

Press release
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Year-End Report 2019

Saltängen Property Invest AB (publ)

REPORT SUMMARY

Financial summary for the period 1 July 2019 – 31 December 2019.

- Rental Income for the period amounts to 43 071 kSEK (41 406 kSEK).
- Operational profit for the period amounts to 30 876 kSEK (29 234 kSEK), equal to 6,87 SEK (6,36 SEK) per share.
- The property's unrealised change in market value for the period amounts to -260 000 kSEK (60 000 kSEK). Change in market value of derivative for the period amounts to 1 766 kSEK (3 390 kSEK), relating to the change in value of the existing SWAP agreement which aims to secure a fixed interest cost during the lifetime of the loan.
- Net Income for the period amounts to -178 529 kSEK (73 787 kSEK), equal to -38,81 SEK (16,04 SEK) per share.

Financial summary for the period 1 January 2019 – 31 December 2019.

- Rental Income for the period amounts to 85 395 kSEK (82 801 kSEK).
- Operational profit for the period amounts to 62 467 kSEK (60 449 kSEK), equal to 13,58 SEK (13,14 SEK) per share.
- The properties unrealised change in market value for the period amounts to -259 511 kSEK (60 000 kSEK). Change in market value on derivatives for the period amounts to 4 557 kSEK (4 938 kSEK), relating to the change in value on the existing SWAP agreement which aims to secure a fixed interest cost during the lifetime of the loan.
- Net Income for the period amounts to -153 205 kSEK (103 608 kSEK), equal to -33,31 SEK (22,52 SEK) per share.

Important events during the period

- During the financial year the company has carried out dividends to the shareholders amounting to 7,35 SEK per share for the financial year 2018 with payments divided in three quarters of 2,45 SEK per share.
- The restauration of a total of 8 000 square meters was finalized during the first quarter of the financial year.
- The company initiated negotiations with ICA Fastigheter AB with the purpose of a premature extension of the lease agreement. The negotiations were terminated without result.
- Stefan Björkqvist stepped down as CEO at the 2019 Annual General Meeting and Maarit Nordmark was appointed as the new CEO at the same meeting.
- At the Extraordinary General Meeting held on September 23, 2019, the owners decided that the Board of Directors should consist of four members and Christer Wachtmeister was elected as the new fourth Board member.
- During the financial year the company investigated the possibilities of refinance the property loan. Both domestic and foreign financial institutes were invited to the process, which included both traditional bank financing and bond loans. However, none of the financial institutes were interested in refinancing the Group's credit despite the Group's low loan-to-value ratio. The main reasons were that the assessed risk level in a single-property company was deemed as high and that the term of the Group's leasing agreement with ICA Fastigheter only extends until September 30, 2023.

- Due to the canceled rental negotiations and the negative message about the possibility of refinancing the property during the last quarter of 2019 the company had to investigate the conditions for a sale of the property or the property-owning subsidiary. Nordanö Partners AB was hired as an advisor. The open sales process was carried out with a wide range of investors. More than 70 Swedish and international stakeholders were invited to the process of which nearly 50 took part in the prepared information memorandum. The sales process continued into the financial year 2020.
- In connection with the initiation of the sales process, the company was able to carry out a short refinancing of the SEK 598,500,000 property loan with Swedbank. At the time of the refinancing, an additional amortization of SEK 1,575,000 has been carried out. The interest rate of the loan amounts to 300 bp plus Stibor for 90 days. Amortization during the new loan period amounts to SEK 5,985,000. The loan period is January 10 - June 30, 2020.
- In accordance with current accounting principles and the company's loan agreement with Swedbank, the company must carry out a market valuation of the property at the end of each financial year. Based on the bids received for the property in January and February 2020, the property value has been estimated at SEK 1,100m, which has resulted in an unrealized depreciation of SEK 260m compared with the valuation at December 31, 2018.

Important events after the period

- The Group issued a profit warning on 6 February 2020 as a result of the adjustment of the property market value based on underlying contract negotiation.
- The highest bid for the shares in the property-owned subsidiary was submitted by ICA Fastigheter AB. Following customary due diligence and contract negotiation, the parties have signed a share purchase agreement on 9th of March 2020 regarding the sale of the shares in Saltängen Property Västerås AB. The purchase price for the shares is based on an underlying property value of SEK 1,100m. After deduction for deferred tax, the preliminary purchase price amounts to SEK 1,000m. The final purchase price will be determined after the entry and is based on the closing accounts of the subsidiary. Payment is made in cash.

For more detailed information please find attached the Year-End Report.

<http://www.saltangenpropertyinvest.se/investor-relations/finansiella-rapporter/>

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Or visit the company's website: www.saltangenpropertyinvest.se

Saltängen Property Invest AB (publ) is a Swedish property company that indirectly owns and manages the property Saltängen 1 in Västerås. The property is a warehouse and office building, that was built in 1975 and subsequently developed in two phases in 1990 and 2003 and has a total lettable area of approximately 104,726 square meters. The property is fully let to ICA Fastighets Sverige AB until 30 September 2023. Saltängen Property Invest is listed on the Nasdaq Stockholm First North Growth Market with Wildecos as Certified Adviser. (Tel: +46 8 545 271 00, mail: info@wildecos.se.)

This information is information that Saltängen Property Invest AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:30 CET on 11 Mars 2020.