



Samhällsbyggnadsbolaget

SAMHÄLLSBYGGNADSBOLAGET I NORDEN AB (PUBL)

INTERIM REPORT

Q1

JANUARY-MARCH 2020

80,2 19,52

Properties' value, SEKbn

EPRA NRV, SEK/share

1 341

Rental income, SEKm

319

Profit from property management, SEKm

1 372

Interim profit, SEKm

FIRST QUARTER

The quarter in brief

- Rental income increased to SEK 1,341m (429).
- The operating surplus increased to SEK 895m (240).
- Cash flow from operating activities before changes in working capital was SEK 444m (97).
- Profit before tax increased to SEK 1,695m (394), of which:
 - Profit from property management is included with SEK 319m (106). The management result includes costs for early repayment of loans and other non-recurring costs of SEK -147m (-25).
 - Changes in value of properties are included with SEK 1,628m (252).
 - Changes in the value of derivatives are included with SEK -252m (9).
- Profit for the period was SEK 1,372m (216) after deduction of deferred tax of SEK -275m (-116) and current tax of SEK -48m (-17), corresponding to earnings per ordinary share A and B of SEK 0.94 (0.20) before dilution.
- The value of the property portfolio amounted to SEK 80.2bn (79.5).
- Long-term net asset value (EPRA NRV) calculated in accordance with EPRA's new guidelines for net asset value calculations was SEK 24,758m (24,784), corresponding to SEK 19.52 (20.04) per share.

Significant events during the first quarter

- Samhällsbyggnadsbolaget i Norden AB (SBB) has evaluated the effect of the Corona virus / Covid-19 on the company's operations. The assessment is that SBB's safe cash flows are only marginally affected by the business cycle and external factors, as cash flows mainly come from tenants who are tax-financed by the Nordic states or rent regulated residentials. The company has a long average fixed interest rate term and capital tied up and, apart from commercial paper, has only minor maturities within the next 12 months. The commercial paper that falls due is secured with back-up facilities. SBB has adopted a contingency plan with guidelines for operations during the Covid-19 crisis and continues to monitor developments closely.
- After the offer to Hemfosa's shareholders expired, SBB controlled 93.5 percent of the shares and 93.8 percent of the votes in Hemfosa. SBB has after that called for a compulsory purchase of the shares that have not been submitted in the offer. In February, an additional 8,736,000 ordinary shares were acquired in Hemfosa from Syquant Capital. After that acquisition, SBB controlled 98.3 percent of the shares and 98.9 percent of the votes in Hemfosa.
- SBB issued a perpetual hybrid bond of EUR 500m with a fixed coupon of 2.624 percent and an unsecured bond of EUR 750m with a fixed coupon of 1 percent and a maturity of 7.5 years. In March, a 20-year unsecured bond of EUR 50m was issued at a fixed interest rate of 2.75 percent.
- LOIs have been entered into for the sale of properties totaling SEK 11bn. The sale of the Mimer property, which was part of the LOIs, was completed at a value of SEK 460m. Approximately SEK 8bn of the remaining LOIs were sales to Nyfosa, which decided to postpone the completion. However, SBB's plan for sales of SEK 11bn during the year remains.
- SBB acquired about 30 percent of the shares and votes in SSM Holding AB (publ), corresponding to a purchase price of SEK 116m.
- In March, SBB repurchased most of the unsecured bonds issued by SBB and Hemfosa, which matures until May 2021, and have thereby repurchased SEK 3,362.4m of the total issued amount of SEK 3,724m. SBB has no other unsecured bonds that are due in the next 12 months.

Significant events after the end of the period

- SBB signed an agreement with Kuststaden on the sale of residential properties in Västervik, Vaggeryd and Nybro at an agreed property value of SEK 469.5m.
- Fitch ratings confirmed SBB's investment grade rating BBB- with stable outlook.

SBB KEY RATIOS

	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Property-related key ratios			
Property value (market value), SEKm	80 235	27 201	79 542
Number of properties	1 342	644	1 394
Leasable area, sq.m., thousands	4 180	1 466	4 233
Surplus ratio, %	67	56	63
Yield, %	4,7	4,6	4,8
Economic letting ratio, %	94,3	96,6	94,8
WAULT, social infrastructure properties, yrs	7	7	7
Financial key ratios			
Rental income, SEKm	1 341	429	1 996
Net operation income, SEKm	895	240	1 265
Interim profit, SEKm	1 372	216	2 624
Cash flow from current operations, SEKm	444	97	745
Equity excluding non-controlling interest, SEKm	24 167	9 580	24 304
Return on Equity, %	4	2	12
Loan-to-value ratio, %	50	52	41
Secured loan-to-value ratio, %	17	37	26
Equity ratio, %	36	39	30
Adjusted Equity ratio, %	40	43	33
Interest coverage ratio, times	2,8	2,0	2,6
Aktierelaterade nyckeltal			
Actual net asset value (EPRA NTA), SEKm *)	17 821	8 258	17 931
Actual net asset value (EPRA NTA), SEK/share *)	14,05	10,92	14,45
Long-term net asset value (EPRA NRV), SEKm *)	24 758	9 168	24 855
Long-term net asset value (EPRA NRV), SEK/share *)	19,52	12,13	20,04
EPRA Earnings, SEKm	271	89	611
EPRA Earnings (EPS), SEK/share	0,22	0,12	0,80
EPRA Vacancy Rate	5,7	3,8	5,2
Earnings per ordinary class A and class B shares	0,94	0,20	2,97
Earnings per ordinary class D shares	0,50	0,50	2,00
Average number of ordinary class A and B shares	1 259 332 896	756 049 031	762 481 721
Average number of ordinary class D shares	106 050 135	45 058 648	65 967 084
Average number of preference shares	30 713	175 251	122 886
Number of ordinary class A and B shares	1 268 092 596	756 049 031	1 240 526 587
Number of ordinary class D shares	106 519 951	45 690 906	104 425 359
Number of preference shares	30 713	175 251	30 713

*) The key ratios are calculated in accordance with EPRA's new guidelines for calculation of net asset values.

INFORMATION ON THE OPERATIONS IN SAMHÄLLSBYGGNADSBOLAGET I NORDEN

Ilija Batljan founded SBB in March 2016 with a vision to create the best Nordic property company focused on residential and social infrastructure properties. The company's strategy is long-term ownership, management and development of residential properties in Sweden and social infrastructure properties in the Nordics. Further, the company aims to actively carry out property development where cash flow properties can be converted into residential building rights.

Property portfolio

In order to safeguard stability, a strength to act and strong cash flows, at least 80-90 percent of the portfolio must consist of social infrastructure properties in the Nordic region with long leases and rental apartments in Sweden. SBB has continuously exceeded its expectations. The 24th of September 2019 SBB presented the goal of the property portfolio amounting to SEK 55bn in 2021 with a BBB+ rating". This goal has already been exceeded with the Hemfosa transaction. SBB aims to present updated growth goals during the year.

SBB is active in a market with stable and strong underlying driving forces. The property portfolio of the company is characterized by high letting ratio and long leases. Rental income is comprised of long, secure flows mainly from national and local government and from rental apartments.

Beyond growing through acquisitions, SBB also carries out value-creating activities, such as redevelopment and renovations of existing properties, as well as development of building rights. As of 31 March 2020, the property portfolio comprised 1,342 properties. The properties' value totalled SEK 80.2bn, of which residential amounted to SEK 13.5bn, community service properties SEK 61.5bn, and other properties SEK 5.2bn. The total area was approximately 4,180,000 sq.m. with a 12-month rolling rental income according to an earning capacity of SEK 5,163m, corresponding to an average rent of SEK 1,235 / sqm..

Classification	Rental income, SEKm	Total, %
Residential	786	15
Group Housing	324	6
Government	2 423	47
Indirect government	1 001	20
Other	629	12
Total	5 163	100

Organisation

SBB's management team has significant experience in development and management of both residential and community service properties. The organization is made up of a team of employees where the focus lies on transactions, property development and cost effective management.

SBB works actively on improving cash flows in the existing property portfolio through efficient property management by a locally established management organization and an organization with extensive knowledge and experience of property development. Since the end of March 2018, SBB's property management organization is in-house. SBB operates a transaction-intensive business with the aim of creating the best long-term return.



CEO ILIJA BATLIJAN



“Cash is king also applies during a pandemic.”

“Cash is king” also applies during a pandemic - Cash flow from operating activities increased by SEK 347m, corresponding to 358 percent

SBB has a very strong financial position with just over SEK 50bn in unencumbered assets, strong banking relationships and access to the European credit market, which the company clearly demonstrated by being able to issue a 20 year bond in the middle of the crisis. SBB had cash of SEK 3.8 billion at the end of the quarter. On top of this it can be added that SBB repaid 10 billion of its bank loans and made large repayments of bonds during the quarter. At the end of the first quarter, total bond maturities for the next 12 months amounted to SEK 282m, of which SEK 65m was repaid on the 6th of April 2020. Access to capital is important, but it is even more important to deliver strong cash flows from operations. Cash flow from operating activities before changes in working capital increased by 358 percent to SEK 444m (97) for the quarter. Adjusted for non-recurring effects for the buyback of expensive loans and restructuring costs, cash flow landed at SEK 591m (122).

Honouring signed agreements, working hard and contributing to your community is sustainability even during a pandemic

SBB is today the largest in the Nordics and one of Europe's largest owners of social infrastructure. SBB's scalable platform is staffed with some of the Nordic region's most experienced employees in the leading positions. Our experienced team works hard to help keep society going. We continue to invest and we have not had to use any support programs from government, but fulfill all our commitments as regards our suppliers, consultants, entrepreneurs, lenders, salaries to our employees and dividends to our shareholders. SBB always honours its agreements and we try to help both by ensuring that the social infrastructure works despite the current circumstances but also by providing deferral of payments and rental discounts to our tenants with a long-term endurance.

So far, we have granted a deferred or changed payment period corresponding to SEK 12m and discounts corresponding to SEK 1m. Our employees and we as a company also contribute to various initiatives for those working in the health care sector and for our elderly and vulnerable. This is sustainability for real.

We will be 100 percent climate neutral by 2030 and our investments within energy efficiency improvements show that this is possible. Investments in our green bond framework already show significant reductions in energy consumption and carbon dioxide emissions.

Profit after tax amounted to SEK 1.4 billion, an increase of 535 percent

Profit before tax amounted to SEK 1,695m and profit after tax was SEK 1,372m. Adjusted for non-recurring effects for the buyback of expensive loans and deductions for profit attributable to preference shares, D shares and hybrid bonds, earnings for the year were SEK 1.06 per ordinary A and B share.

Net operating income has increased by 273 percent

Profit from property management, adjusted for non-recurring expenses, increased by 295 percent to SEK 596m (151) compared to Q1 2019. The one-off costs include, other than costs for the prepayment of loans, restructuring costs and unrealized currency effects. The strong increase in operating net is the main explanation for the strong increase in profit from profit management.

We see continued strong demand for residentials and community service properties. SBB's building rights portfolio of just over 1,800,000 sq.m. BTA corresponds to approximately 25,000 apartments, which makes SBB one of the Nordic region's leading property developers. Due to the fact that SBB has a very strong balance sheet, the company can choose to develop for its own management and is not dependent on the business cycle to any significant extent. We also see that the model of using building rights for

our own future cash flows, where we have now strengthened the organization with a strong team accustomed to working with standardization in enterprise construction and in collaboration with contractors who take the construction risk, leads to significant value creation. Examples of cash flows coming in over the next two years:

- Conversion and extension of Nykvarn's City Hall (new 25-year lease)
- New Culture Centre for the Municipality of Skellefteå (new 50-year lease)
- New offices for the Social Services in Västerås (new 15-year lease)
- Conversion of premises for a school in Haninge and an elderly care home for the Municipality of Haninge (one 23-year lease and 20-year lease)
- Six new group housing units for people with disability in collaboration with Emrahus and four special group housing units built for own management (on average, 15-year leases)

BBB+ rating focus for the next 12 months

We are focusing on achieving a BBB + rating over the next 12 months, which is a prerequisite for strong growth. In the long term, the goal is to achieve an A- rating. This is supported by the high quality of our assets and the fact that we have the same secure publicly funded cash flows as our peers in the public rating category.

