

THE SOCIAL INFRASTRUCTURE CHAMPION IN EUROPE

5 May, 2021



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

SBB OVERVIEW AND KEY HIGHLIGHTS

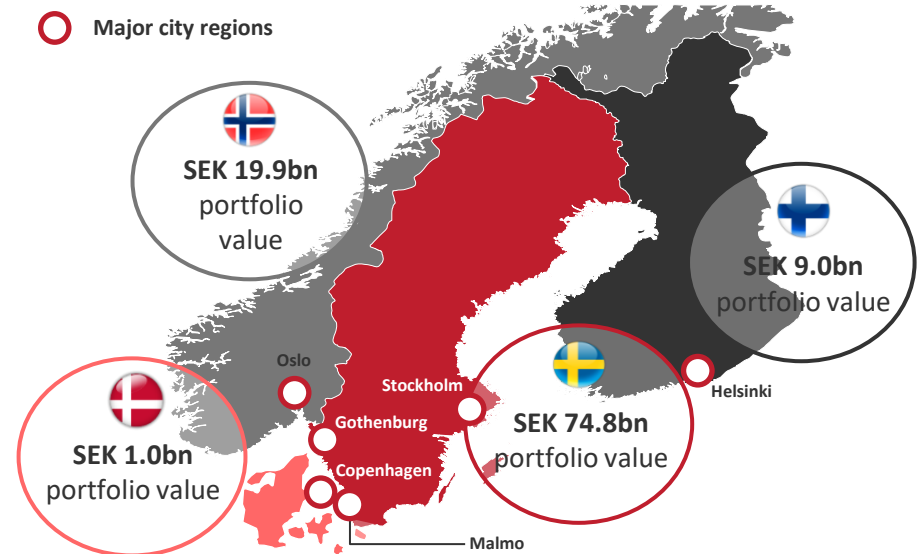
Company snapshot

- ✓ SBB operates in the world's safest real estate asset classes – community service properties in the Nordics where tenants are government-funded and highly regulated Swedish residentials
- ✓ 3 value-add strategies deliver growth and additional profit
- ✓ Sustainability is the core of SBB's business model as the first private member ever of Public Housing Sweden
- ✓ Strongest and safest cash flow in Europe, 99.8% rent collection

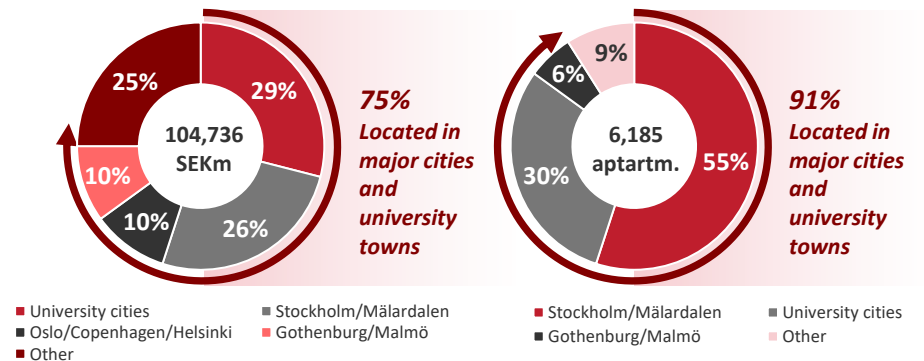
Key figures

SEK 5.7bn passing rent	SEK 104.7bn portfolio book value	9yr WAULT but effectively perpetual	872 Apartments in production 5,313 Apartments under active development	35% net LTV on total assets
	SEK 2,735m Net profit Q1 2021	4.3% net initial yield	SEK 21,332 book value per sq.m.	BBB- S&P Global Ratings FitchRatings

