

THE SOCIAL INFRASTRUCTURE CHAMPION IN EUROPE

15 July, 2021

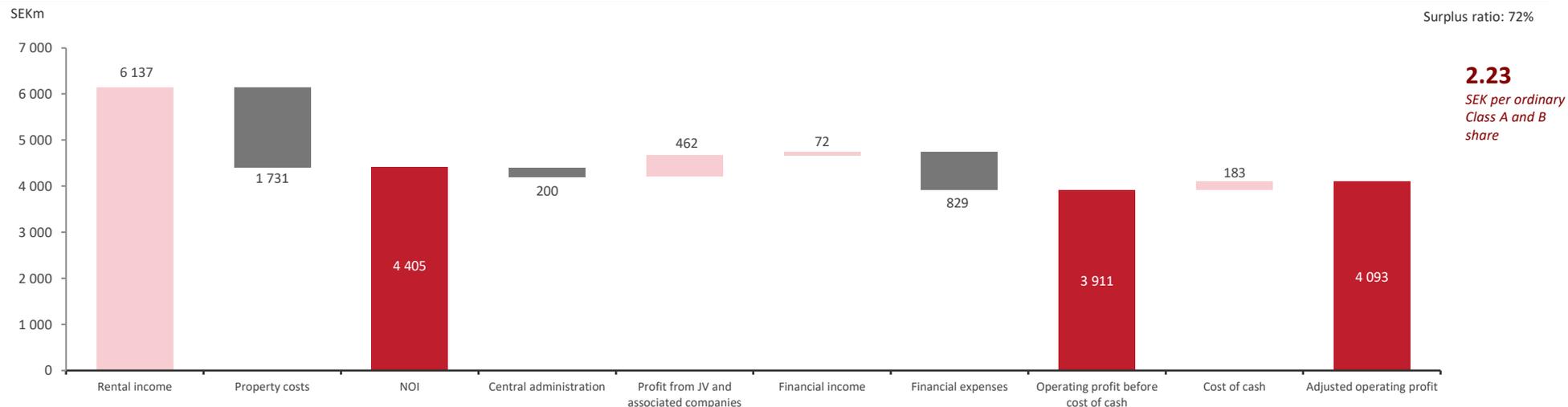


POPULAR STOCK

ONE PERCENT OF THE SWEDISH POPULATION IS
NOW A SHAREHOLDER IN THE SOCIAL
INFRASTRUCTURE CHAMPION IN EUROPE

CONTINUES TO DELIVER AN EVEN STRONGER OPERATING PROFIT – ROLLING 12 MONTHS

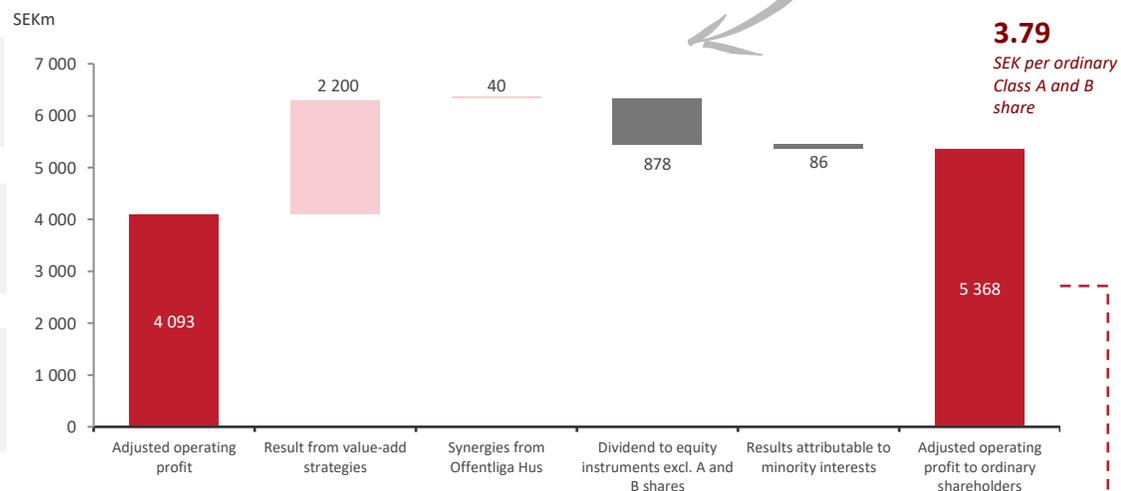
Current earnings capability for the Group for 12 months



1 Profit after tax for the period was SEK 9,3bn, a strong increase compared to the corresponding period of the previous year. Corresponding to 5.94 SEK per ordinary Class A and B share (1.80).

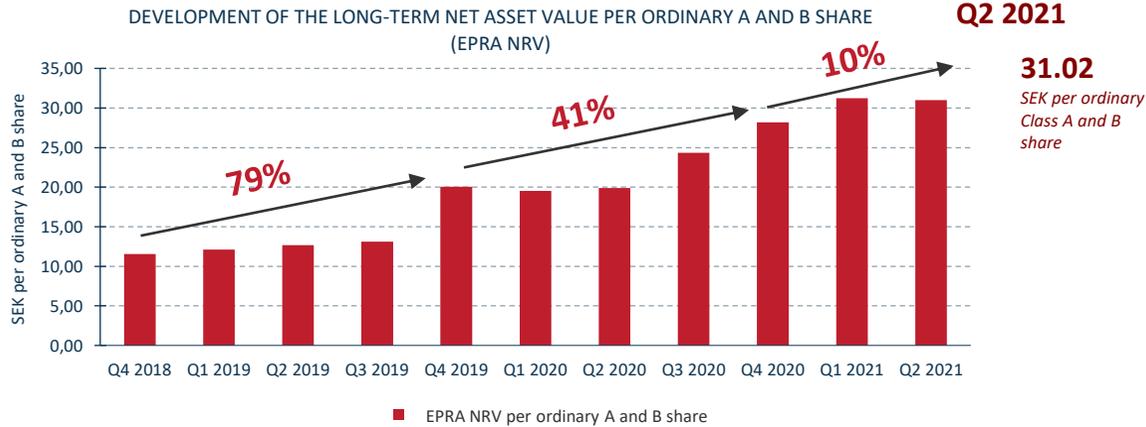
2 Adjusted for non-recurring costs, profit from property management increased by 33 percent in comparison with the first half of 2020 to SEK 1,713 (1,285).