We continue to strengthen equity and the interest coverage ratio has been rising rapidly from 2.0 in the first quarter 2019 to 2.8 today. Based on our earning capacity on a 12-month rolling basis, the interest coverage ratio is 4.7 times. We have an average interest rate of 1.52 percent (2.52 percent), which is one percentage point lower than Q1 2019. At the end of the quarter, our net debt pro forma amounted to, adjusted for planned sales and earnings for the year, through total capital according to S&P's definition, to 54 percent.

Outlook

SBB's safe cash flows are only marginally affected by economic cycles and external shocks. This is also evident in one of the biggest challenges our economy has faced in modern times. We continue to see that, in line with Q1 earnings and earning capacity, we deliver a strong earnings capability of SEK 3.28 per share. In addition to this, we also see good conditions for scaling up our organic growth by our building rights delivering cash flow properties with long tenant agreements for our own property management. We have previously communicated that we believe we will, for the years 2019-2021, be able to deliver the highest annual increase in net asset value among all Swedish listed property companies. The strong organic growth we see through newly signed leases contributes to this despite the development of the Norwegian krona.

SBB is now the leading real estate company in the Nordic region with a focus on social infrastructure and our overall assessment is that we have the best conditions to continue to develop our position. The crises come and go and one should be humble before this, but our job is to be a reliable and long-term social participant who in a sustainable way delivers shareholder value, good profitability and strong results.

Ilija Batljan

CEO and Founder



CONSOLIDATED INCOME STATEMENT

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Rental income	1 341	429	1 996
Operating costs	-282	-134	-471
Maintenance	-75	-26	-115
Property administration	-56	-21	-104
Property tax	-33	-8	-41
Net operating income	895	240	1 265
Central administration	-53	-27	-136
Acquisition and restructuring costs	-32	-	-83
Results from associated companies/joint ventures	23	12	92
Profit before financial items	833	225	1 138
Financial items			
Interest income and similar items	28	13	102
Interest expenses and similar items	-292	-107	-482
Expenses for redeemed loans in advance	-115	-25	-197
Translation gains/losses	-130	-	91
Leasing costs	-5	-	-7
Profit from property management	319	106	645
Changes in value, property	1 628	252	2 453
Changes in value, derivatives	-252	-9	39
Profit before tax	1 695	349	3 137
Tax	-323	-133	-513
NET PROFIT FOR THE PERIOD	1 372	216	2 624

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Net profit for the period	1 372	216	2 624
Translation gains/losses	-966	142	163
COMPREHENSIVE INCOME FOR THE PERIOD	406	358	2 787
Earnings per ordinary share A and B before dilution	0,94	0,20	2,97
Earnings per ordinary share A and B after dilution	0,93	0,20	2,92
Earnings per ordinary share D (not subject for dilution)	0,50	0,50	2,00

COMMENTS ON THE INCOME STATEMENT

Net operating income

Rental income during the period amounted to SEK 1,341m (429). Of the rental income, SEK 220m pertained to residential properties, SEK 1,020m community service properties and SEK 101m other properties. The economic letting ratio at the end of the period was 94.3 percent (96.6). The average contract length for community service properties was 7 years (7).

Property costs during the period amounted to SEK -446m (-189). They mainly consist of tariff-related costs, maintenance costs and property management administration.

Segmentredovisning

For reporting and follow-up, SBB has been divided into three segments: Residential, Social Infrastructure and Other/Property Development. The division is based on the differences in the nature of the segments and on the reporting the management obtains to follow up and analyse the business, and the information obtained to make strategic decisions

Segment reporting 01-01-2020 – 31-03-2020

SEKm	Residential	Community service	Other	Total
Rental income	220	1 020	101	1 341
Property costs	-127	-274	-45	-446
Net operating income	93	746	56	895
Surplus ratio	42%	73%	55%	67%
Central administration				-53
Acquisition and restructuring costs				-32
Profit from associated companies/JV				23
Net financials				-514
Operating profit	93	746	56	319
Changes in value, property	127	1 416	85	1 628
Changes in value, derivatives				-252
Tax				-323
Profit for the period	220	2 162	141	1 372
Investment properties	13 511	61 539	5 185	80 235
Value per sq.m. (SEK)	15 888	20 706	14 438	19 188

Segment reporting 01-01-2019 – 31-03-2019

SEKm	Residential	Community service	Other	Total
Rental income	152	250	27	429
Property costs	-98	--74	-17	-189
Net operating income	54	176	10	240
Surplus ratio	36%	70%	37%	56%
Central administration				-27
Profit from associated companies/JV				12
Net financials				-119
Operating profit	54	176	10	106
Changes in value, property	204	60	-12	252
Changes in value, derivatives				-9
Tax				-133
Profit for the period	258	236	-2	216
Investment properties	8 455	16 745	2 002	27 201
Value per sq.m. (SEK)	13 261	25 689	11 372	18 562

Profit after tax

In total, this year's costs for central administration amounted to SEK -53m (-27). The central administrative costs include costs for business development, transaction, property development and financial management. As a result of the acquisition of Hemfosa, the company incurred some one-off costs during the period. As the acquisition of Hemfosa is classified as a so-called. business combination, transaction costs shall be reported in the income statement. In total, these acquisition and restructuring costs amount to SEK -32m. Profit from associated companies and joint ventures was SEK 23m (12) for the period.

Net financial items for the year amounted to SEK -514m (-119). The financial costs include interest on external financing as well as other financial costs such as accrued arrangement fees. The financial costs include non-recurring expenses in the form of costs for early repayment of expensive loans of SEK -115m (-25). During the period, exchange rate differences of SEK 130 million (-) were recognized, which are attributable to the translation of loans raised in Euro to the extent that they are not

matched to hedges in the form of net assets in Euro and currency derivatives. The impact on the result is explained by the strong performance of the euro against the Swedish krona during the period.

Value changes for the properties amounted to SEK 1,628m (252), of which SEK -60m (-16) was realized changes in value and SEK 1,688m (268) were unrealized changes in value. The unrealized changes in value are part of value creation in respect of property development of SEK 78m (32). The remainder of the changes in value are explained by increased operating nets as a result of investments and leases in the property portfolio and reduced yield requirements.

Profit for the period after tax was SEK 1,372m (216) and was reduced with SEK -323m (-133) in tax, of which SEK -48m (-17) related to current tax and SEK -275m (-116) related to deferred tax related to properties and loss carryforwards.



CONSOLIDATED BALANCE SHEET

Amount in SEKm	31-03-2020	31-03-2019	31-12-2019
ASSETS			
Fixed assets			
Intangible assets			
Goodwill	6 691	24	6 687
Total intangible assets	6 691	24	6 687
Tangible assets			
Investment properties	80 235	27 201	79 542
Land lease agreements	450	52	445
Equipment, machinery and installations	21	4	21
Total tangible fixed assets	80 706	27 257	80 008
Financial fixed assets			
Shares in associated companies/joint ventures	1 124	226	909
Receivables from associated companies/joint ventures	1 191	970	1 142
Derivatives	36	-	73
Financial fixed assets at fair value	1 333	-	459
Other long-term receivables	23	73	24
Total financial fixed assets	3 707	1 269	2 607
Total fixed assets	91 104	28 550	89 302
Current assets			
Current receivables			
Accounts receivable	40	31	53
Receivables from associated companies/joint ventures	-	631	-
Other receivables	1 290	355	791
Prepaid expenses and accrues income	233	27	158
Total current receivables	1 563	1 044	1 002
Short-term investments	-	-	1 041
Cash and cash equivalents	3 820	398	12 858
Summa omsättningstillgångar	5 383	1 442	14 901
TOTAL ASSETS	96 487	29 992	104 203
EQUITY AND LIABILITIES			
Equity	34 875	11 782	30 896
Long-term liabilities			
Liabilities to credit institutions	14 473	6 494	22 073
Bond loans	32 493	7 423	23 720
Derivatives	64	20	25
Deferred tax liabilities	6 288	1 159	6 237
Liabilities leasing	450	52	445
Other long-term liabilities	40	131	22
Total long-term liabilities	53 808	15 279	52 522
Current liabilities			
Liabilities to credit institutions	709	22	3 912
Commercial papers	4 268	1 928	4 944
Bond loans	282	67	1 442
Accounts payable	136	79	131
Current tax liabilities	173	12	126
Other liabilities	767	514	8 822
Accrued expenses and prepaid income	1 469	309	1 408
Total current liabilities	7 804	2 931	20 785
TOTAL EQUITY AND LIABILITIES	96 487	29 992	104 203

COMMENTS ON THE BALANCE SHEET

Investment properties

The value of the properties amounted to SEK 80.2bn at 31 March 2020. The value of the property portfolio has been based on external valuations made by Newsec, JLL, Savills and Colliers Danmark. The valuations have been based on an analysis of future cash flows for each property, taking into account the current lease terms, market situation, rental levels, operating, maintenance and management costs, as well as need for investments. The return requirements used in the valuation are in the range of 2.30 percent to 15 percent. The value of the properties includes SEK 2,590m for building rights that have been valued by applying the local price method, which means that the assessment of the value is based on comparisons of prices for similar building rights. Fair value has thus been assessed in accordance with IFRS 13 level 3. Also refer to investment properties on p. 16.

Associated companies and joint ventures

SBB's involvement in associated companies and joint ventures consists of an ownership interest and, in some cases, financing for the companies. As at 31 March 2020, participations in associated companies and joint ventures amounted to SEK 1 124m (909) and receivables from associated companies and joint ventures amounted to SEK 1,191m (1,142). Some of the companies carry out property development projects, which are described in more detail on page 19, while other companies own investment properties. The largest holdings are the companies Klarabo Förvaltning AB, Valerum Fastighets AB and Public Eiendom AS. During the period, shares were acquired in SSM Holding AB (publ).

Goodwill

Most of the goodwill item of SEK 6,691m is attributable to the acquisition of Hemfosa and is mostly comprised of synergies in the form of lower financing and administration costs. In addition to this, there is a recognized goodwill attributable to the difference between nominal tax and the calculated estimated tax that is applied in so-called business combinations, such as the acquisition of Hemfosa. For this accounted goodwill of SEK 2,383m there is a corresponding amount in the item deferred tax. The smaller part of the goodwill arose through the acquisition of the company SBB Förvaltning Sverige AB (formerly Hestia Sambygg AB) with 70 employees that was implemented in 2018. The goodwill item that arose during the acquisition is linked to the employees.

Equity

As of March 31, 2020, equity amounted to SEK 34,875m (30,896). Equity includes hybrid bonds issued at a book value of SEK 10,342m and preference shares in Norwegian subsidiary Nye Barcode 121 Bidco AS and a minority in Hemfosa since SBB does not own all the shares in the company. As shares in Hemfosa were acquired during the period, the minority share decreased by SEK 1.6bn. During the period, SBB carried out issues of ordinary shares of series B and D of SEK 723m after issue costs used as consideration for the acquisition of shares in Hemfosa. In addition, a EUR 500m perpetual hybrid bond was issued with a fixed coupon of 2.624 percent.

Translation gains/losses in translation of net assets in subsidiaries in Norway, Finland and Denmark from local currency to SEK amounted to SEK -966m (142) of the change in equity during the period. The effect is mainly explained by the negative development of the Norwegian krona and the euro's strong development against the Swedish krona during the period.

The equity ratio was 36 percent (39), the adjusted equity ratio was 40 percent (43) and the loan-to-value ratio was 50 percent (52).

Deferred tax

Deferred tax is calculated with a nominal tax of 20.6 percent in Sweden on differences between reported and taxable value of assets and liabilities. The tax rates for Norway and Denmark is 22 percent and for Finland 20 percent. At 31 March 2020, the deferred tax liability amounted to SEK 6,288m (6,237) and is mainly attributable to investment properties and loss carry-forwards. Loss carry-forwards amount to SEK 3,9bn at 31 March 2020.