Portfolio book value by country



Portfolio book value and project portfolio



SBB CREATES VALUE FROM “AAA” ASSETS

Income overview

Classification	Rental Income, SEKm	% of Total
Regulated rent residentials	846	15
Building rights for regulated rent residentials	64	1
Sum residentials	910	16
Education	1 525	27
Pre school	464	8
Compulsory/Upper secondary school	705	12
University	355	6
Elderly care	681	12
LSS	403	7
Health care	414	7
Police and justice	561	10
Municipality and department	439	8
Public offices	453	8
Other	2	0
Building rights for community service	159	3
Sum community service	4 636	82
Total social infrastructure	5 546	98
Other	132	2
Total	5 677	100



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



Legislation prohibits local governments from declaring default: tenant sovereign risk

Sovereign credit risk exposure in community service

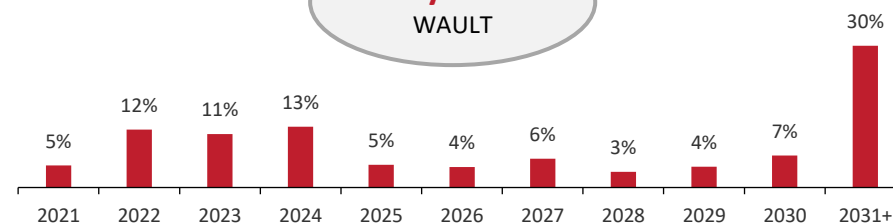
Government and government-backed tenants