3 For the full year 2021, earnings per ordinary share A and B are estimated to be SEK 7.80. Profit for the first half of 2021 was SEK 5.94 per ordinary A and B share, plus SEK 1.86 per ordinary A and B share (based on current earnings capacity)

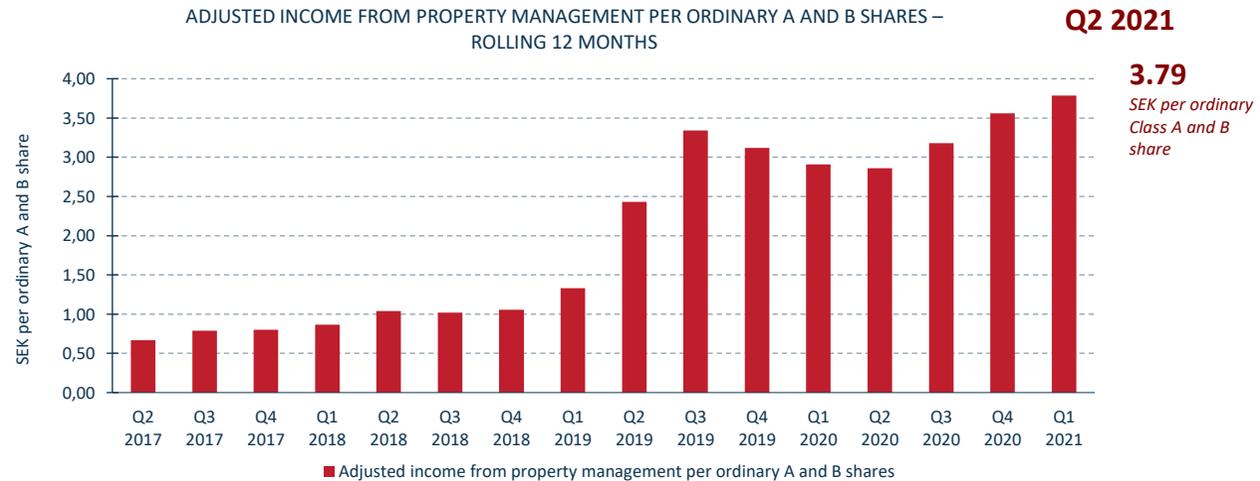


THE HIGHEST NET ASSET VALUE GROWTH 2019-2021

EPRA NRV per share



Earnings capacity for the Group for 12 months rolling per ordinary A and B share



SBB OVERVIEW AND KEY HIGHLIGHTS

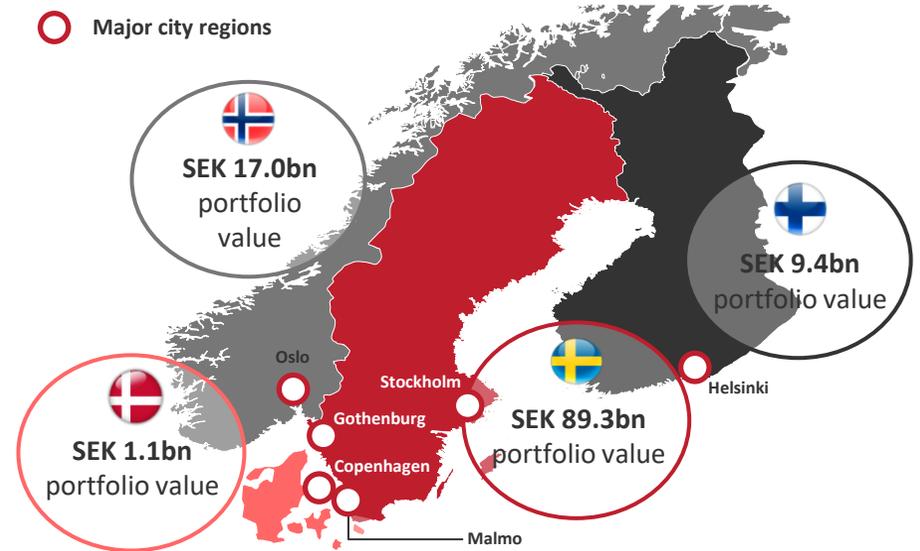
Company snapshot

- ✓ SBB operates in the world's safest real estate asset classes – community service properties in the Nordics where tenants are government-funded and highly regulated Swedish residentials
- ✓ 3 value-add strategies deliver growth and additional profit
- ✓ Sustainability is the core of SBB's business model as the first private member ever of Public Housing Sweden
- ✓ Europe's largest property developer with 59,223 apartments in the project portfolio

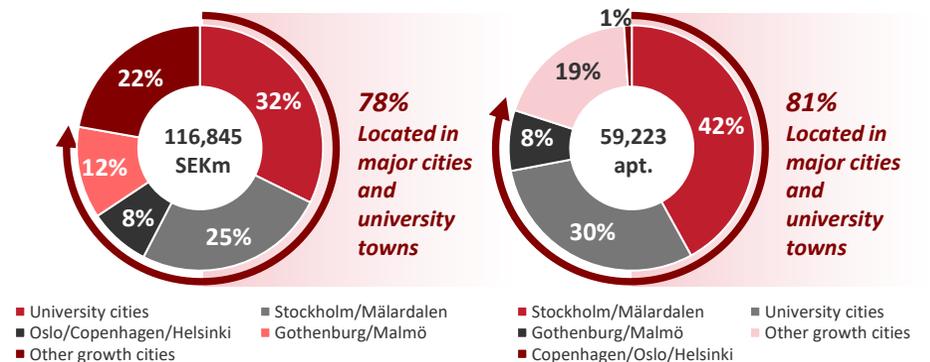
Key figures

SEK 6.1bn passing rent	SEK 116.8bn portfolio book value	9yr WAULT but effectively perpetual	1.13% average interest rate	37% net LTV on total assets
	SEK 9,293m Net profit H1 2021	4.1% net initial yield	SEK 22,183 book value per sq.m. ¹	BBB- S&P Global Ratings FitchRatings