Debt and cash and cash equivalents

Interest-bearing liabilities in the Group amounted to SEK 52,225m (56,091) at the end of the period, of which SEK 15,182m (25,985) pertained to liabilities to credit institutions, SEK 32,775m (25,162) pertained to bond loans and SEK 4,268m (4,944) pertained to commercial paper. Also refer to the section Financing on p. 14. Cash and cash equivalents amounted to SEK 3,820m (12,858). The decrease in cash is mainly due to the payment of the cash consideration in the Hemfosa acquisition.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amount in SEKm

	Share capital	Other contributed capital	Retained earnings	Hybrid bonds	Non-controlling interest	Total equity
Total equity 01-01-2019	80	4 345	4 585	1 872	315	11 197
Share issue	1	257				258
Dividends				-31		-31
Net profit for the period			185	31		216
Other comprehensive income			127		15	142
Total equity 31-03-2019	81	4 602	4 897	1 872	330	11 782
Share issue	53	13 095				13 148
Issue hybrid bonds				4 600		4 600
Issue warrants		3				3
Dividends			-357	-167	-1	-525
Redeemed preference shares		-93	-54		-295	-442
Repurchased hybrid bonds			-283	-1 873		-2 156
Acquired minority interests					1 930	1 930
Tax effects equity		51		76		127
Net profit for the period			2 236	167	5	2 408
Other comprehensive income			73	-47	-5	21
Total equity 31-12-2019	134	17 658	6 512	4 629	1 963	30 896
Total equity 01-01-2020	134	17 658	6 512	4 629	1 963	30 896
Share issue	3	720				723
Issue hybrid bonds				5 281		5 281
Purchased minority interests			-731		-1 640	-2 371
Dividends			-1	-90	0	-91
Tax effects equity		5		25		31
Net profit for the period			1 238	90	44	1 372
Other comprehensive income			-1 372	407	-1	-966
Total equity 31-03-2020	137	18 383	5 646	10 342	366	34 875

CONSOLIDATED CASH FLOW STATEMENT

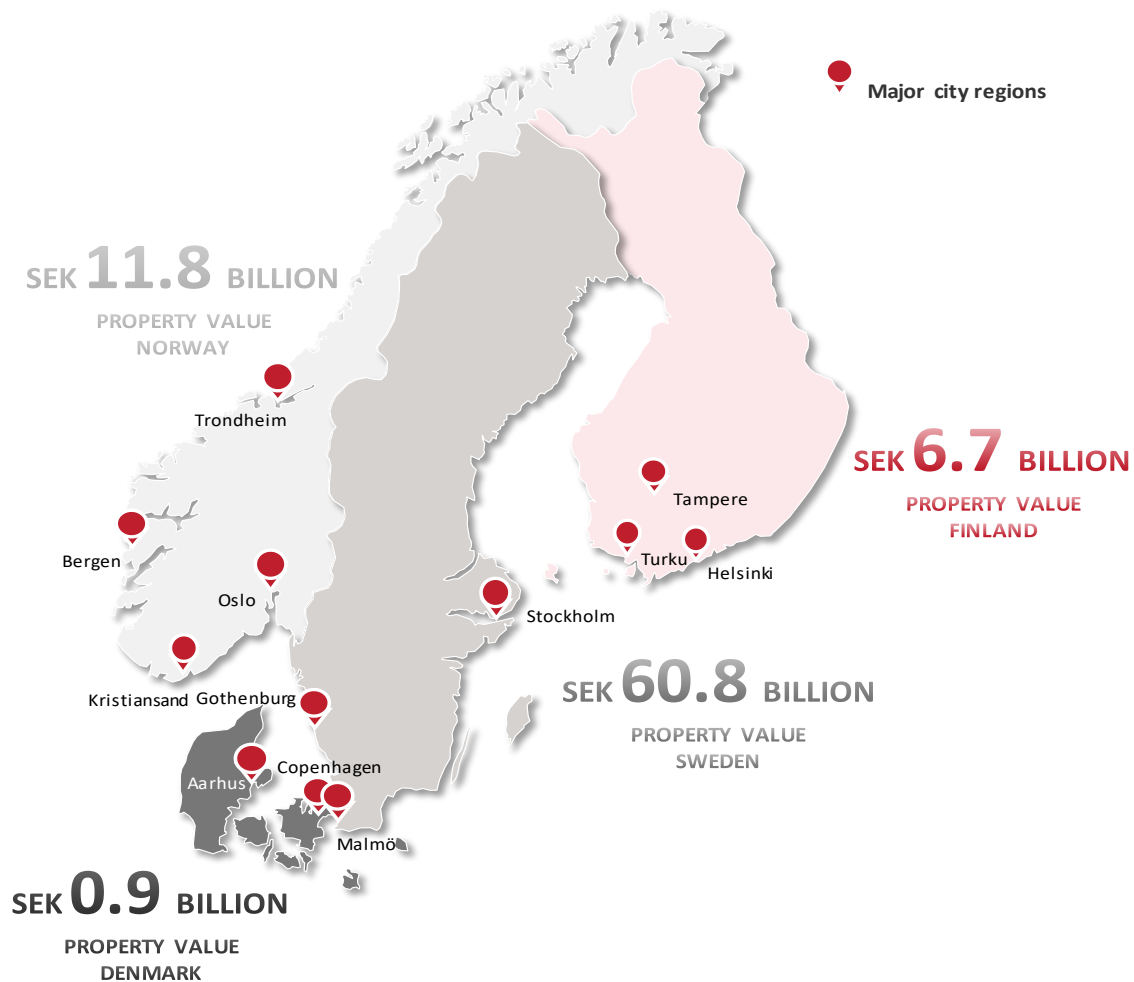
Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Operations			
Profit from property management	319	106	645
<i>Adjustments for non-cash flow items</i>			
Depreciations	1	0	3
Net financial items	514	119	493
Interest paid	-369	-124	-459
Interest received	27	13	97
Income tax paid	-48	-17	-34
Cash flow from operations before changes in working capital	444	97	745
Cash flow from changes in working capital			
Changes in current receivables	-558	-60	-644
Changes in current liabilities	-8 018	197	9 443
Cash flow from operations	-8 132	234	9 544
Investment activities			
Investments in properties ¹⁾	-1 458	-1 661	-58 258
Divestments in properties	1 631	327	6 672
Investments/divestments in equipment, machinery and installations	-1	1	-19
Investments in associated companies/joint ventures	-254	-12	-698
Investments in intangible fixed assets	-4	-	-4 295
Changes in receivables from associated companies/joint ventures	-57	-27	432
Changes in financial assets	-82	-	-1 459
Changes in other long-term receivables	1	-	-13
Cash flow from investment activities	-224	-1 372	-57 638
Financing activities			
Share issue ¹⁾	723	258	13 406
Issue hybrid bonds	5 281	-	4 600
Redeemed preference shares	-	-	-83
Repurchased hybrid bonds	-	-	-2 156
Issue warrants	-	-	3
Dividends paid	-59	-41	-426
Acquired minority shares			1 930
Redeemed minority shares ¹⁾	-2 371		-349
New loans	9 501	3 182	53 766
Amortization of loans	-13 662	-2 127	-12 362
Changes in other long-term liabilities	-94	106	2 467
Cash flow from financing activities	-681	1 378	60 796
Cash flow for the period	-9 037	240	12 702
Cash and cash equivalents at the beginning of the period	12 858	157	157
Translation difference of cash and cash equivalents	-1	1	-1
Cash and cash equivalents at the end of the period	3 820	398	12 858

¹⁾ The amount above also include share issues without contribution of cash. Investments in subsidiaries also includes investments made by direct share issues.

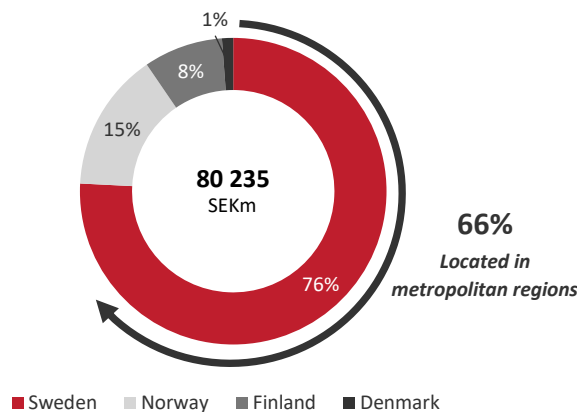
PROPERTY PORTFOLIO

PROPERTY VALUE BY GEOGRAPHY:

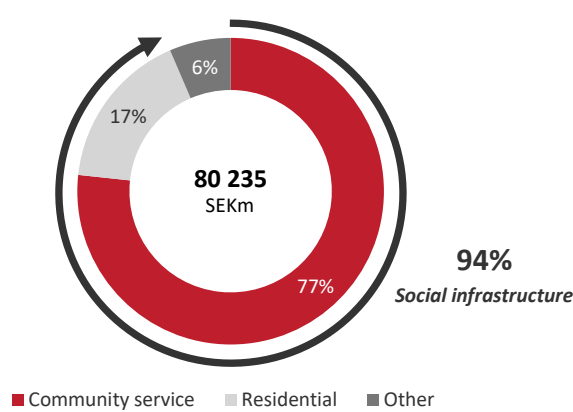
66 percent of the property portfolio is in the metropolitan regions



Property value, by country



Property value, by property type



The business concept of Samhällsbyggnadsbolaget (SBB) is to benefit its shareholders and society in general by:

- Being a natural and reliable cooperative partner to the public sector, by owning, managing, renovating and building community service properties in the Nordic region and regulated rental apartments in Sweden (jointly called social infrastructure) in the long term.

Conducting active work as a society builder and long-term collaborative partner of municipalities, county councils and national authorities in order to create building rights for social infrastructure.

SBB's strategy is the long-term ownership, management and development of social infrastructure. At the end of the period, community service properties in Sweden accounted for 52 percent of the company's property value; 16 percent of the company's property value was comprised of community service properties in Norway, 8 percent of community service properties in Finland and 1 percent of community service properties in Denmark. 17 percent of the property value was comprised of Swedish regulated rental apartments. The remaining 6 percent are properties outside the company's core holdings that were acquired in connection with large portfolio acquisitions and are intended to be divested soon or properties where the company conducts active property development work where cash flow properties are converted to building rights for social infrastructure – an important part of building social infrastructure. This makes SBB a very important society builder in times of an extensive demand for properties in social infrastructure.

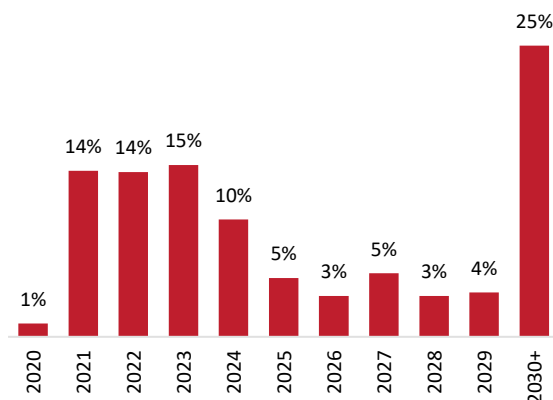
SBB's community service properties include properties that are used by tenants that are tax financed by the Nordic welfare states. The tenants conduct operations in education, elderly care, support for the disabled and other activities for healthcare and municipal and national administration. For example, SBB owns several municipal buildings, ministry buildings, a large number of elderly housing units, preschools and schools and is the Nordic region's largest actor in properties for support of the disabled with around 250 such properties.