Sovereign credit rating

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

9 years
WALVT



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

The Social Infrastructure Champion in Europe



Committed to value-add strategies



Building rights development and new production



Krister Karlsson
Deputy CEO & Prop.
Dev. Manager



Mats Silow
Head of Property
Development



Erik Hävermark
Head of Project
Development



Jenny Asmundsson
Head of Public Tender
Management



Viktor Mandel
Head of
Sveafastigheter

➤ +2,900,000 sq.m. of building rights, corresponding to c. 41,700 apartments

✓ SEK 1,000–1,400m



Investments in existing portfolio



Peter Olausson
Chief Technical Officer



Marika Dimming
Investor Relations and
Head of Sustainability



Martin Andersson
Sustainability analyst

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

✓ SEK 600m



Value-adding transactions



Oscar Lekander
Business
Development
Manager



**Carl Lundh
Mortimer**
Project Development
Manager



Joakim Bill
Transaction
Manager



Linus Eklund
Analyst



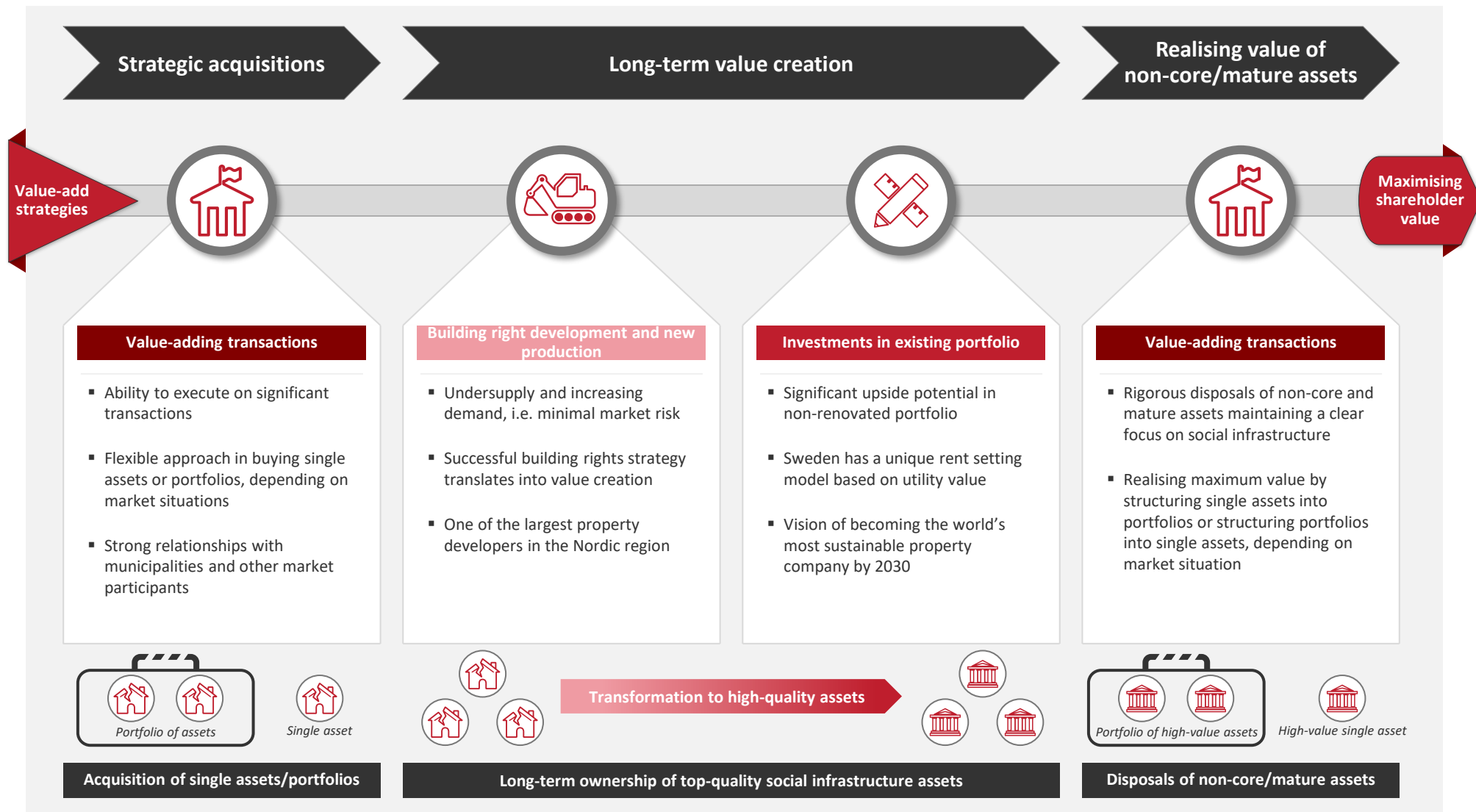
Lovisa Sörensson
Analyst

➤ SEK 84.5bn acquisitions and SEK 24.8bn disposals since 2019

✓ SEK 400m

Property Management as the foundation of our business model, providing passing rent of SEK 5.7bn with a rent collection of 99.8%, likely the highest in European listed real estate universe