Portfolio book value by country



Portfolio book value and project portfolio



SBB CREATES VALUE FROM “AAA” ASSETS

Income overview

Classification	Rental Income, SEKm	% of Total
Regulated rent residentials	1 314	21
Building rights for regulated rent residentials	59	1
Sum residentials	1 372	22
Elderly care	768	13
Special apartments for people with disabilities (LSS)	412	7
Building rights for publicly funded residentials	0	0
Sum publicly funded residentials	1 180	19
Education	1 595	26
Pre school	470	8
Compulsory/Upper secondary school	766	12
University	359	6
Hospitals and health centres	420	7
Government infrastructure and justice	536	9
Municipality and department properties	331	5
Public offices	422	7
Other	2	0
Building rights for community service	153	2
Sum community service	3 460	56
Sum social infrastructure	6 012	98
Other	125	2
Total	6 137	100



The trusted partner for municipalities with scale, speed and quality of execution



Legislation prohibits local governments from declaring default: tenant sovereign risk



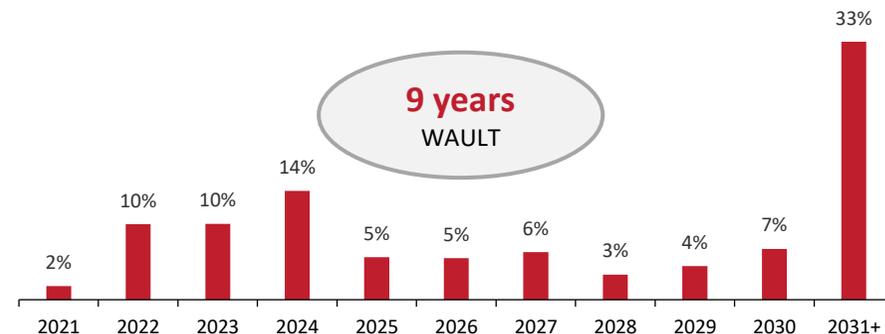
Sovereign credit risk exposure in community service

Government and government-backed tenants



Sovereign credit rating

	S&P Global Ratings	AAA (Stable)
	FitchRatings	AAA (Stable)
	Moody's	Aaa (Stable)
	S&P Global Ratings	AAA (Stable)
	FitchRatings	AAA (Stable)
	Moody's	Aaa (Stable)
	S&P Global Ratings	AA+ (Stable)
	FitchRatings	AA+ (Stable)
	Moody's	Aa1 (Stable)
	S&P Global Ratings	AAA (Stable)
	FitchRatings	AAA (Stable)
	Moody's	Aaa (Stable)



WORLD-CLASS TEAM UNLOCKING FULL POTENTIAL TO SBB'S SHAREHOLDERS THROUGH THREE VALUE-ADD STRATEGIES BEYOND TRADITIONAL PROPERTY MANAGEMENT

The Social Infrastructure Champion in Europe



Committed to value-add strategies



Building rights development and new production



Krister Karlsson
Deputy CEO & Prop.
Dev. Manager



Mats Silow
Head of Property
Development



Erik Hävermark
Head of Project
Development



Jenny Asmundsson
Head of Public Tender
Management



Viktor Mandel
Head of
Sveafastigheter

➤ +2,900,000 sq.m. of building rights, corresponding to c. 59,200 apartments

✓ SEK 1,000–1,400m



Investments in existing portfolio



Peter Olausson
Chief Technical Officer



Marika Dimming
Investor Relations and
Head of Sustainability



Martin Andersson
Sustainability analyst

➤ Renovation potential for c. 75% of the portfolio
➤ Targets 600 apartments renovated p.a.

