

Please note: the statement at the rear of this report contains details of investment banking services recently provided by SEB which could be considered relevant to the subject matter of this report.

Nya SFF

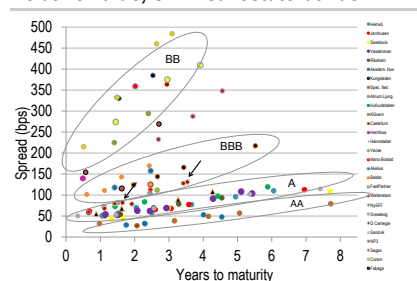
Corporate rating: **BBB/Positive**

Public ratings

Moody's: N.R.
S&P: N.R.
Fitch: N.R.

Market cap (SEKm) Not listed

Relative value, SEK real estate bonds



Source: SEB and Bloomberg

Strengthening fundamentals

- Positive outlook as we see the owner group's creditworthiness strengthening**
 Because we believe NyaSFF's owners have strengthened their creditworthiness over the last 12 months and because we have a more positive view of the Swedish real estate sector, we have raised the outlook on our BBB rating on NyaSFF to positive. Sweden (the metropolitan areas in particular) is experiencing stronger economic and population growth than most developed countries, something which we expect will continue in the coming years. At the same time, Swedish construction activity (commercial and residential) has been very low since the early 1990s. The attractive supply-demand dynamics in combination with low interest rates, are strong supporting factor for the Swedish property sector, both in terms of valuation but also and more importantly, very strong operational foundations when it comes to low vacancies, increasing rents and strong cash flow generation. In combination with stricter financial policies and lower leverage, the creditworthiness of NyaSFF and its owners is strengthening. Absent a major downturn in the economy or significant interest rate hikes, we expect to increase our rating on NyaSFF in the coming six to 12 months.
- Substantial recovery prospects from a highly restricted security pool**
 Nya Svensk FastighetsFinansiering AB (Nya SFF) is a funding vehicle created to provide its owners with cost efficient funding by issuing secured debt through a SEK 8bn medium term note (MTN) programme. The five owners, Fabege (SEB rating: BBB-), Wihlborgs, Diös, Platzer and Catena, are well known Swedish listed property companies within or closely related to the Paulsson family sphere. Due to the strong ownership relationships and, to our understanding, strong incentives to support Nya SFF, we take the view that the owners could be seen as one group when assessing Nya SFF's creditworthiness. The bonds are secured by a pool of property assets from the owners/lenders. To ensure the quality of the pool, various portfolio and covenant restrictions have been put in place, such as maximum LTV levels on the separate properties and geographical restrictions. The secured bonds are also backed by at least 50% mortgage certificates and share pledges in the relevant property owning company (PropCo) to cover the remaining part of the bond loan.
- Bonds Marketweight**
 We believe that NyaSFF's bonds are fairly value compared to similar rated peers. We thus rate the bonds as Marketweight.

Analyst

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Market value and LTV of property pool as of 7 September 2016

Market value properties	8,419
Outstanding bonds	5,060
Loan to value (LTV)	60%

The estimates in this research report have been produced in collaboration with SEB equity research analysts

Source: SEB

Credit strengths

- Favorable fundamental conditions for real estate companies in Sweden
- Relatively large size of the group with properties valued at SEK 88bn
- Good geographical diversification within Sweden
- Broad funding base
- All five owners are well known listed Swedish property companies

Credit concerns

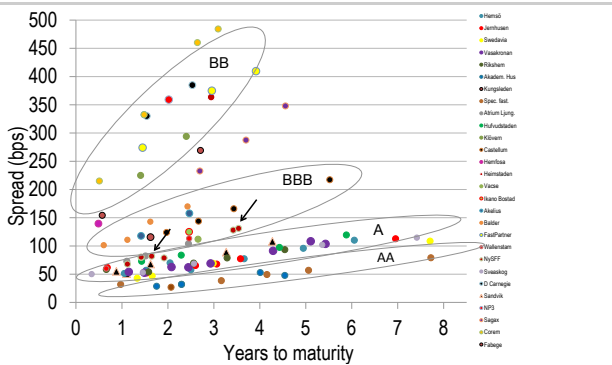
- Relatively high leverage of the group and owners
- Large exposure to cyclical office properties
- Low diversification from an international perspective
- High exposure to a downturn in Swedish economy
- Legal and structural risks attached to the SPV structure