SBB'S LEADING BUSINESS MODEL: VALUE-ADD STRATEGIES



SBB'S VALUE-ADD STRATEGIES

BUILDING RIGHTS DEVELOPMENT AND NEW PRODUCTION



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



Jenny Asmundsson
Head of Public Procurements
Industry experience
26 years



Erik Hävermark
Head of Project Development
Industry experience
18 years

Jenny Linghede Project manager
Johan Ågren Project manager

Patrik Ahlbin Project manager
Johan Eklund Project lead

Karim El Hage Project manager
Stig Atle Nilsson Project director NO

Erik Nygren Project manager
Martin Verstad Sylte Project manager NO



Mats Silow
Head of Property Development
Industry experience
13 years

Malin Hein Dymling Property developer

Lovisa Gustavsson Property developer

Johanna Peacock Property developer

Karl-Erik Larsson Property developer



Victor Mandel
Head of Sveafastigheter
Industry experience
16 years

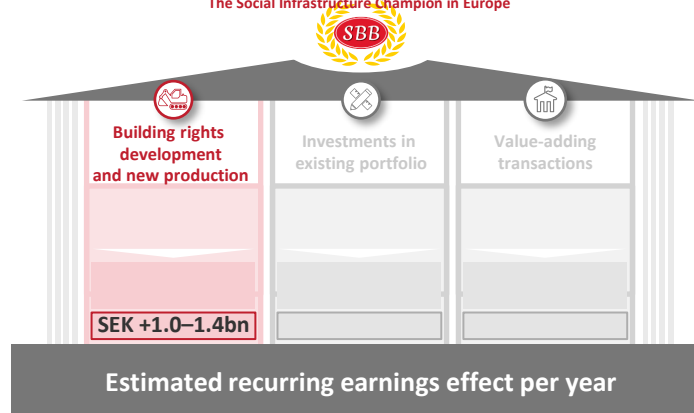
Lars Gärde Senior VP acquisitions

Svante Jernberg CEO Sveafastigheter Bostad

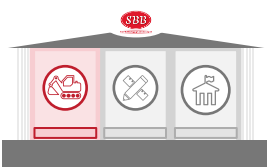
Görel Hällqvist Director, Construction

Harry McNeil Group CMO and sustainability

The Social Infrastructure Champion in Europe



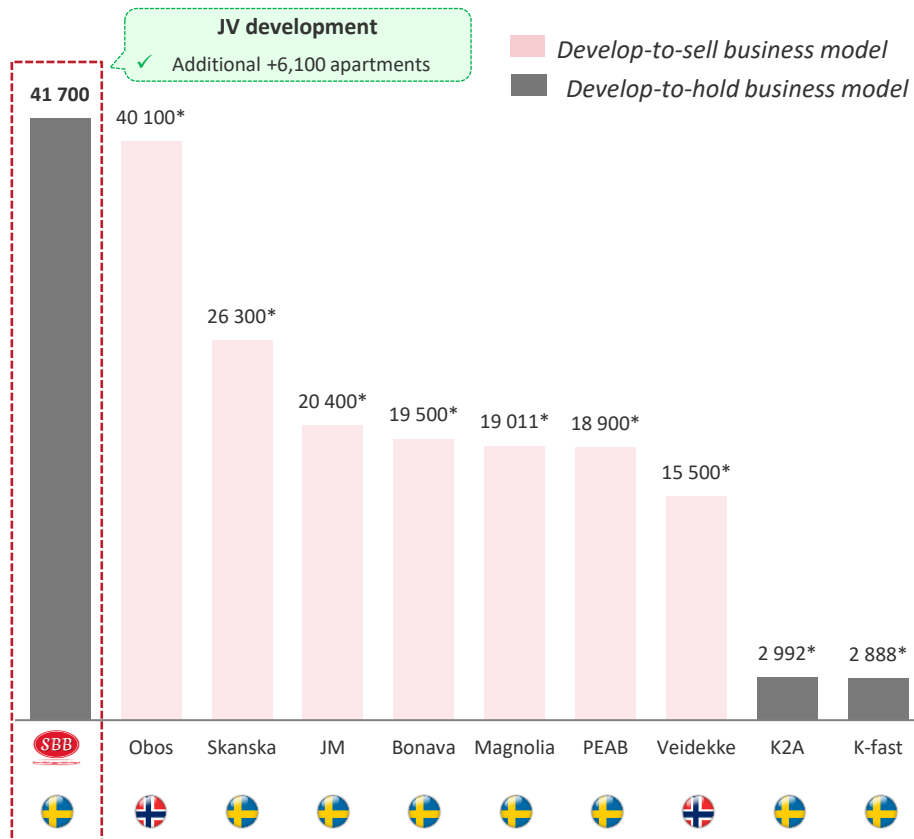
- ✓ Highly skilled and experienced team creates the opportunity to build for own management
- ✓ No. 1 Nordic property developer with ~41,700 building rights on own balance sheet:
 - 5,313 residential units in project development
 - 872 residential units developed for own management
- ✓ Development property portfolio's estimated value upon completion of zoning of SEK 10.2bn vs. book value of SEK 3.8bn