✓ SEK 600m



Value-adding transactions



Oscar Lekander
Business
Development
Manager



**Carl Lundh
Mortimer**
Project Development
Manager



Joakim Bill
Transaction
Manager



Linus Eklund
Analyst



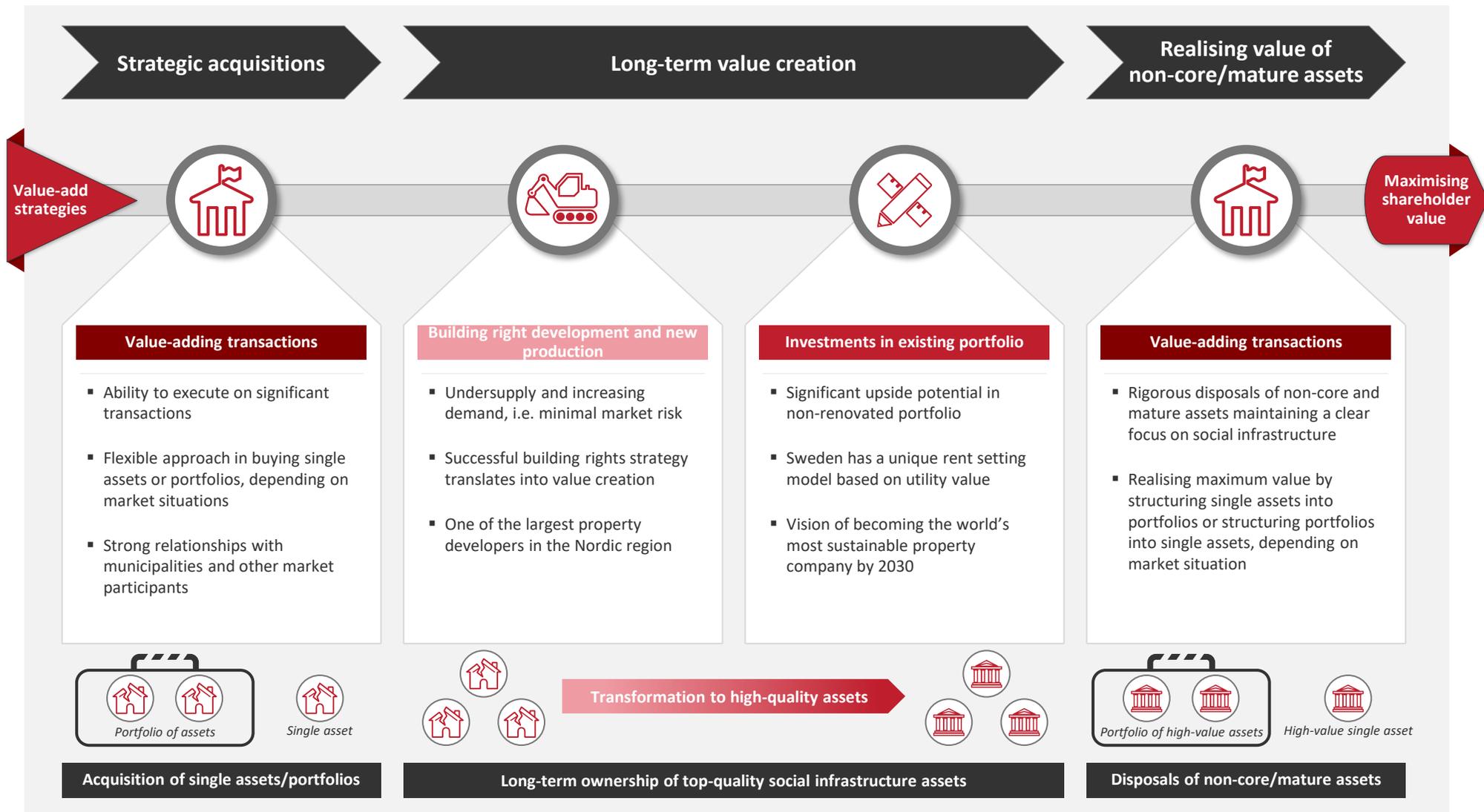
Lovisa Sörensson
Analyst

➤ SEK 96.1bn acquisitions and SEK 30.8bn disposals since 2019

✓ SEK 400m

Property Management as the foundation of our business model,
providing passing rent of SEK 6.1bn with the highest rent collection in the European listed real estate universe

SBB'S LEADING BUSINESS MODEL: VALUE-ADD STRATEGIES



SBB'S VALUE-ADD STRATEGIES

BUILDING RIGHTS DEVELOPMENT AND NEW PRODUCTION



Krister Karlsson
Deputy CEO and Property Development Manager
 Industry experience
 36 years



Jenny Asmundsson
Head of Public Procurements
 Industry experience
 26 years



Erik Hävermark
Head of Project Development
 Industry experience
 18 years

Jenny Linghede **Johan Ågren**
Project manager *Project manager*

Patrik Ahlbin **Johan Eklund**
Project manager *Project lead*

Karim El Hage **Stig Atle Nilsson**
Project manager *Project director NO*

Erik Nygren **Martin Verstad Sylte**
Project manager *Project manager NO*



Mats Silow
Head of Property Development
 Industry experience
 13 years

Malin Hein Dymling
Property developer

Lovisa Gustavsson
Property developer

Johanna Peacock
Property developer

Karl-Erik Larsson
Property developer



Victor Mandel
Head of Sveafastigheter
 Industry experience
 16 years

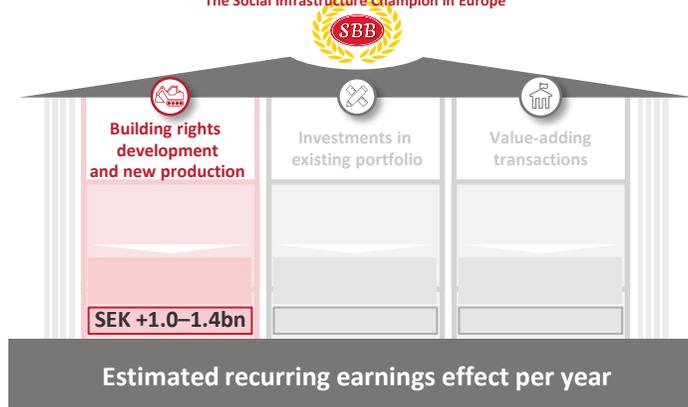
Lars Gärde
Senior VP acquisitions

Svante Jernberg
CEO Sveafastigheter Bostad

Görel Hällqvist
Director, Construction

Harry McNeil
Group CMO and sustainability

The Social Infrastructure Champion in Europe



✓ Highly skilled and experienced team creates the opportunity to build for own management

✓ No. 1 European property developer with ~59,200 apartments in project portfolio

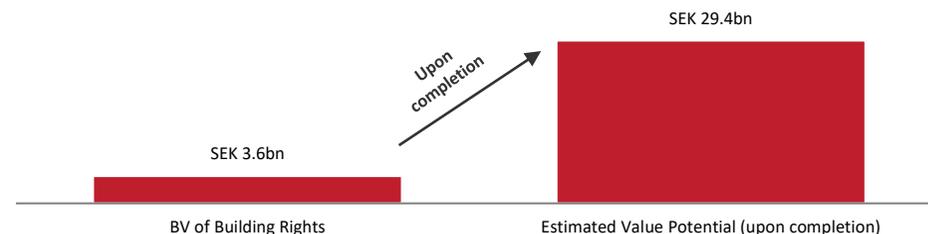
✓ Building rights portfolio's estimated value potential of SEK 29.4bn vs. book value of SEK 3.8bn

BUILDING RIGHTS DEVELOPMENT AND NEW PRODUCTION BREAKDOWN

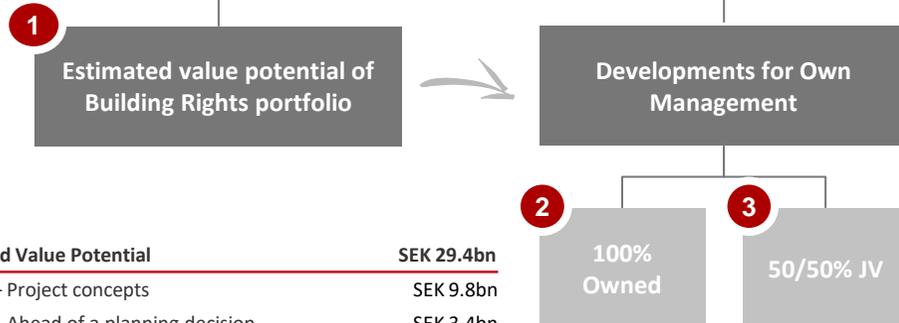
Utilizing Building Rights to Create Value Throughout the Value Chain