SBB manages and refines homes in Swedish growth municipalities. Our properties are located in close vicinity to the town centre and with access to very good public transport. Community service properties, which together with Swedish regulated rental apartments are defined as social infrastructure, constitute SBB's core holdings and over time shall comprise around 90 percent of the company's total property value. The combination of regulated rental apartments and community service properties is unique among listed companies in the Nordic region. They are assets with minimal risk since the supply of rental apartments in Sweden is far below demand due to a regulated market and a growing population, at the same time that the need for community service properties is very extensive for demographic reasons in combination with tenants that are financed by the Nordic welfare states. SBB has among the longest average lease durations in the market for community service properties, around seven years, combined with a very low degree of relocation, which means that the actual duration is clearly longer than seven years.

Lease duration, community service properties

7 years

Average lease duration



Largest tenants

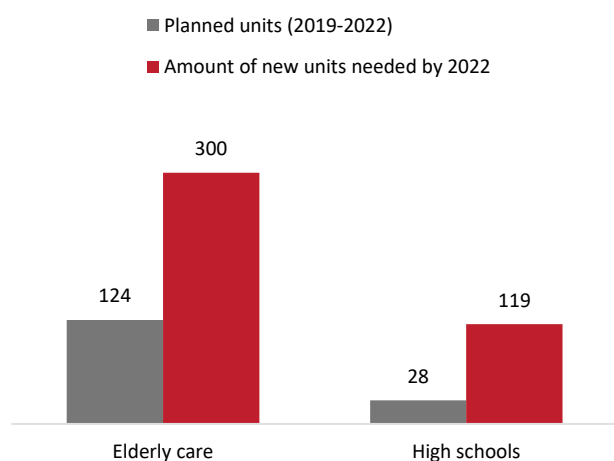
Tenant	Rental income	% of total ¹⁾
Swedish state	882	21,4
Norwegian state	289	7,0
Finnish state	182	4,4
Municipality of Härnösand	131	3,2
Academedia	106	2,6
Norwegian National Association for Hearth and Lung Diseases	104	2,5
Västra Götaland County Council	66	1,6
Ambea	63	1,5
Municipality of Boden	63	1,5
Municipality of Haninge	63	1,5
Total 10 largest	1 949	47,3
Other	2 168	52,7
Total rental income	4 117	100,0

¹⁾ Based on the social infrastructure property portfolio

Supply and demand for social infrastructure

The need for community service properties is very large. The graph below illustrates the number of planned units of elderly housing and high-schools until 2022 in relation to the actual need. A large supply shortage also characterizes the market for Swedish regulated rental apartments where the average queue time for an apartment in the Stockholm region is around ten years.

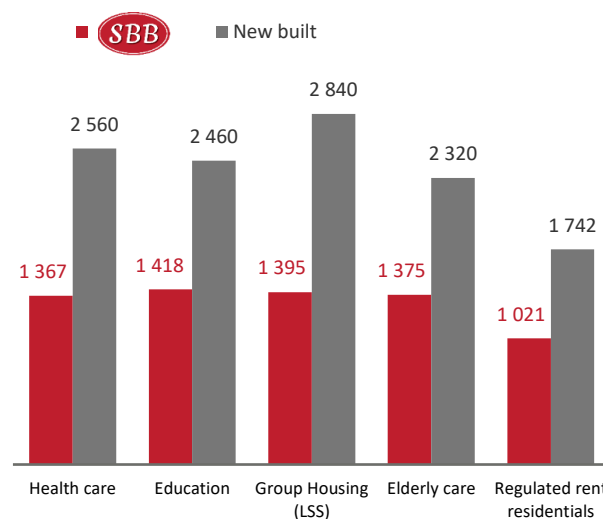
Need and planned community service properties



Source: SKL

In addition to a large shortage of properties in social infrastructure, there is also a major rental potential in the existing portfolio. The leading property advisor Newsec analyzed rent levels for newly produced community service properties in Sweden in autumn 2019. The graph below shows rents in the new production analysis in relation to average rents for SBB's portfolio.

Rent per sq.m. for new built compared with SBB's existing portfolio of community service properties



Source: Newsec

Sensitivity analysis

The property valuations are made according to accepted principles based on certain assumptions. The table below presents how the value has been impacted in a change of certain parameters assumed for the appraisal. The table provides a simplified illustration as one single parameter probably does not change in isolation.

	Change	Value impact
Rental value	+/- 5 %	SEK 3 869 / -3 874m
Discount rate	+/- 0,25 %	SEK -2 127 / 2 293m
Exit yield	+/- 0,25 %	SEK -2 616 / 2 777m

Property portfolio change

Opening fair value 2020-01-01	79 542
Acquisitions	1 078
Investments	380
Sales	-1 692
Translation difference	-761
Unrealized changes in value	1 688
Fair value at period end	80 235

ACTIVE PROPERTY MANAGEMENT

In addition to working with traditional property management, SBB works with additional value-creating activities; real estate development, investments / renovations and real estate transactions.

PROPERTY DEVELOPMENT

As of 31 March 2020, SBB's building rights portfolio amounted to over 1,800,000 sq.m. BTA, corresponding to approximately 25,000 apartments, making SBB one of the Nordic region's leading property developers. As SBB has a very strong balance sheet, the company can choose to develop for its own management and is not dependent on the business cycle to any significant extent. Property development for SBB involves (1) development of building rights, (2) participation in property development projects in joint ventures (JV) and (3) development for own property management with fixed-price contracts where the contractor takes full responsibility for project implementation. The company's strategy is that approximately 10 per cent of the value of the property portfolio should consist of cash flow properties with identified property development potential for social infrastructure. The development properties are, in general, cash flow properties that finance the development work. Property development within SBB should generate a profit of SEK 250-400m per year on average over a business cycle.

SBB believes that sustainable urban development is based on locations near public transport and that previously developed land is further developed rather than using important green spaces for urban development. Modern living drives SBB, where one can live without a car and where public transport, local services, healthcare, schools and care services are located nearby. Most of SBB's development properties are close to identified priority transportation hubs, such as commuter rail stations and important railway stations for regional traffic. Furthermore, most of the development projects include residential as well as schools, elderly care and other community services. The profit for the period from property development is SEK 78m.

Building Rights

As at 31 March 2020, SBB had development projects in various detailed planning phases totaling approximately 1,800,000 square meters of BTA. SBB divides the development process into four phases; Project concepts (phase 1), Prior to a decision on planning notification (phase 2), With a planning notification (phase 3) and Legally enforceable detailed development plans (phase 4). See below table detailing SBB's projects. It should be noted that a number of projects in phases 1-3 already partly have legally enforceable detailed development plans but SBB has identified additional potential.

Sold but not closed building rights means that contracted sales have not yet been deducted as of March 31, 2020 when exit conditions were not fulfilled. SBB estimates that the result from the development of the building rights portfolio in the case of detailed power plans, after investments made and taking into account current external valuations, will amount to approximately SEK 3.4bn (including estimated JV profits of SEK 1.4bn).

Property development in joint ventures

To contribute to urban development and to secure production resources, in several cases SBB has entered into joint ventures with the buyer of the building rights for the development of the building rights and in some cases joint ventures to jointly develop building rights. SBB assesses the profit potential in these arrangements to be around SEK 1.4bn less SBB's own investment in the building rights. This profit potential is in addition to the above described surplus values as regards building rights development. SBB takes a very limited implementation risk in the joint ventures in that the other joint venture party takes responsibility for project planning, sales, production and project management. The profit potential of around SEK 1.4bn relates to one development cycle and only relates to already agreed upon joint ventures.

Planning phase	GFA building rights (sq.m.)	Value according to external appraisal (SEKm)	per sq.m.
Phase 1 – Project concepts	592 250	559	943
Phase 2 – Prior to a decision on planning notification	70 000	122	1 739
Phase 3 – With planning notification	764 832	1 006	1 315
Phase 4 – Legally enforceable detailed development plans	396 562	900	2 280
Total	1 823 914	2 590	1 420

Sales Status	GFA building rights (sq.m.)	Value (SEKm)	per sq.m.
Sold, but not vacated building rights	443 600	1 544	3 480
Unsold building rights	1 380 314	4 645	3 365
Total	1 823 914	6 189	3 393

Illustration of SBB and Skellefteå Municipality's joint development project Sara named after Nobel Prize winner Sara Lidman where SBB, upon completion, acquires cultural houses with 50-year municipal lease agreement for a predetermined return. The municipality is responsible for the project economy and project implementation.



Strategy for property development – scenario analyses

For each developed building right, SBB makes a strategic decision on whether the building right should be sold externally (or alternatively a joint venture) or whether SBB should develop the building right for own property management.

In order to assess the value of a self-developed portfolio, a yield requirement of 4.0 per cent, a standard rent of SEK 1,650 / sq.m. BOA (i.e. average rent of SEK 1 820 /s.q.m) and costs of SEK 350 / sq.m. were used, accordingly that results in the assumed value per sqm BOA of SEK 35 800 /s.q.m. If governmental investment support for residential apartments with lower rent is chosen, the effect is basically neutral from a value perspective (investment support - reduced operating NOI / 4.0 per cent). SBB intends to assess the route chosen on a case-by-case basis.

To estimate project costs for the development for own property management, SBB as the first private member of Public Housing Sweden has used key ratios for the framework procurements that Public Housing Sweden has carried out in recent years. In order to obtain a relevant key ratio, the cost has been calculated on the basis of the average for three different procurement frame house types, which including which includes foundation work and developer costs, results in total production costs of SEK 25,700 /s.q.m. living area. During the quarter, SBB has also initiated dialogues with other contractors in order to create additional flexibility and to increase competition in addition to the procurement already initiated.

The below illustrates three scenarios with calculated potential gains from property development.

	Only building right development (mSEK)	Building right development and 50 % development for own management (mSEK)	Building right development and 50 % development for own management (mSEK)
Total market value	6 189	20 991	35 794
Exploitations cost and other investments in building rights	- 1 157	- 1 157	- 1 157
External valuation (Q1-20) of building rights	- 2 590	- 2 590	- 2 590
External valuation (Q1-20) of cash-flow properties	- 399	- 399	- 399
Production costs in development for own management	N/A	- 12 311	- 24 621
Profits from already agreed JV-collaborations	+ 1 397	+ 1 397	+ 1 397
Result	3 441	5 932	8 424

Selection of ongoing projects for own property management:

- Conversion and extension of Nykvarn's City Hall (new 25-year lease)
- New Culture Centre for the Municipality of Skellefteå (new 50-year lease)
- New offices for the Social Services in Väs terås (new 15-year lease with Municipality of Västerås)
- Conversion of premises for a school in Haninge and an elderly care home for the Municipality of Haninge (one 23-year lease and 20-year lease)
- Six new group housing units for people with disability in collaboration with Emrahus and four special group housing units built for own management (on average, 15-year leases)

INVESTMENTS/RENOVATIONS OCH TRANSACTIONS

During the first quarter, SBB completed the renovation of 175 apartments. A further 102 apartments are undergoing renovations and 129 apartments have had their leases cancelled and renovations are planned to commence within a three-month period. In accordance with SBB's green bond framework, further energy-saving projects have been carried out in the Skara Hermod 1-4 properties and in addition, a decision has been made to initiate energy-saving projects in the properties Veteaxet 1, Ärtskidan 1 and Klövervallen 1, all in Borlänge.

During the quarter, SBB has also launched a pilot project together with AVY, where SBB has launched a housing app for the residents of the Borås Våpnaren 6 property, which gives SBB a unique opportunity to communicate digitally with tenants. The app offers digital rental notifications and several different options for easier payment of the rent with Swish. With the app, it will also be possible to create additional revenue streams by offering additional services in a way that was previously not possible. Post completion of the pilot project, a decision will be made whether or not to deploy the app in other parts of the property portfolio.

SBB actively works on transactions and value creation through active portfolio management. Since 2017, SBB has acquired and sold properties for a total gross value of around SEK 89bn.