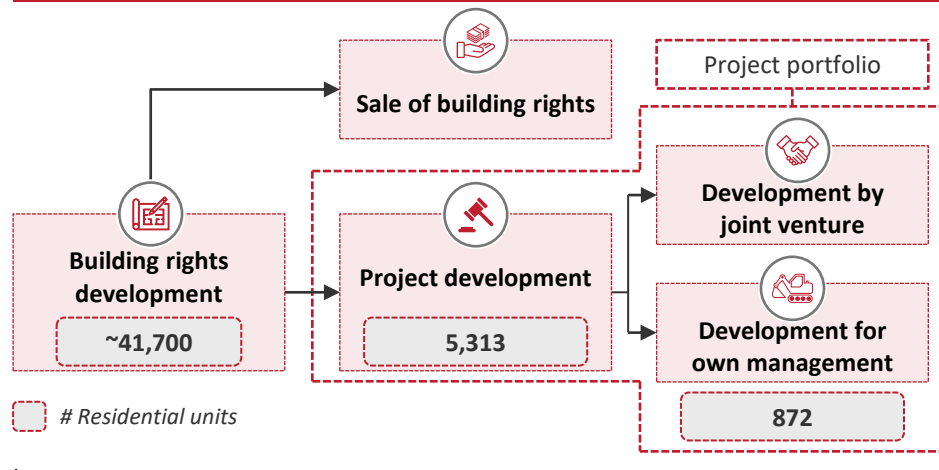
BUILDING RIGHT DEVELOPMENT AND NEW PRODUCTION PROFIT Q1 SEK 507M

No. 1 property developer in the Nordic region

Top Nordic property developers by building rights on own balance sheet
(no. of residential units, c. 70 sq.m. per apartment)

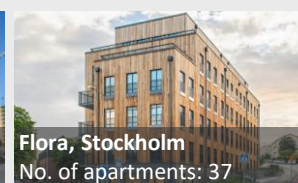
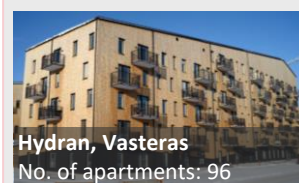


Utilising building rights to create value throughout the value chain



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

Selected development projects



No. 1 developer in the Nordic region with +2.9m sq.m. of building rights, 5,313 apartments under project development and 872 apartments in production for own management. Estimated recurring earnings effect per year: SEK 1,000–1,400m

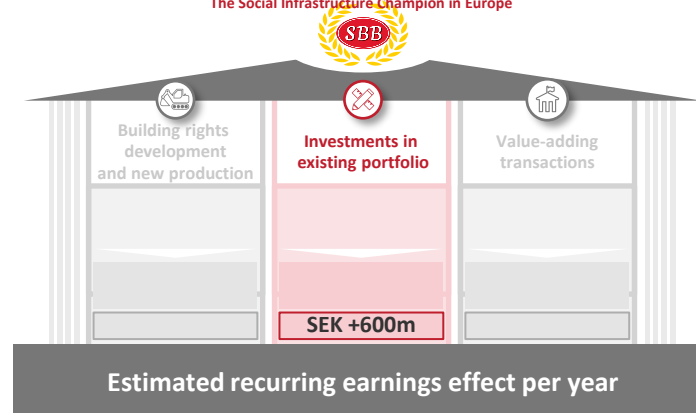


Notes: * Numbers as of Q4 2020

SBB'S VALUE-ADD STRATEGIES

INVESTMENTS IN EXISTING PORTFOLIO

The Social Infrastructure Champion in Europe



Peter Olausson
Chief Technical Officer
 Industry experience
20 years

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

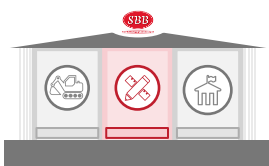


Marika Dimming
*Investor Relations and
 Head of Sustainability*
 Industry experience
25 years



Martin Andersson
Sustainability analyst
 Industry experience
9 years

- ✓ **Vision of becoming the world's most sustainable property company by 2030**
- ✓ **Value-enhancing renovations across community service and residential properties**
- ✓ **Target of 600 renovated residential apartments p.a. (200 renovated during Q1 2021)**
- ✓ **Highly experienced team with strong relationships with tenants to understand needs and requirements**