1

Building Rights Value Potential



Building Rights Development



2

Disclosure on Developments for Own Management

Earnings Capacity (Jun-21)	CSP	Resi	Other	Total ¹
Rental income	321	834	0	1 154
Net operating income	290	679	0	969
Profit from Property management	290	679	0	969
Yield on cost	5%	5%	-	5%

3

JV Disclosure on On-going Developments

Numbers in SEKbn	Estimated Value (upon completion)	Assessed investment	Book Value	Estimated Profit
JV projects Resi	27.4	-	-	1.9
JV projects CSP	2.2	-	-	0.2
Total	29.6	-	-	2.1

Estimated Value Potential	SEK 29.4bn
Phase 1 – Project concepts	SEK 9.8bn
Phase 2 – Ahead of a planning decision	SEK 3.4bn
Phase 3 – With planning notice	SEK 10.0bn
Phase 4 – Detailed plan having gained legal force	SEK 6.2bn

Estimated Recurring Earnings Effect :

SEK 1.0-1.4bn per annum¹. Profit for the first half of 2021 amounted to SEK 1.452bn

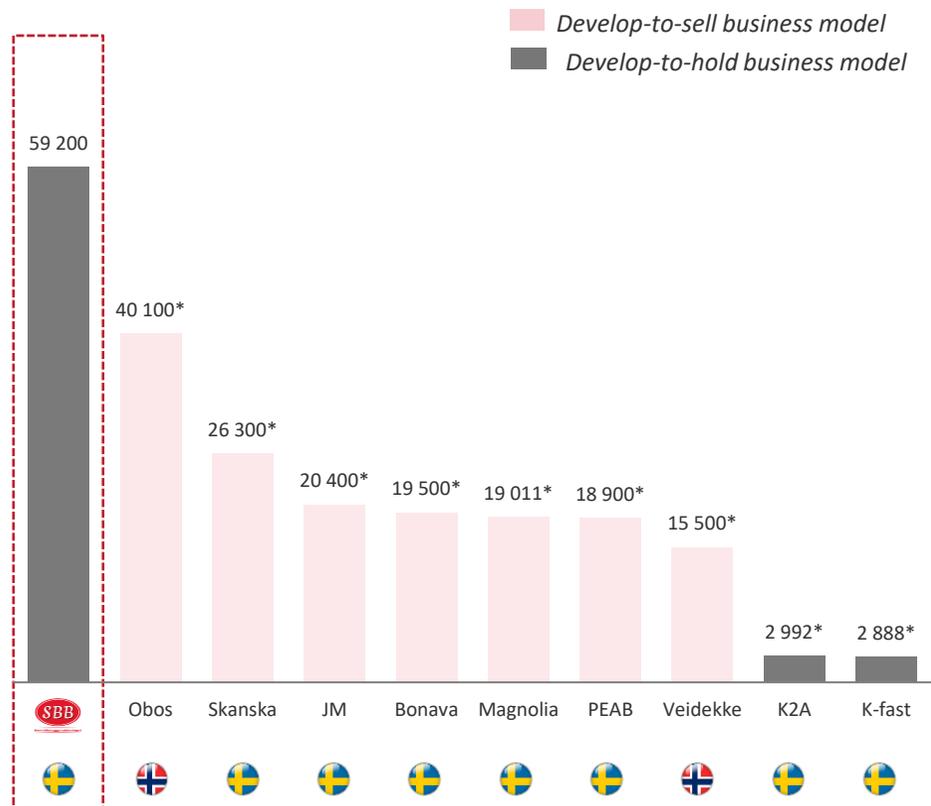




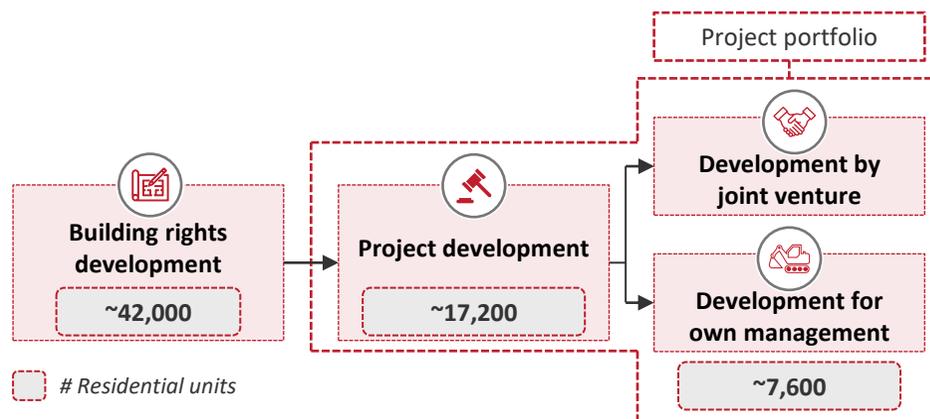
BUILDING RIGHT DEVELOPMENT AND NEW PRODUCTION

No. 1 property developer

Top property developer by building rights
(no. of residential units, c. 70 sq.m. per apartment)

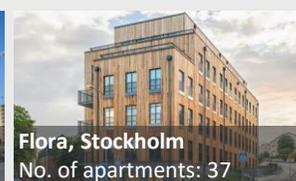
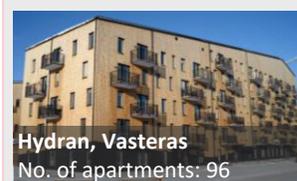


Utilising building rights to create value throughout the value chain



Estimated recurring earnings effect per year: SEK 1,000–1,400m

Selected development projects



No. 1 developer with ~42,000 apartments in building rights portfolio, 5,910 apartments under project development and 1,654 apartments in production for own management. Estimated recurring earnings effect per year: SEK 1,000–1,400m