Selected outstanding bonds

Issuer	Sector	Public	SEB	Issue date	Maturity date	Cpn type	Cpn	Amount	Spread	Recommendation
Nya SFF	Property	NR/NR	BBB	20/11/2015	20/11/2017	Floating	3mS + 75	SEK 1126m	68	Marketweight
Nya SFF	Property	NR/NR	BBB	09/03/2015	09/03/2018	Fixed	0.9%	SEK 250m	80	Marketweight
Nya SFF	Property	NR/NR	BBB	09/03/2015	09/03/2018	Floating	3mS + 75	SEK 775m	80	Marketweight
Nya SFF	Property	NR/NR	BBB	31/05/2016	31/05/2018	Floating	3mS + 95	SEK 652m	82	Marketweight
Nya SFF	Property	NR/NR	BBB	07/09/2016	07/09/2018	Floating	3mS + 85	SEK 920m	79	Marketweight
Nya SFF	Property	NR/NR	BBB	09/03/2015	09/03/2020	Floating	3mS + 100	SEK 425m	128	Marketweight
Nya SFF	Property	NR/NR	BBB	20/04/2015	20/04/2020	Fixed	1.4%	SEK 112m	131	Marketweight

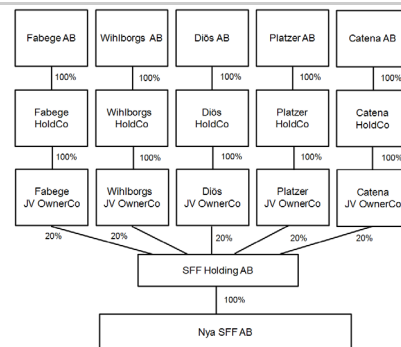
Source: Bloomberg and SEB

Relative value, SEK real estate bonds



Source: SEB and Bloomberg

Ownership structure



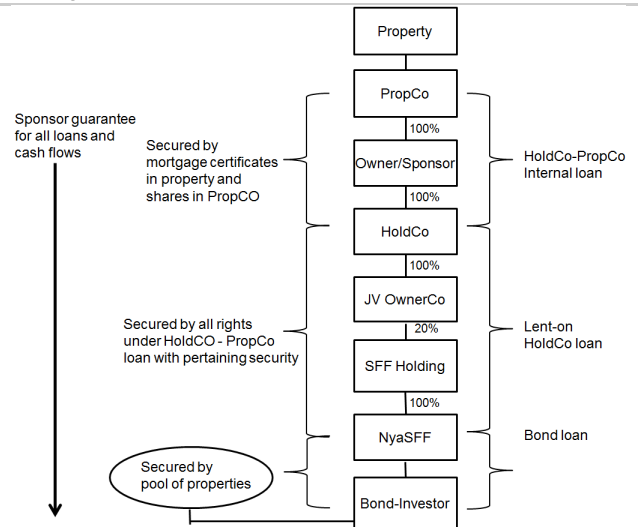
Source: Nya SFF

Properties in the secured property pool as of 7 September 2016

Lender	Area	Property name	Green bond
Wihlborgs	Malmö	Väktaren 3	
Wihlborgs	Malmö	Sankt Jörgen 21	
Wihlborgs	Malmö	Skrövet 6	
Wihlborgs	Buråv	Sunnanå 12:27	
Wihlborgs	Lund	Brytarebacken 39	
Wihlborgs	Helsingborg	Svea7	
Wihlborgs	Lund	Syret 3	Green
Faberge	Stockholm	Gellingén 13	Green
Faberge	Stockholm	Hägern Mindre 7	Green
Faberge	Stockholm	Korppöpet 6	
Faberge	Solna	Uarda 4	
Faberge	Solna	Farao 17	
Faberge	Stockholm	Bocken 52	
Faberge	Stockholm	Korppöpet 1	
Faberge	Stockholm	Båtturen 2	
Diös	Gävle	Norr 11:4	
Diös	Gävle	Norr 16:5	
Diös	Gävle	Norr 40:3	
Diös	Gävle	Norr 23:5	
Diös	Sundsvall	Rätten 1	
Diös	Luleå	Braxen 1	
Diös	Luleå	Siken 7	
Diös	Luleå	Sören 17	
Diös	Umeå	Skarpskytten 3	
Diös	Skellefteå	Lekatten 9	
Diös	Skellefteå	Siepnér 5	
Diös	Skellefteå	Sirius 25	
Platzer	Göteborg	Gårda 3:12	Green
Platzer	Göteborg	Gårda 3:14	Green
Catena	Hallsberg	Terminalen 1	
Catena	Stockholm	Nattskiftet 11	