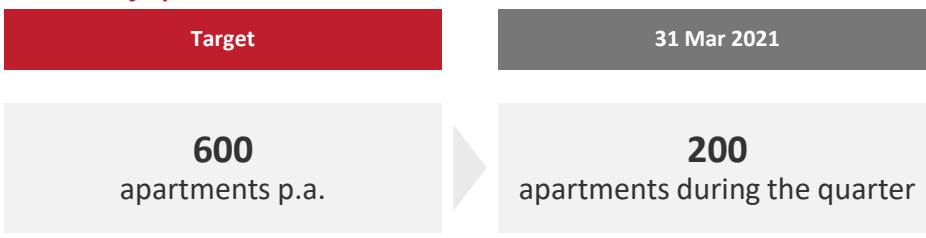
INVESTMENTS IN EXISTING PORTFOLIO

Significant renovations upside potential with a clear ESG focus

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

Significant upside potential in non-renovated residential portfolio

Number of apartment renovations



Upside potential

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

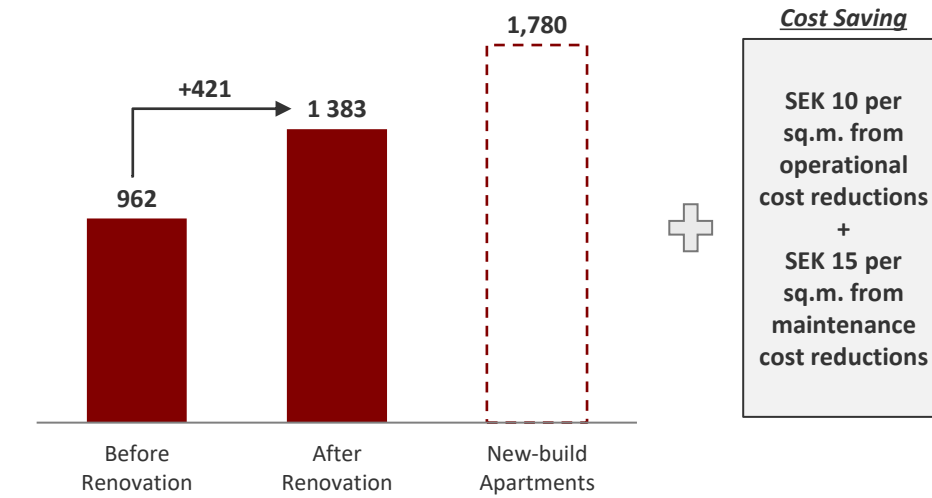
Significant avg. rental uplift after renovations in residential portfolio