Notes: * Numbers as of Q4 2020

SBB'S VALUE-ADD STRATEGIES

INVESTMENTS IN EXISTING PORTFOLIO

The Social Infrastructure Champion in Europe



Peter Olausson
Chief Technical Officer
 Industry experience
20 years

- Karl-Anders Persson**
Project manager
- Erik Navarette**
Project manager
- Ulf Mikaelsson**
Project manager
- Niclas Franzén**
Project manager
- Peter Landwehr**
Project manager



Marika Dimming
*Investor Relations and
 Head of Sustainability*
 Industry experience
25 years



Martin Andersson
Sustainability analyst
 Industry experience
9 years

- ✓ Vision of becoming the world's most sustainable property company by 2030
- ✓ Value-enhancing renovations across community service and residential properties
- ✓ Target of 600 renovated residential apartments p.a. (375 renovated during H1 2021)
- ✓ Highly experienced team with strong relationships with tenants to understand needs and requirements



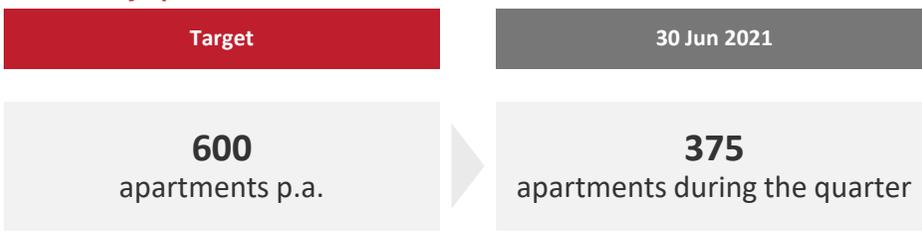
INVESTMENTS IN EXISTING PORTFOLIO

Significant renovations upside potential with a clear ESG focus

- ✓ Energy reduction from renovations average ~28%
- ✓ ~6-8% yield on cost from energy reducing investments
- ✓ Vision of becoming the world's most sustainable property company by 2030
- ✓ 86 percent have been environmentally decontaminated

Significant upside potential in non-renovated residential portfolio

Number of apartment renovations



Upside potential

- 75% of property portfolio is non-renovated
- Significant upside potential

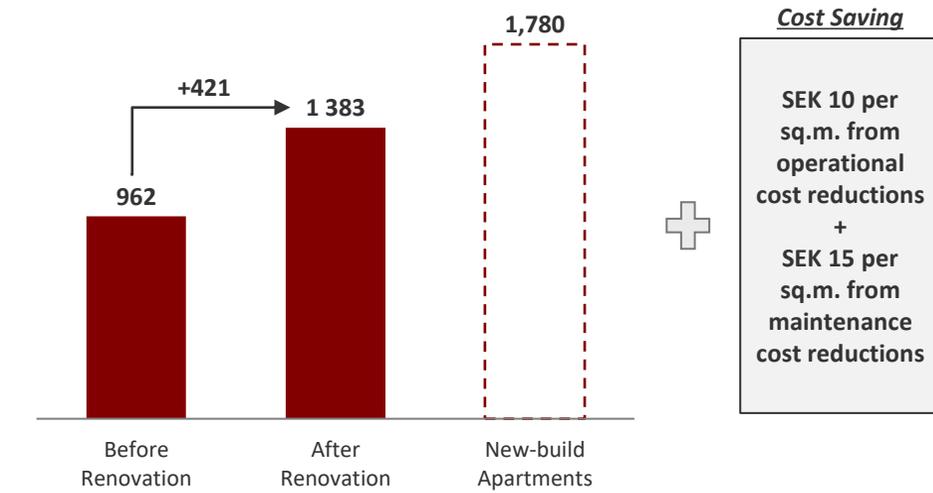
Significant avg. rental uplift after renovations in residential portfolio

Average rent (SEK) per sq.m.: +SEK 421 after renovation

Stockholm prime, rent levels
Yield: 1.25% – 3.25%

Gothenburg prime, rent levels
Yield: 1.50% – 2.50%

Malmö prime, rent levels
Yield: 2.50% – 3.75%



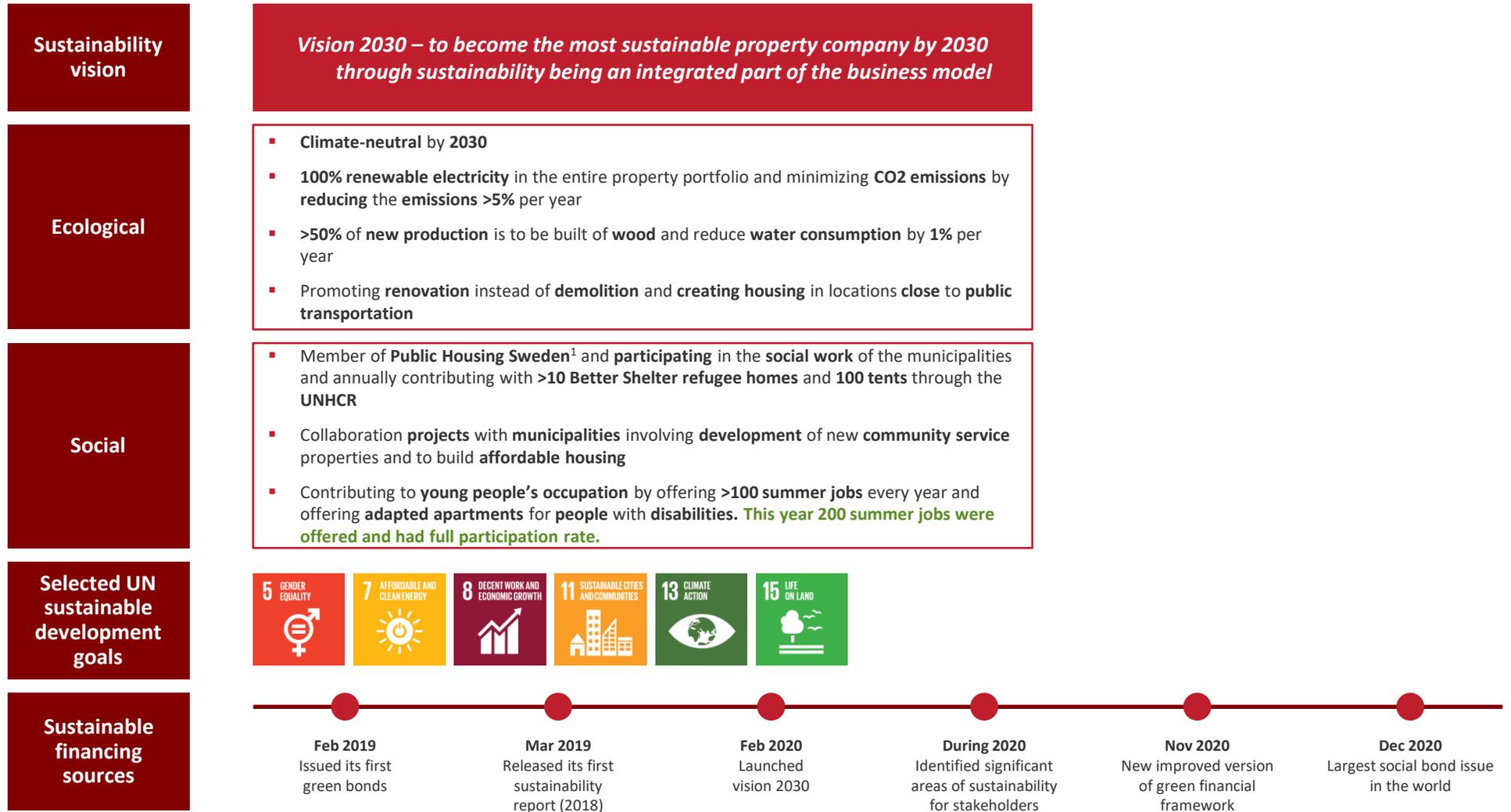
NOI margin improvement from c. 54% to c. 70% on renovated apartments