Source: NyaSFF

Lending process



Source: Nya SFF

Profit & loss statement

(SEKm)	2014	2015	2016E	2017E	2018E
Total revenues	0	0	0	0	0
Total expenses	-1	-4	-6	-6	-6
EBITDA	-1	-4	-6	-6	-6
Depreciation	0	0	0	0	0
Intangibles amortisation	0	0	0	0	0
EBIT	-1	-4	-6	-6	-6
Net interest expenses	0	3	7	-76	-87
Value changes	0	0	0	0	0
Other financial items	0	0	0	0	0
Reported pre-tax profit	-1	-2	1	-82	-93
Minority interests	0	0	0	0	0
Total taxes	0	0	0	0	0
Net profit	-1	-2	1	-82	-93
EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT margin (%)	0.0	0.0	0.0	0.0	0.0
Tax rate (%)	0.0	0.0	0.0	0.0	0.0
Growth rates y-o-y (%)					
Total revenues	0.0	0.0	0.0	0.0	0.0
EBITDA	n.a.	(340.0)	(36.4)	0.0	0.0
EBIT	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	0.0	0.0	0.0	0.0	0.0

Cash flow

(SEKm)	2014	2015	2016E	2017E	2018E
FFO	-1	-2	1	-82	-93
Changes in working capital	0	-5	3,744	5,800	7,600
Operating cash flow	-1	-7	3,745	5,718	7,507
Net capital expenditures	0	0	0	0	0
Free operating cash flow	-1	-7	3,745	5,718	7,507
Dividend paid	0	0	0	0	0
Acquisitions, divestments net	0	-3,738	-5,800	-7,600	-7,400
Pre-financing cash flow	-1	-3,745	-2,055	-1,882	107
Net loan proceeds	0	3,528	2,000	2,000	0
Share issue	0	389	0	0	0
Other	0	0	0	0	0
Net change in cash	-1	172	-55	118	107
Capex/sales (%)	0.0	0.0	0.0	0.0	0.0

Balance sheet

(SEKm)	2014	2015	2016E	2017E	2018E
Cash and liquid assets	0	176	121	239	346
Other current assets	0	3,754	5,800	7,600	7,400
Long-term financial assets	0	0	0	0	0
Fixed tangible assets	0	0	0	0	0
Intangibles	0	0	0	0	0
Total assets	0	3,930	5,921	7,839	7,746
Interest bearing debt	0	3,528	5,528	7,528	7,528
Other liabilities	0	10	0	0	0
Minority interests	0	0	0	0	0
Shareholders' equity	0	392	393	311	218
Total liabilities and equity	0	3,930	5,921	7,839	7,746
Net debt (m)	0	3,352	5,407	7,289	7,182
Net debt/equity (%)	0.0	855.1	1,375.7	2,344.9	3,294.0
Equity/total assets (%)	0.0	10.0	6.6	4.0	2.8
Net debt/EBITDA (x)	0.0	(761.8)	(901.2)	(1,214.9)	(1,197.0)
EBITDA Interest cover		(0.3)	(0.3)	(0.1)	(0.1)

Main shareholders

Name	(%)	Votes	Capital	Management		Company information	
				Title	Name	Contact	
Fabege AB		20.0	20.0	COB	Peter Andersson	Internet	www.hansan.se
Wihlborgs AB		20.0	20.0	CEO	Claes Helgstrand	Phone number	+46 (0)8 508 906 14
Catena AB		20.0	20.0	CFO	Claes Helgstrand		

Company description: Nya Svensk FastighetsFinansiering AB (Nya SFF) is a funding vehicle created to provide its owners with cost efficient funding by issuing secured debt through a SEK 8bn medium term note (MTN) programme. The five owners, Fabege, Wihlborgs, Diös, Platzer and Catena, are all Swedish listed property companies within, or closely related to, the Paulsson sphere. Erik Paulsson with his family is one of Sweden's better known industrialists and a major player within the Swedish property sector through the holding company Backahill. The five owner companies are among the leaders within office and logistics properties in the Stockholm, Gothenburg, Öresund regions and northern Sweden respectively. The combined market cap of the five owners is SEK 52bn and market value of the properties is SEK 106bn.

Please note: The data in several tables and charts in this document have been adjusted in line with common practice in the field of credit research. This mainly refers to adjustments of operating leases, pensions, derivatives and other contingent liabilities. For a detailed breakdown of the adjustments, please contact the author of this report.

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A* denotes recommendations for all companies covered

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Recommendation History

Instrument	Recommendation	Date
NYSVFI 20 Apr 2020 1.420	Marketweight	7 Oct 2016
NYSVFI 20 nov 2017 3mS + 75	Marketweight	7 Oct 2016
NYSVFI 31 May 2018 3mS + 95	Marketweight	7 Oct 2016
NYSVFI 7 Sep 2018 3mS + 85	Marketweight	7 Oct 2016
NYSVFI 9 Mar 2020 3mS + 100	Marketweight	7 Oct 2016
NYSVFI 9 mar 2018 3mS + 75	Marketweight	7 Oct 2016
NYSVFI 9 mar 2018 3mS .858	Marketweight	7 Oct 2016

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