FINANCING

FINANCING HIGHLIGHTS

50 % Loan-to-value ratio

17 % Secured Loan-to-value ratio

1,52% Average interest

BBB- Positive outlook (S&P)

Interest-bearing liabilities

Interest-bearing liabilities in the Group amounted to SEK 52,225m (56,091) at the end of the period, of which SEK 15,182m (25,985) pertained to liabilities to credit institutions, SEK 32,775 m (25,162) pertained to bond loans and SEK 4,268m (4,943) pertained to commercial paper. The loan-to-value ratio was 50 percent (41). The secured loan-to-value ratio was 17 percent (26). The fair value of the liabilities and other financial instruments as of 31 March 2020 is deemed to correspond to the carrying amount. The average interest rate for the interest-bearing liabilities amounted to 1.52 percent (1.76). The average period of fixed interest for all interest-bearing liabilities was 4 years (2,8) and the average debt maturity was 4.3 years (3.4). The maturity structure for the interest-bearing liabilities is presented by the tables at the right. Excluding commercial paper, SEK 1,030m falls due within one year. To manage the refinancing risks, commercial paper has been secured through back-up facilities, which at all times covers all outstanding commercial paper.

SBB has assets in Sweden, Norway, Finland and Denmark, which means that the company is exposed to currency risks. SBB hedges mainly currency risks by having assets and interest-bearing liabilities in the same currency.

At the end of the period, the proportion of capital market financing amounted to 70 percent of the total interest-bearing liabilities. SBB has also issued hybrid bonds of EUR 500m during the first quarter. In total SBB now has hybrid bonds of SEK 1,500m and EUR 800m which in the balance sheet are classified as equity.

SBB continues to work to lower the average interest rate for the interestbearing liabilities. At 31 March 2020, the proportion of interest-bearing liabilities with fixed interest was 95 percent and with variable interest was 5 percent.

SBB has continued to repay expensive loans from credit institutions and repurchased bonds during the year. In order to limit the interest rate risk for loans with variable interest and increase predictability in the company's profit from property management, interest-rate swaps are used with a total nominal value of SEK 14,662 m with a duration of between one and ten years. . Through interest-rate swaps, caps and loans with fixed interest, SBB has hedged 95 percent of the variable liabilities, which comprises loans with variable interest and commercial paper, as well as liabilities that expires within one year. SBB has entered EUR/SEK FX derivatives of EUR to hedge currency risk. The interest-rate derivatives and FX derivatives had a fair value of SEK -28m (46) at the end of the period.

Rating

SBB has a BBB- rating from Fitch (stable outlook) and Standard & Poor's (positive outlook). During the first quarter Fitch confirmed SBB's stable outlook.

Maturity structure (excluding commercial paper)

Maturity year	Nominal amounts, SEKm	Percentage
< 1 yr	1 030	2%
< 2 yr	8 438	18%
< 3 yr	8 150	17%
< 4 yr	3 660	8%
< 5 yr	11 774	24%
> 5 yr	15 168	31%
Total	48 224	100%

Maturity structure (including commercial paper)

Maturity year	Nominal amounts, SEKm	Percentage
< 1 yr	5 298	10%
< 2 yr	8 438	16%
< 3 yr	8 150	16%
< 4 yr	3 660	7%
< 5 yr	11 774	22%
> 5 yr	15 168	29%
Total	52 492	100%

Significant events during the first quarter 2020

During the first quarter, SBB has successfully issued unsecured bonds to repurchase bonds and to repay bank loans with higher interest-rate in order to lower SBB:s financial costs, prolongue the average period of debt maturity and to thereby receive a higher credit rating. As an example, SBB has issued an unsecured bond of EUR 750m with 7.5 years maturity and a fixed rate of 1 percent. Furthermore, as at March 27, 2020, SBB managed to issue EUR 50m in a 20-year unsecured bond in the form of a long Private Placement at a fixed interest rate of 2.75 percent. In order to capitalize on the beneficial market conditions, SBB issued after the bid on Hemfosa Fastigheter AB ("Hemfosa") a new hybrid bond of EUR 500m at a fixed interest rate of 2.624 percent. The proceeds from the newly issued bonds were used to redeem loans and bonds in both SBB and Hemfosa during the quarter. SBB has repurchased most of the four unsecured bonds issued by SBB and Hemfosa that are due in 2020-2021. In total, SBB repurchased SEK 3,362m of the total issued amount of SEK 3,724 m. In addition to repurchasing bonds, SBB has repaid secured bank loans totaling SEK 10bn. The repurchase of bonds and repayment of bank loans has resulted in a reduction of financial costs with SEK 170m on a 12 months rolling basis.

Working capital and liquidity

SBB's available liquidity amounted to SEK 3,820m and financial investments amounted to SEK 1,333m. SBB has SEK 7,103m in the form of unutilized credit facilities. No further securities need to be pledged for the use of the credit facilities.

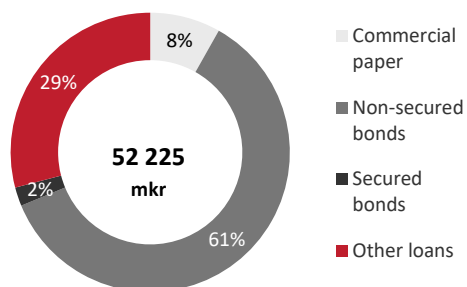
Listed bonds as at 2020-03-31

Issuer	Maturity	SEKm	Repurchased by SBB (SEKm)	Interest	Maturity date	ISIN code	Green/Secured
SBB	2017-2020	1 500	1 434	Stibor 3M + 6,00%	2020-04-06	SE0009805468	
SBB	2018-2022	1 000	944	Stibor 3M + 3,60%	2022-10-03	SE0011725514	
SBB	2018-2021	474	466	Stibor 3M + 3,65%	2021-05-12	SE0010985713	
SBB	2018-2021	750	711	Stibor 3M + 3,90%	2021-01-29	SE0010414581	
SBB	2019-2024	500	228,75	Stibor 3M + 3,30%	2024-02-14	SE0012256741	Green
SBB	2019-2024	200	26,25	Stibor 3M + 3,25%	2024-02-19	SE0012313245	
SBB	2019-2025	600	50	Stibor 3M + 1,90%	2025-01-14	XS1997252975	
SBB	2020-2025	500		Stibor 3M + 1,03%	2025-01-14	XS1997252975	
SBB	2019-2023	200		Stibor 3M + 1,40%	2023-05-22	XS2000538699	
SBB	2016-2021	683		Stibor 3M + 1,85%	2021-12-23	NO963342624	Secured
SBB	2019-2022	500		Stibor 3M + 1,20%	2022-07-22	XS2021634675	Green
SBB	2019-2021	1960		Stibor 3M + 0,93%	2021-07-05	XS2022418243	
SBB	2019-2023	500	50	Stibor 3M + 1,150%	2023-09-06	XS2050862262	Green
SBB	2019-2022	600		Stibor 3M + 0,95%	2022-10-03	XS2059787049	
SBB	2019-2023	1000		Stibor 3M + 1,01%	2023-02-01	XS2066041661	
SBB	2019-2022	300		0,85%	2022-03-11	XS2078676322	
SBB	2019-2021	500		Stibor 3M + 0,7%	2021-11-08	XS2078691123	
SBB	2019-2023	600		1,072%	2023-05-11	XS2078737306	
SBB	2019-2021	800	325	Stibor 3M + 0,66%	2021-11-08	XS2078371486	
SBB	2019-2020	400		0,80%	2021-06-14	XS2093118953	
SBB	2019-2024	1 000		1,66%	2024-11-28	XS2085870728	
SBB	2019-HYB	1 500		3,50%	Hybrid	SE0013359148	
SBB	2020-2027	500		Stibor 3M + 1,50%	2027-01-30	XS2111589219	Green
Hemfosa	2017-2020	1 000	790	Stibor 3M + 2,75%	2020-09-01	SE0009664337	
Hemfosa	2019-2022	1 300	485	Stibor 3M + 2,40%	2022-05-16	SE0012596203	Green
Hemfosa	2019-2022	800	405	Stibor 3M + 2,10%	2022-10-03	SE0013109444	Green

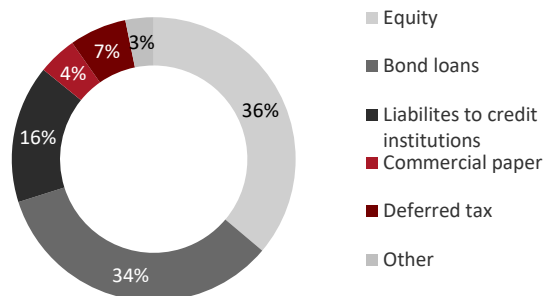
Issuer	Maturity	SEKm	Repurchased by SBB (SEKm)	Interest	Maturity date	ISIN code	Green/Secured
SBB	2019-HYB	300		0 4,625%	Hybrid	XS1974894138	
SBB	2019-2025	550		3 1,75%	2025-01-14	XS1993969515	
SBB	2019-2026	500		0 1,125%	2026-09-04	XS2049823680	
SBB	2020-2027	750		0 1%	2027-08-12	XS2114871945	
SBB	2020-HYB	500		0 2,624%	Hybrid	XS2010032618	

Issuer	Maturity	SEKm	Repurchased by SBB (SEKm)	Interest	Maturity date	ISIN code	Green/Secured
SBB	2016-2023	620		0 3,00%	2023-11-01	NO0010777683	Secured
SBB	2020-2023	400		Nibor 3M + 0,72%	2023-02-24	XS2124186508	

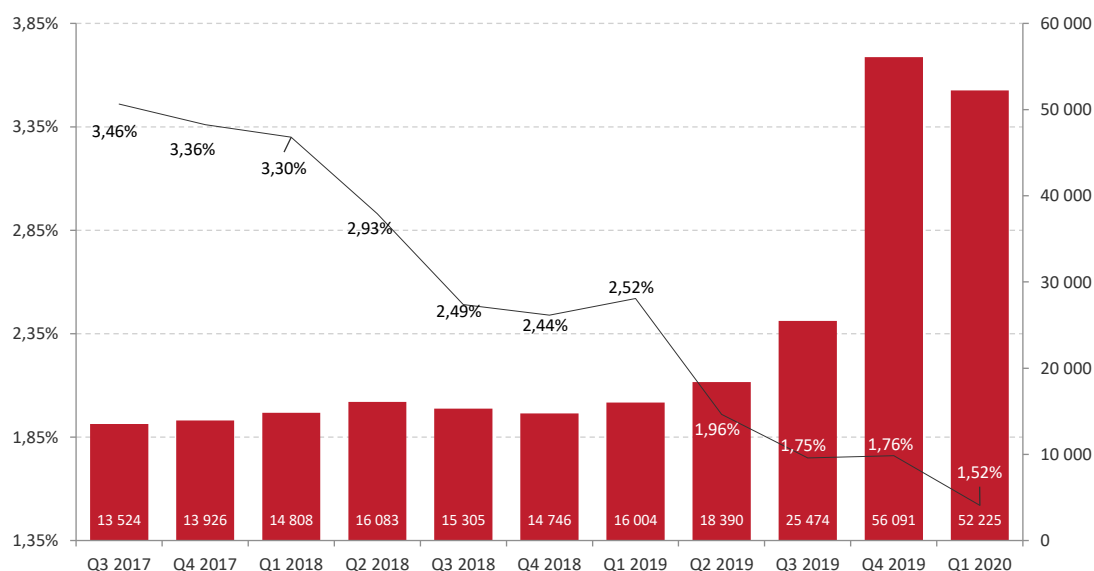
Distribution of debt



Capital structure



Development of the Group's average interest rate



TEAM SBB



Jessica Thornander

Regional Manager West
Community Service Properties
Industry experience 26 years



Maria Liderås

Regional Manager East
Community Service Properties
Industry experience 17 years



Christer Melander

Regional Manager North
Community Service Properties
Industry experience 24 years



Alexander Hedin

Regional Manager Stockholm
Community Service Properties
Industry experience 10 years



Henrik Melder

Regional Manager Norway
Industry experience 23 years



Arto Nummela

Deputy Regional Manager
Finland
Industry experience 31 years



Daniel Blixt

Regional Manager LSS/HVB
Industry experience 30 years



Per Sundequist

Regional Manager Residential
Middle Sweden
Industry experience 23 years



Ola Svensson

Regional Manager South and
Denmark
Industry experience 20 years



Ilija Batljan

CEO and Founder
Industry experience 20 years



Lars Thagesson

Deputy CEO and COO
Industry experience 46 years



Krister Karlsson

Deputy CEO/Property
Development manager
Industry experience 32 years



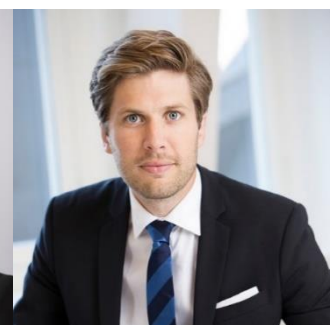
Eva-Lotta Stridh

CFO
Industry experience 20 years



Rosel Ragnarsson

Head of Finance
Industry experience 36 years



Oscar Lekander

Head of Business Development
Industry experience 10 years



Annika Ekström

Manager Community Service
Properties
Industry experience 24 years



Fredrik Holm

Manager Residential/LSS/HVB
Industry experience 24 years

TODAY'S SOCIETY BUILDER FOR TOMORROW'S NEEDS

SBB is the leading actor within community-service properties in the Nordics. SBB owns residentials in Sweden and community service properties throughout the Nordic region and has the basic concept of long-term development, ownership and management with low risk. As a partner to Sweden's municipalities, we want to contribute to creating suitable premises for the most important welfare activities.