5-7% net yield on cost

Value-enhancing renovations across the community service and residential properties with a clear vision of becoming the world's most sustainable property company. Estimated total recurring earnings effect per year: SEK 600m

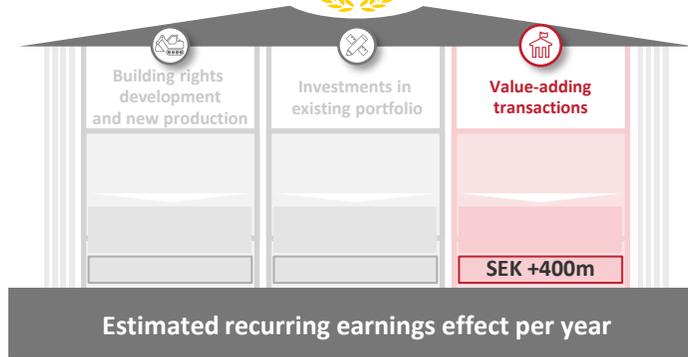
VISION 2030, SUSTAINABILITY FRAMEWORK, ACCELERATING ENVIRONMENTAL INITIATIVES TOWARDS A MORE SUSTAINABLE WORLD



SBB'S VALUE-ADD STRATEGIES

VALUE-ADDING TRANSACTIONS

The Social Infrastructure Champion in Europe



Oscar Lekander
Business Development
Manager
Industry experience
11 years



Carl Lundh Mortimer
Project Development
Manager
Industry experience
9 years



Joakim Bill
Transaction Manager
Industry experience
11 years



Linus Eklund
Analyst
Industry experience
6 years



Lovisa Sörensson
Analyst
Industry experience
5 years

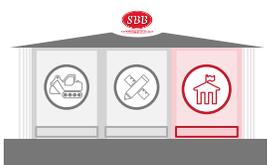


Fredrik Cronqvist
Senior Business
Developer Denmark
Industry experience
16 years



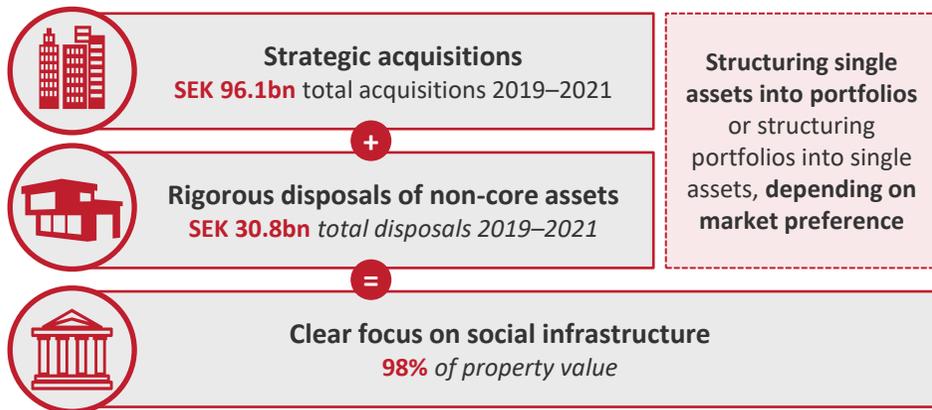
Päivi Loukusa-Virta
Investment Director
Finland
Industry experience
15 years

- ✓ The #1 real estate M&A team in the Nordics enabling off-market transactions at attractive valuations
- ✓ Local presence in all relevant geographies gives insight into local markets and facilitates sourcing
- ✓ The #1 acquirer of Nordic real estate by transaction volume
- ✓ The #1 acquirer of Nordic community service properties by transaction volume



