Metrics™*

Exhibit 19

## Moody's adjusted assets breakdown

| SEK Million | FYE Dec-17 | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 | LTM Ending Mar-21 |
|---|---|---|---|---|---|
| **Reported Total Assets** | **42,763** | **45,128** | **51,056** | **49,615** | **51,327** |
| Operating Leases | 176 | 400 | - | - | - |
| Capitalized Interest | -13 | -16 | -12 | -65 | - |
| **Moody's Adjusted Total Assets** | **42,926** | **45,512** | **51,044** | **49,550** | **51,327** |

*Source: Moody's Financial Metrics™*

## Endnotes

1 JLL Nordic Outlook - Spring 2021.

2 CBRE Reasearch 2021.

3 Moody's Global Macro Outlook 2020-21

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