In these challenging times our coworkers are doing tremendous work so that the social infrastructure for the most important welfare functions are working.

SBB has a strong balance sheet and belongs to the selected group of Swedish real-estate companies that has received a so-called Investment grade rating.

Please read our Annual Report on Sbbnorden.se.

SUSTAINABILITY

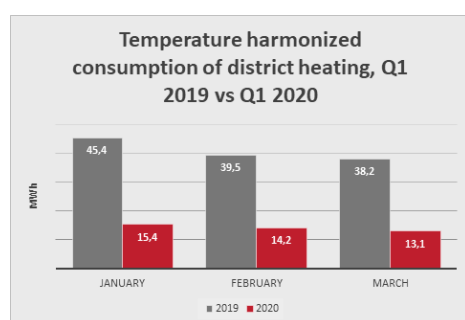
SBB owns community service properties in the Nordic region and rental apartments in growing cities in Sweden with the basic concept of long-term ownership and management. Through the company's extensive social involvement, municipalities and other stakeholders will find a long-term partner in the company. At the UN summit in September 2015, the world's national leaders adopted 17 global sustainable development goals. The countries of the world have committed to lead the world to a sustainable and fair future from 1 January 2016 until 2030. The 2030 Agenda for Sustainable Development covers the three dimensions of sustainability: social, economic and environmental – Eradicating extreme poverty, reducing inequality and injustice, solving the climate crisis. Sustainability is a natural part of our business model and we strive to be the most sustainable property company in the world.

Focus on sustainability

It is pleasing to note that SBB's long-term sustainability efforts gives great results.

Ecological sustainability

In the Tellus 1 property in Motala, SBB has implemented an energy project where the company recycles energy from extract air and wastewater. The property consists of 14 uniform buildings which are now being commissioned in stages. The table below shows how the consumption of district heating in one of the buildings, at Agneshögsgatan 43, has changed compared to the corresponding period last year. Since SBB has another 13 buildings where the same investment has been made, SBB expects to achieve the same savings in the other buildings. Real full-year outcomes of the savings in this project will be reported in SBB's Green Bond Annual Report 2021.



During the first quarter, SBB launched a pilot project with AVY (<https://www.avy.se/>) a housing app, where SBB offers flexible payment solutions for its rental payments (for example with Swish). The goal is to eventually stop completely with paper rental invoices, which has a positive environmental impact. With the app it is also possible to easily communicate and distribute digital newsletters to reduce paper usage. The app also enables other types of solutions for gig economies (eg loan of tools etc.).

Social sustainability

SBB initiated a collaboration with Stockholm's Stadsmission during the first quarter to help mitigate the consequences of the spread of COVID-19. SBB has financed the purchase of food from various restaurants in Stockholm via Food4Heroes, where SBB was one of the founders together with Nassos Ikonou, which has then been donated to organisations that work to help people at risk. Stockholm's Stadsmission has been the initial beneficiary and the food has been delivered to their operations for the elderly in St Paul. In addition, food has been delivered to health care workers at two hospitals in Stockholm with emergency wards. Food4Heroes (which is now supported by a number of companies, organisations and private individuals), in collaboration with Stockholm's Stadsmission and the Salvation Army, has so far delivered 6,961 meals.

In addition, SBB has ordered 1,200 N95 respiratory masks for health care workers, of which 500 have been delivered to elderly care homes in the Municipality of Boden. In Höganäs, SBB have given to all of its tenants a voucher worth SEK 200 per household that may be used in one of the local shops. SBB has also continued to invest in its properties (SEK 380m during the quarter), and in this way contributed to saving jobs in its municipalities. Through those initiatives, SBB has helped to mitigate negative consequences for some of the groups in society affected by the COVID-19 crisis, the elderly, small businesses and health care workers.

Economic sustainability

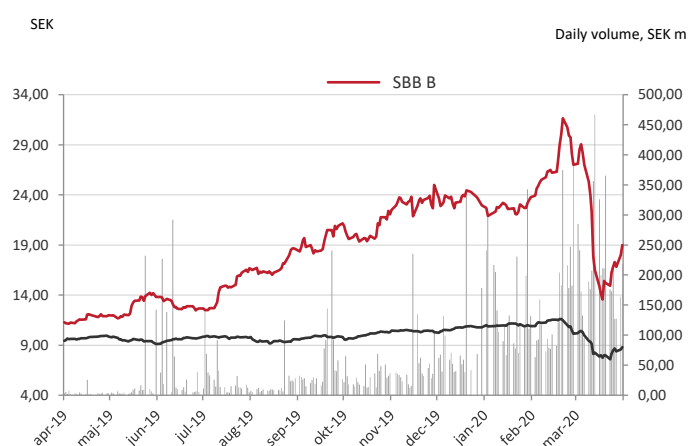
SBB issued another green bond during the first quarter totaling SEK 500m with an interest rate of Stibor 3m plus 1.5 per cent. The green bond falls due in January 2027.

THE SHARE

SBB's Class B share (ticker SBB B) and Class D share (ticker SBB D) are traded on Nasdaq Stockholm, Large Cap. The company's preference share (ticker SBB PREF) is traded on Nasdaq First North Premier Growth Market. As at 31 March 2020, the number of ordinary Class B shares stood at 1,058,115,105 and the Class D at 106,519,951. The preference shares totalled 30,713 and in addition, the company had 209,977,491 ordinary

Class A shares. The price of the ordinary share of Class B was SEK 19.00, Class D was SEK 24.20 and for the preference share the price was SEK 658.00 at 31 March 2020. The market capitalization of the ordinary Class B share (including the value of unlisted Class A ordinary shares at the same price) was SEK 24,093m, Class D was SEK 2,577m and for the preference share was SEK 20m.

CLASS B SHARE DEVELOPMENT LAST 12 MONTHS, TRADING WITH THE SHARES ON NASDAQ & FIRST NORTH



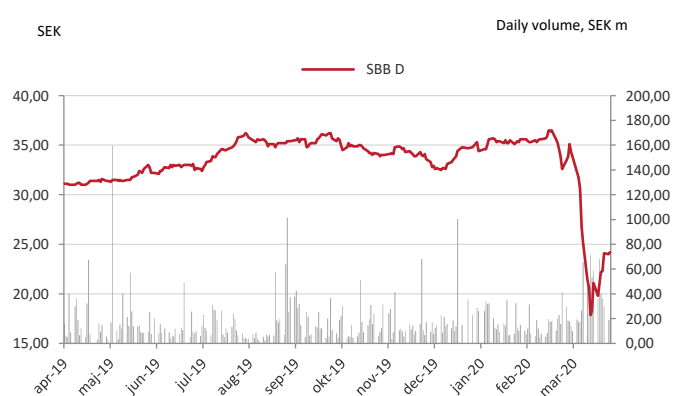
	Share price, SEK	
	31 March 2020	31 March 2019
Class B	19,00	11,24
Class D	24,20	31,25
Preference shares	658,00	625,00

	Average trading volume per trading day, SEK m	
	Jan-Mar 2020	Jan-mar 2019
Class B	177,4	3,7
Class D	23,2	6,5
Preference shares	0,1	0,2

PREFERENCE SHARE DEVELOPMENT LAST 12 MONTHS



CLASS D SHARE DEVELOPMENT LAST 12 MONTHS



Ownership

Share capital amounted to SEK 137,464,326 on 31 March 2020, with a quotient value of SEK 0.10. Shareholding entitles the holder to one vote per Class A ordinary share and 0.1 votes per Class B ordinary share, Class D ordinary share and preference share at the General Meeting. The preference shares have a preferential right over the ordinary shares to an annual dividend of SEK 35 per preference share divided into quarterly payments. Holders of the ordinary shares of Class D are entitled to five times the total dividend on the ordinary shares of Class A and B, however no more than SEK 2 per share and year.

Shareholders	Class A shares	Class B shares	Class D shares	Preference shares	Share capital, %	Votes, %
Ilija Batljan	109 053 868	12 732 874			8,86%	33,80%
Dragfast & Marjan Dragicevic	32 244 308	85 722 888			8,58%	12,50%
Arvid Svensson Invest	31 809 742	33 043 281			4,72%	10,76%
Länsförsäkringar Fonder		56 128 132			4,08%	1,72%
Sven-Olof Johansson	22 315 456	29 481 315			3,77%	7,74%
Michael Coccozza		40 303 424			2,93%	1,23%
Vanguard		31 649 073	2 292 630		2,47%	1,04%
Stiftelsen för strategisk forskning		32 651 810			2,38%	1,00%
Norges Bank		31 132 067			2,26%	0,95%
Erik Paulsson-familjen	13 919 159	16 799 507			2,23%	4,78%
Avanza Pension		19 597 574	5 128 257	1 420	1,80%	0,76%
Gösta Welandson med bolag		20 060 764	224 000		1,48%	0,62%
Lennart Schuss		20 074 872	190 000		1,47%	0,62%
BlackRock		15 172 395	638 556		1,15%	0,48%
Övriga	634 958	613 565 129	98 046 508	29 293	51,82%	21,99%
Total	209 977 491	1 058 115 105	106 519 951	30 713	100%	100%

In accordance with the decision of the Annual General Meeting 2019, the shareholders have appointed the following persons: Mia Batljan (chairman), Rikard Svensson, Sven-Olof Johansson and Lennart Schuss to constitute nomination committee for the time until a new nomination committee has been appointed according to the mandate from the Annual General Meeting 2020.