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

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

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

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



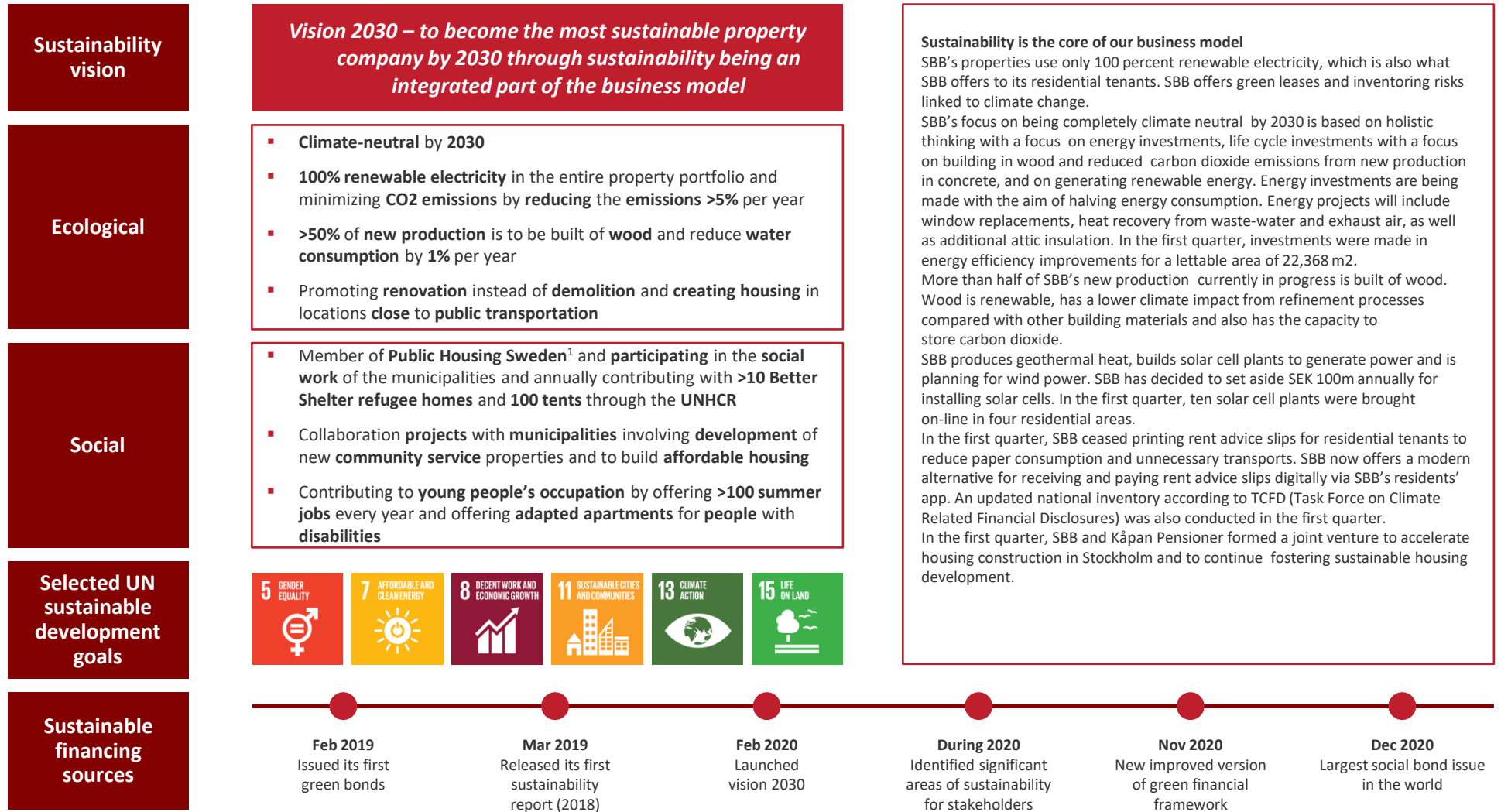
NOI margin improvement from c. 54% to c. 70% on renovated apartments



6–7% net yield on cost

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

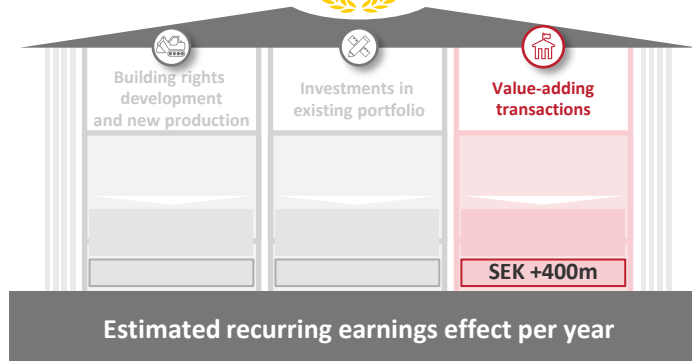
VISION 2030, SUSTAINABILITY FRAMEWORK, ACCELERATING ENVIRONMENTAL INITIATIVES TOWARDS A MORE SUSTAINABLE WORLD