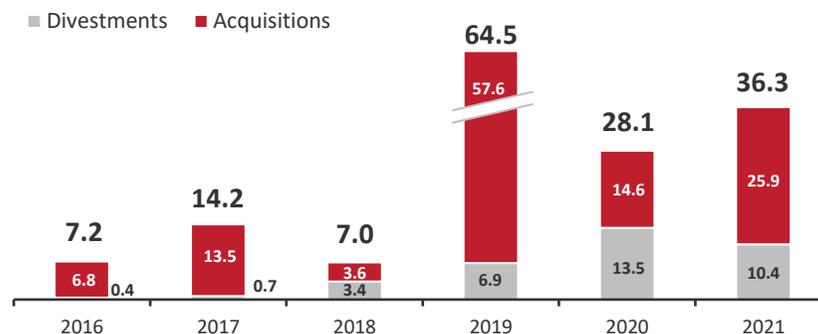
VALUE-ADDING TRANSACTIONS

Clear M&A strategy in the world's safest real estate class



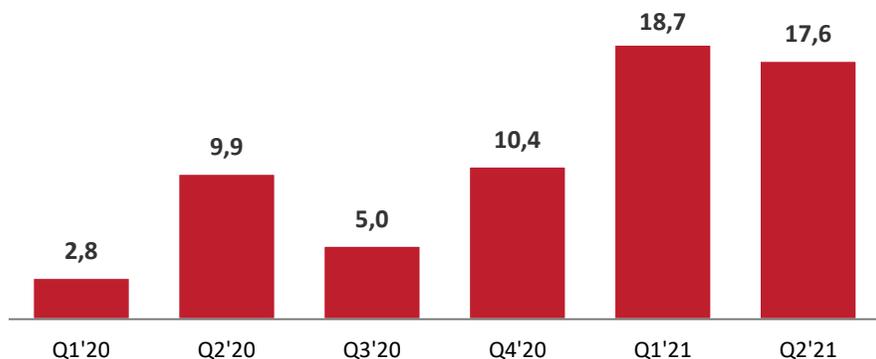
Significant transaction volume since inception

Yearly transaction volume (SEKbn)



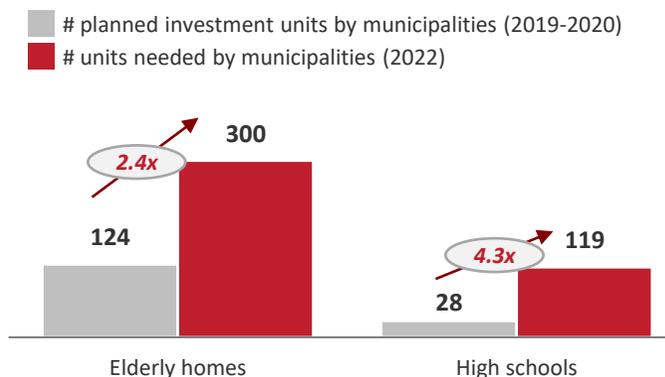
Social infrastructure – a low-risk and highly liquid market

SBB's total transaction volume totaling SEK 64.4bn during a volatile 2020-2021



Undersupply of CSP; significant investment potential for SBB

Planned (2019–2022) and needed units (2022), Sweden²



SBB's market position and strong balance sheet enables single asset acquisitions as well as large portfolio acquisitions

SBB frequently scans the whole SEK +1,000bn¹ market for attractive investment opportunities

SBB has a clear strategy of acquisitions to reach target of SEK 125bn property value by 2025 and BBB+ rating key ratios delivered. Estimated recurring earnings effect per year: SEK 400m



Notes: ¹ Refers to the Swedish community service market size; ² Newsec market report as of September 2019, based on a survey by SALAR

WORLD-CLASS TEAM UNLOCKING FULL POTENTIAL TO SBB'S SHAREHOLDERS THROUGH THREE VALUE-ADD STRATEGIES BEYOND TRADITIONAL PROPERTY MANAGEMENT

The Social Infrastructure Champion in Europe



Committed to value-add strategies



Building rights development
and new production



Investments in
existing portfolio



Value-adding
transactions

SEK +1,000–1,400m

SEK +600m

SEK +400m

Total value creation

Property Management as the foundation of our business model,
providing passing rent of SEK 6.1bn of which 98% are coming from "AAA" economies and rent-regulated residentials

THE SOCIAL INFRASTRUCTURE CHAMPION IN EUROPE



- 1 Stable cash flow** – Backed by AAA-countries
- 2 Growth fueled by three value-add strategies** – Building right development and new production, investments in existing portfolio and value-adding transactions
- 3 Dividend** – Dividend of SEK 1.00 per A- and B class share (increase by 900% since 2017) to be paid quarterly. Investigation for monthly dividend launched.
- 4 Rating** – Key ratios delivered for BBB+
- 5 Strategic sustainability** – The core of our business model

IN SUMMARY...

“For the full year 2021, earnings per ordinary share A and B are estimated to be SEK 7.80”

1

Strong and stable cash flow backed by AAA-countries – SBB continues to deliver strong profits, secure cash flows and high growth. Profit after tax was SEK 9.3bn, an increase of 258 percent compared with the same period last year.

Adjusted for non-recurring costs for repayment of expensive loans and deductions for earnings attributable to preference shares, series D shares, hybrid bonds and minority interests, **profit for the period amounted to SEK 6.09 per series A and B ordinary share.**

2

MONTHLY DIVIDEND INVESTIGATION

SBB’s Board of Directors has decided to investigate the possibility of monthly dividends of the ordinary A and B shares from the next Annual General Meeting. The inquiry’s conclusion together with the Board’s assessment of the scope for dividend from next year will be presented in connection with a capital markets day which is planned to take place during autumn 2021.

3

Profit from building right development and new production for the half of 2021 amounted to **SEK 1.452bn**, compared with the target of **SEK 1.0-1.4bn** on an annual basis. At the end of the second quarter, SBB’s portfolio of building rights amounted to approximately 2.9m m2 GFA, corresponding to approximately 42,000 apartments, which, together with the project portfolio, totaling 59,200 apartments and makes SBB the **leading property developer in Europe.**

4

“SBB’s 12-month rolling earnings capacity rose by 30 percent compared with the second quarter of 2020 and amounted to SEK 3.79 per series A and B share.

We have great potential for value creation. Our valuation yield is 4.34 percent in a market where the yield requirement for our low-risk assets is more often below 3 percent and where our average interest rate is 1.13 percent. Our value-adding strategies continue to out-perform at all levels. By itself, the profit from our two value-adding strategies Development of building rights & new production, and Investments in existing portfolio ended up at SEK 1.7bn for the first half of 2021. Our scenario analysis also shows that we have potential for tens of billions of SEK in added value from our building rights portfolio.”

THANK YOU!



Samhällsbyggnadsbolaget