INCOME STATEMENT OF PARENT COMPANY

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Net sales	-	-	-
Personnel costs	-8	-7	-31
Other operation expenses	-20	-15	-147
Operating profit	-28	-22	-178
Financial items			
Profit from shares in group companies	-	-	-44
Interest income and similar items	147	117	649
Interest expenses and similar items	-228	-74	-570
Translation gains/losses	-920		126
Changes in value, derivatives	-173	-	21
Profit after financial items	-1 202	21	4
Appropriations	-	-	453
Profit before tax	-1 202	21	457
Tax	-55	-1	-81
NET PROFIT FOR THE PERIOD	-1 257	20	376

STATEMENT OF COMPREHENSIVE INCOME OF PARENT COMPANY

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Net profit for the period	-1 257	20	376
Other comprehensive income	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-1 257	20	376

BALANCE SHEET OF PARENT COMPANY

Amount in SEKm	31-03-2020	31-03-2019	31-12-2019
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in group companies	26 731	3 700	24 232
Shares in associated companies/joint ventures	3	-	-
Receivables from group companies	30 146	8 578	18 822
Receivables from associated companies/joint ventures	-	65	-
Deferred tax assets	48	-	45
Financial fixed assets at fair value	1 043	-	239
Derivatives	9	-	21
Other long-term receivables	-	63	1
Total financial fixed assets	57 980	12 406	43 360
Total fixed assets	57 980	12 406	43 360
Current assets			
Current receivables			
Other receivables	44	12	18
Prepaid expenses and accrues income	17	11	5
Total current receivables	61	23	23
Short-term investments	-	-	1 041
Cash and cash equivalents	2 741	85	11 664
Total current assets	2 802	108	12 728
TOTAL ASSETS	60 782	12 514	56 088
Amount in SEKm	2020-03-31	2019-03-31	2019-12-31
EQUITY AND LIABILITIES			
Equity	27 605	7 473	22 917
Tax reserves	-	2	-
Long-term liabilities			
Bond loans	28 473	3 048	20 387
Liabilities to associated companies/joint ventures	122	0	287
Total long-term liabilities	28 595	3 048	20 674
Current liabilities			
Bond loans	194	-	444
Commercial papers	3 817	1 928	3 486
Accounts payable	10	5	12
Current tax liabilities	26	1	-
Other liabilities	87	28	8 103
Accrued expenses and prepaid income	447	29	452
Total current liabilities	4 582	1 991	12 497
TOTAL EQUITY AND LIABILITIES	60 782	12 514	56 088

STATEMENT OF CHANGES IN EQUITY OF PARENT COMPANY

Amount in SEKm				
	Share capital	Share premium	Retained earnings	Total equity
Total equity 01-01-2019	80	7 211	-65	7 226
Share issue	1	257		258
Dividends		-31		-31
Net profit for the period			20	20
Other comprehensive income				-
Total equity 31-03-2019	81	7 437	-45	7 473
Share issue	53	13 095		13 148
Issue hybrid bonds		4 600		4 600
Redeemed preference shares		-93		-93
Dividends		-538		-538
Repurchased hybrid bonds		-1 873	-283	-2 156
Tax effects equity			127	127
Net profit for the period			356	356
Other comprehensive income				-
Total equity 31-12-2019	134	22 629	154	22 917
Total equity 01-01-2020	134	22 629	154	22 917
Share issue	3	720		723
Issue hybrid bonds		5 281		5 281
Dividends			-90	-90
Tax effects equity			31	31
Net profit for the period			-1 257	-1 257
Other comprehensive income				-
Total equity 31-03-2020	137	28 629	-1 161	27 605

COMMENTS ON THE PARENT COMPANY'S INCOME STATEMENT AND BALANCE SHEET

The Parent Company's operations consist of Group-wide functions, such as business development, transactions, property development and financial management. The company has 10 employees. The costs including personnel costs during the period amounted to SEK -28m (-22).

During the period, SBB carried out share issues of Class B and D ordinary shares, which provided SBB with SEK 723m after deduction of issue expenses. In addition, a hybrid bond issue was issued which provided the company with SEK 5,281m after issue costs.

CASH FLOW STATEMENT OF PARENT COMPANY

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Profit after financial items	-1 202	21	4
Net financial items	1 001	-43	-205
Interest paid	-166	-74	-449
Interest received	141	117	831
Income tax paid	-24	-	-
Cash flow from operations before changes in working capital	-250	21	181
Cash flow from changes in working capital			
Changes in current receivables	1 010	-10	-10
Changes in current liabilities	-8 089	-57	8 120
Cash flow from operations	-7 329	-46	8 291
Investment activities			
Investments in subsidiaries	-2 499	-	-20 532
Investments in associated companies/joint ventures	-3	-	-
Claims incurred by group companies	-11 324	-630	-10 874
Changes in receivables from associated companies/joint ventures	-165	91	156
Changes in asset at fair value	-792	-	-1 239
Changes in other long-term receivables	-3	-	-
Cash flow from investment activities	-14 787	-539	-32 489
Financing activities			
Share issue	723	258	13 406
Issue hybrid bonds	5 281	-	4 600
Repurchased hybrid bonds	-	-	-2 156
Redeemed preference shares	-	-	-93
Group contributions	-	-	453
Dividend paid	-59	-31	-419
Changes in loans	7 248	437	20 065
Cash flow from financing activities	13 193	664	35 856
Cash flow for the period	-8 923	79	11 658
Cash and cash equivalents at the beginning of the period	11 664	6	6
Cash and cash equivalents at the end of the period	2 741	85	11 664

¹⁾ The amount above also include share issues without contribution of cash. Investments in subsidiaries also includes investments made by direct share issues.

ADDITIONAL INFORMATION

General information

Samhällsbyggnadsbolaget i Norden AB (publ) (SBB), corp. ID no. 556981-7660, with its subsidiaries conducts operations in property management and property development. The Parent Company is a limited liability company registered in Sweden and based in Stockholm.

Accounting principles

Principles for the consolidated accounts

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretation Committee (IFRIC). In addition, the Swedish Annual Accounts Act and "RFR1 Supplementary Accounting Rules for Groups" have been applied. The Parent Company applies the same accounting principles as the Group with the exceptions and additions stated in the recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. This interim report was prepared in accordance with IAS 34 Interim Reporting. The same accounting and valuation principles were applied as in the latest Annual Report; refer to SBB's 2018 Annual Report, pages 50-117, except that stated below.

Information on new standards

Amendments to IFRS 3

On 22 October 2018, IASB issued amendments regarding the definition of a business combination in IFRS 3. Among other things, the changes mean that a company may choose to carry out a so-called. concentration test that if it indicates that the acquisition is an asset acquisition it means that no further assessment is required. However, the test never answers the question of whether an acquisition is a business acquisition and can only show if it is an asset acquisition. This voluntary test means that if substantially all of the fair value of the gross assets acquired can be attributed to an asset or group of similar assets, the acquisition constitutes an asset acquisition. The changes, if introduced in IFRS 3, are expected to result in more acquisitions being reported as asset acquisitions compared to current guidance. SBB estimates that the change will not affect the share of asset acquisitions in relation to business acquisitions to any great extent, since the majority of the acquisitions made relate to asset acquisitions. The amendment shall apply for fiscal years beginning on 1 January 2020 and is decided by the EU.

Hedge accounting

Since 1 January 2018, the Group applies hedge accounting for currency loans. Currency loans issued in EUR have been used as hedges against net assets in Finland. The effect of the hedge accounting is that the unrealized exchange rate differences of SEK -326m net after tax in the translation of the loan at the closing day rate were recognized in other comprehensive income. In the Swedish Group, there is also a currency loan in NOK that is used as a hedge against net assets in Norway. The effect of the hedge accounting is that the unrealized exchange rate differences of SEK 28m net after tax in the translation of the loan at the closing day rate were recognized in other comprehensive income.

Related-party transactions

In addition, SBB acquired the company Hestia Sambygg AB on 26 March 2018, of which 49 percent was previously owned by the principal owner Ilija Batljan Invest AB. The purchase price paid to Ilija Batljan Invest AB was SEK 1. Until the acquisition, SBB purchased consulting services relating to financial and technical property management from the company. The pricing for the services was based on a market-based square metre price. After the acquisition, these services are conducted in-house.

SBB has an incentive programme for the company's current and future employees, which comprises 20,000,000 warrants that entitle the holder to subscribe for the corresponding number of Class B shares in the company. The subscription price for new subscription of B shares corresponds to 130 percent of the average of the company's B shares' volume-weighted last price during the 10 trading days from 24 October 2017 through 6 November 2017. Subscription of B shares on the basis of warrants may take place in the period from on 1 October 2020 until 31 October 2020.

The Board of Directors and CEO provide their assurance that this interim report provides an accurate overview of the operations, position and performance of the Group and the Parent Company, and that it also describes the significant risks and uncertainty factors that affect the Parent Company and the companies within the Group.

Stockholm 27 April 2020

Lennart Schuss
Chairman of the Board

Ilija Batljan
CEO

Sven-Olof Johansson
Board Member

Fredrik Svensson
Board Member

Hans Runesten
Board Member

Eva Swartz Grimaldi
Board Member

Anne-Grete Strøm Erichsen
Board Member

This information is such that Samhällsbyggnadsbolaget i Norden AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted by the below contact persons for publication on 27 April 2020 at 8:00 a.m. CET.

Ilija Batljan, VD, ilija@sbbnorden.se

Marika Dimming, IR, +46 70-251 66 89, marika@sbbnorden.se

Certified advisor for the company's preference share is Erik Penser Bank AB (www.penser.com).

DEFINITIONS

Financial definitions

Actual net asset value (EPRA NTA), SEK

Equity attributable to the ordinary share, excluding equity related to preference and D shares, non-controlling interests and hybrid bonds, adjusted for estimated actual deferred tax at 5.5 percent and reversal of goodwill and derivatives.

The key figure provides an adjusted and complementary measure of the size of equity calculated in a manner consistent with listed property companies.

Number of preference shares outstanding

The number of preference shares outstanding at the end of the period.

Number of ordinary shares outstanding

The number of ordinary shares outstanding at the end of the period.

Return on equity, %

Net profit for the period in relation to average equity for the period.

The key figure shows SBB's return on equity during the period.

Loan-to-value ratio, %

Net debt in relation to total assets. *The key figure is used to illustrate SBB's financial risk.*

EPRA

European Public Real Estate Association is an organization for listed property companies and investors in Europe. EPRA sets standards regarding financial reporting.

EPRA Earnings, SEK Profit from property management less estimated current tax attributable to the profit from property management. Taxable profit from property management refers to profit from property management less tax deductible depreciation and renovations. *The key figure provides information on profit from property management calculated in a uniform manner for listed property companies.*

Profit from property management

Profit before changes in value and tax.

The key figure provides a measurement of the operations' profit generation regardless of value changes.

Average number of preference shares

The number of preference shares outstanding weighted over the period.

Average number of ordinary shares

The number of ordinary shares outstanding weighted over the period.

Average interest, %

Weighted average contracted interest for interest-bearing liabilities at the end of the period excluding unutilized credit facilities. *The key figure is used to illustrate SBB's financial risk.*

Average fixed interest term, years Average remaining duration until an interest-adjustment point for interest-bearing liabilities.

The key figure is used to illustrate SBB's financial risk.

Adjusted equity/assets ratio, %

Reported equity including owner loans and convertibles, with reversal of reported deferred tax liability as a percentage of total assets. *The key figure is used to illustrate SBB's financial stability.*

Tied-up capital, year

Remaining maturity of interest-bearing liabilities. *The key figure is used to illustrate SBB's financial risk.*

Cash flow from operating activities, SEK

Cash flow from operating activities before changes in working capital according to the cash flow statement.

Long-term net asset value (EPRA NRV), SEK

Recognized equity attributable to the ordinary share, excluding equity related to preference and D shares, non-controlling interests and the hybrid bond, adding back deferred tax liability, goodwill attributable to deferred tax and derivatives.

The key figure provides an adjusted and complementary measure of the size of equity calculated in a manner consistent with listed property companies.

Net debt, SEK

Interest-bearing liabilities less cash and cash equivalents.

Earnings per ordinary share A and B, SEK Net profit for the period after dividend to preference shareholders and holders of D shares and interest on hybrid bonds in relation to the average number of ordinary shares A and B for the period.

Interest-coverage ratio, multiple Profit from property management (past 12 months) after return of financial costs in relation to financial costs excluding costs for early repayment of loans and leasing costs. *The key figure is used to illustrate financial risk.*

Equity/assets ratio, %

Reported equity as a percentage of total assets. The key figure is used to illustrate SBB's financial stability.

Secured loan-to-value ratio, % Secured liabilities as a percentage of the total assets. The key figure is used to illustrate SBB's financial stability.

Property-related definitions

Number of properties

Number of properties at the end of the period

Number of sq.m.

Total area in the property portfolio at the end of the period

GFA

Gross floor area

Net operating income, SEK

Rental income less property costs.

Economic letting ratio, %

Passing rent as a percentage of Rental value

The key figure is used to illustrate the level of return on the operating net in relation to the value of the properties

EPRA Vacancy rate, %

The rental value of available leases divided by the rental value of the entire portfolio.

The key figure is calculated in accordance with the EPRA definition, which enables comparison with other companies.

EPRA Earnings, SEK

Profit from property management less estimated current tax attributable to the profit from property management. Taxable profit from property management refers to profit from property management less tax deductible depreciation and renovations.

The key figure provides information on profit from property management calculated in a uniform manner for listed property companies.

Average contract length of social infrastructure properties, years

Remaining contract value in relation to annual rent for social infrastructure properties.

The key figure aims to illustrate SBB's rental risk.

Rental income, SEK

Charges for the period with deductions for rental losses.

Passing rent, SEK

Contracted rental income (including additions and rent discounts) and other real estate-related income on a rolling 12 months basis based on current lease contracts as of the period end.

Rental value, SEK

Passing rent plus estimated Passing rent for vacant contracts.

Market value of properties, SEK

Fair value of the properties at the end of the period.

Surplus ratio, %

Net operating income as a percentage of rental income for the period. The key figure shows how much of the rental income remains after direct property costs.

Yield, %

Net operating income (rolling 12 months) in relation to the sum of the properties fair value at the end of the period excl. the value for building rights.

The key figure is used to illustrate the level of return on the net operating income in relation to the value of the properties.

CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES

Return on equity

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Net profit for the period	1 372	216	2 624
IB Equity	30 896	11 197	11 197
OB Equity	34 875	11 782	30 896
Average equity	32 886	11 490	21 047
Return on Equity	4%	2%	12%

Loan-to-value ratio

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Liabilities to credit institutions	15 182	6 516	25 985
Bond loans	32 775	7 490	25 162
Commercial papers	4 268	1 928	4 944
Cash and cash equivalents	-3 820	-398	-12 858
Net debt	48 405	15 536	43 233
Total assets	96 487	29 992	104 203
Loan-to-value ratio	50%	52%	41%

Yield

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Net operating income according to earnings capacity	3 678	1 184	3 713
Investment properties	80 235	27 201	79 542
Building rights	-2 590	-1 310	-2 893
Property value excl. building rights	77 645	25 891	76 649
Yield	4,7%	4,6%	4,8%

Economic letting ratio

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Rental income in current earnings capacity	5 163	1 714	5 217
Rental value in current earnings capacity	5 476	1 774	5 502
Economic letting ratio	94,3%	96,6%	94,8%

EPRA Earnings

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Profit from property management	319	106	645
Income tax paid	-48	-17	-34
EPRA earnings	271	89	611
Average number of ordinary class A and B share	1 259 332 896	756 049 031	762 481 721
EPRA earnings per share	0,22	0,12	0,80

Adjusted equity ratio

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Eget kapital	34 875	11 782	30 896
Deferred tax excl. deferred tax related to goodwill	3 905	1 159	3 869
Sum	38 780	12 941	34 765
Total assets	96 487	29 992	104 203
Adjusted Equity ratio	40%	43%	33%

Earnings per ordinary Class A and Class B shares

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Net profit for the period	1 372	216	2 624
Net profit attributable to preference shares	-1	-10	-11
Net profit attributable to ordinary class D shares	-53	-23	-150
Net profit attributable to hybrid bonds	-90	-31	-198
Net profit attributable to non-controlling interest	-44	0	-4
Net profit attributable to ordinary class A and B shares	1 184	152	2 261
Average number of ordinary class A and B shares	1 259 332 896	756 049 031	762 481 721
Earnings per ordinary class A and class B shares	0,94	0,20	2,97

Interest coverage ratio

Amount in SEKm	01-04-2019 31-03-2020	01-04-2018 31-03-2019	01-01-2019 31-12-2019
Profit from property management (rolling 12 months)	858	354	645
Interest expenses and similar items (rolling 12 months)	667	506	482
Expenses for redeemed loans in advance (rolling 12 months)	287	152	197
Translation gains/losses (rolling 12 months)	39	0	-91
Land lease expenses (rolling 12 months)	12	2	7
Sum	1 863	1 014	1 240
Interest expenses and similar items (rolling 12 months)	667	506	482
Interest coverage ratio, times	2,8	2,0	2,6

Equity ratio

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Equity	34 875	11 782	30 896
Total assets	96 487	29 992	104 203
Equity ratio	36%	39%	30%

Net asset value

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
<i>Equity excluding non-controlling interest</i>			
Equity	34 875	11 782	30 896
Hybrid bonds	-10 342	-1 873	-4 629
Non-controlling interest	-366	-329	-1 963
Equity excluding non-controlling interest	24 167	9 580	24 304
Equity attributable to Preference share investors	-15	-88	-15
Equity attributable to D-share investors	-3 326	-1 503	-3 255
Derivation of derivatives	28	20	-48
Goodwill attributable to deferred tax	-2 383	-	-2 368
Other goodwill	-4 308	-24	-4 319
Reversal of deferred taxes	6 288	1 159	6 237
Deferred tax deduction (5.5%)	-2 629	-886	-2 604
Current net assets value (EPRA NTA)	17 821	8 258	17 931
<i>Current net assets value (EPRA NTA), SEK/share</i>	<i>14,05</i>	<i>10,92</i>	<i>14,45</i>
Reversal of other goodwill	4 308	24	4 319
Reversal of deferred tax deduction (5.5%)	2 629	886	2 604
Long-term net asset value (EPRA NRV)	24 758	9 168	24 855
<i>Long-term net asset value (EPRA NRV), SEK/share</i>	<i>19,52</i>	<i>12,13</i>	<i>20,04</i>
Number of ordinary class A and B shares	1 268 092 596	756 049 031	1 240 526 587

Secured Loan-to-value

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Liabilities to credit institutions	15 182	6 516	25 985
Secured bond loans	1 135	4 518	1 334
Total secured loans	16 317	11 034	27 319
Total assets	96 487	29 992	104 203
Secured loan-to-value ratio	17%	37%	26%

Surplus ratio

Amount in SEKm	01-01-2020 31-03-2020	01-01-2019 31-03-2019	01-01-2019 31-12-2019
Net operating income	895	240	1 265
Rental income	1 341	429	1 996
Surplus ratio	67%	56%	63%

APPENDIX 1 – CURRENT EARNINGS CAPACITY FROM PROPERTY MANAGEMENT

The current earning capacity for the Group for 12 months is presented below and takes into account the Group's property portfolio at 31 March 2020. The current earning capacity is not a forecast, but only to be viewed as a hypothetical snapshot and is presented only to illustrate income and expenses on an annual basis, given the property portfolio, financial costs, capital structure and organization at a set point in time. The Group's earning capacity does not include the earning impact of unrealized and realized value changes.

The following information forms the basis for the calculation of the earning capacity:

- Contracted rental income on an annual basis (including supplements and rental discounts) and other property- related revenues on the basis of current lease contracts as of 31 March 2020.
- Operating and maintenance costs are based on budget.
- The property tax is calculated from the properties current tax assessment value as of 31 March 2020.
- Cost for central administration is based on the current organization.
- No financial profit has been assumed in the net financial items. Financial expenses are based on contracted interest rates and include interest on external loans.

THE GROUP'S EARNINGS CAPACITY

Numbers in SEKm	Community service	Residential	Other	Total	Adjusted ¹⁾
Rental income	4 033	863	267	5 163	5 163
Operating costs	-540	-256	-74	-870	-870
Maintenance	-262	-78	-19	-359	-359
Property administration	-86	-37	-13	-136	-136
Property tax	-90	-15	-16	-121	-121
Net operating income	3 055	477	145	3 678	3 678
Central administration				-150	-150
Result from Joint Ventures				77	77
Financial income				119	119
Financial costs				-794	-736 ¹⁾
Operating profit before dividend				2 930	2 988
<i>per Class A and B shares</i>				2,31	2,36
Result from synergies with Hemfosa				130	130
Dividend hybrid bonds				-352	-352
Dividend Class D shares				-213	-213
Dividend Preference shares				-1	-1
Operating profit attributable to ordinary shareholders				2 494	2 552
<i>per Class A and B shares</i>				1,97	2,01

1) Adjusted for non-long-term surplus liquidity held by the Group at the end of the period with an estimated average interest rate of 1.52%, which is the weighted average in the debt portfolio as of 31-03-2020.

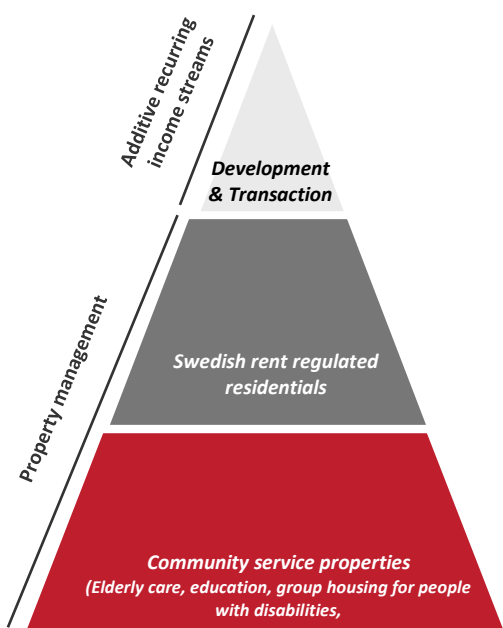
APPENDIX 2 – CURRENT EARNINGS CAPACITY INCLUDING ADDITIVE RECURRING INCOME STREAMS

THE GROUP'S EARNINGS CAPACITY OF ADDITIVE RECURRING INCOME STREAMS

Numbers in SEKm	Total	Justerad ¹⁾
Operating profit attributable to ordinary shareholders	2 494	2 552
<i>per Class A and B shares</i>	1,97	2,01
Result from property development	400	400
Result from transaction	400	400
Result from renovations/investments	600	600
Adjusted operating profit to ordinary shareholders with additive income streams	3 894	3 952
<i>per Class A and B shares</i>	3,07	3,12

1) Adjusted for non-long-term surplus liquidity held by the Group at the end of the period with an estimated average interest rate of 1.52%, which is the weighted average in the debt portfolio as of 31-03-2020.

2) Based on historical profit generation from transaction of approximately SEK 700m per year.



Sensitivity analysis

Return asset value and earnings including long-term value change

Return asset value and earnings including long-term value change in companies that manage so-called real assets, such as properties; the profit from property management only reflects a part of the overall earnings. The definition of real assets states that they are value-protected, meaning over time and with good maintenance they have a value growth trend that compensates for inflation. The net asset value, i.e. the denominator in the return ratio profit/capital, is adjusted annually through the IFRS rules with regard to value changes. To provide a correct return, the numerator, i.e. profit, must also be adjusted in the same way. The recognized profit from management operations must accordingly be supplemented with a value change component and effective tax to provide an accurate picture of profit and return.

One problem is that value changes can vary strongly between years and quarters and entail volatile results. For a long-term actor with a stable cash flow and a well-composed property portfolio, the long-term value change (or when lacking this, the long-term average inflation rate) can be used to adjust the numerator in the equation. Given our brief history, we have chosen to use inflation averages for the previous ten years.

	Building rights profit = SEK 250m			Building rights profit = SEK 400m		
	Change in value			Change in value		
	–1% point	+1% point		–1% point	+1% point	
Operating profit (rolling 12 months)	2 497	2 497	2 497	2 497	2 497	2 497
Profit from creation of building rights	250	250	250	400	400	400
Change in property value (10 years average CP)	963	160	1 765	963	160	1 765
D:o %	1,20%	0,20%	2,20%	1,20%	0,20%	2,20%
Current tax, 10%	-250	-250	-250	-250	-250	-250
Profit after tax	3 460	2 658	4 262	3 610	2 808	4 412
Profit per share	2,73	2,10	3,36	2,85	2,21	3,48
Return on net asset value	13,98%	10,74%	17,22%	14,58%	11,34%	17,82%
Profit/share price	14,36%	11,03%	17,69%	14,98%	11,65%	18,32%
P/E	7	9	6	7	9	5

UPCOMING REPORT DATES

Interim report Jan-June 14-07-2020

Interim report Jan-Sept 03-11-2020

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