SBB'S VALUE-ADD STRATEGIES

VALUE-ADDING TRANSACTIONS

The Social Infrastructure Champion in Europe



Oscar Lekander
Business Development
Manager
Industry experience
11 years



Carl Lundh Mortimer
Project Development
Manager
Industry experience
9 years



Joakim Bill
Transaction Manager
Industry experience
11 years



Linus Eklund
Analyst
Industry experience
6 years



Lovisa Sörensson
Analyst
Industry experience
5 years

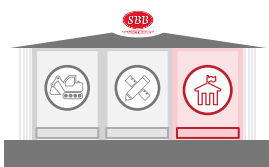


Fredrik Cronqvist
Senior Business
Developer Denmark
Industry experience
16 years



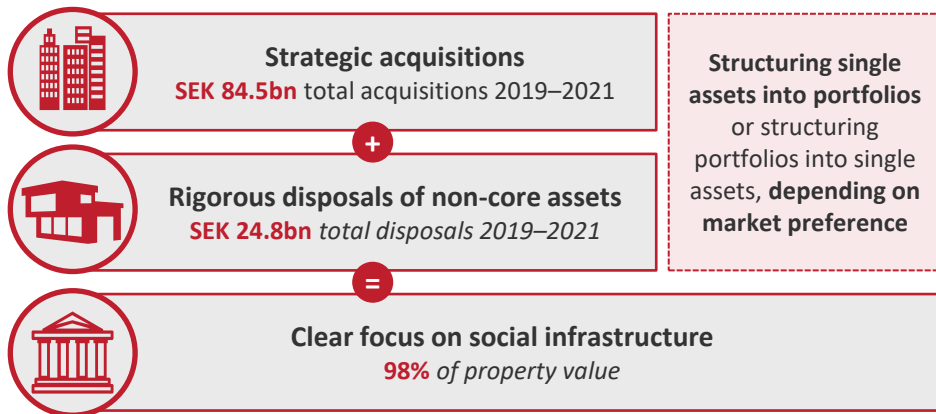
Päivi Loukusa-Virta
Investment Director
Finland
Industry experience
15 years

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



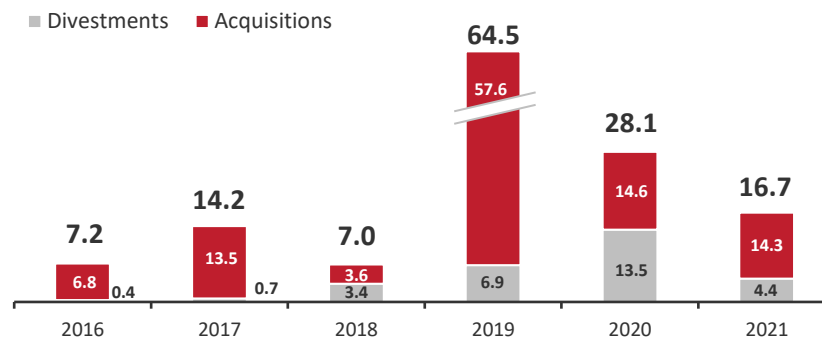
VALUE-ADDING TRANSACTIONS

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



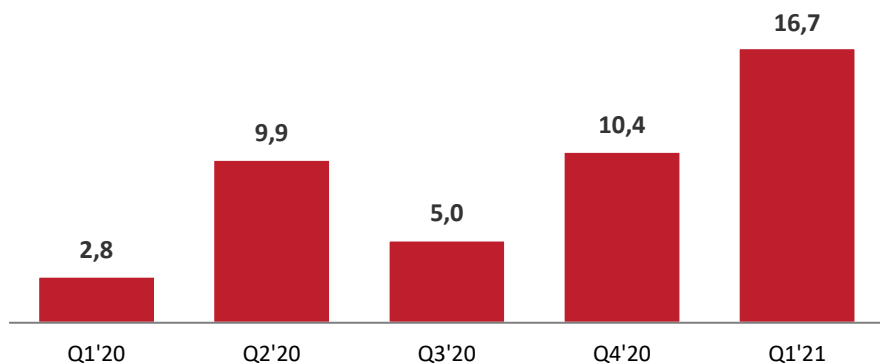
Significant transaction volume since inception

Yearly transaction volume (SEKbn)



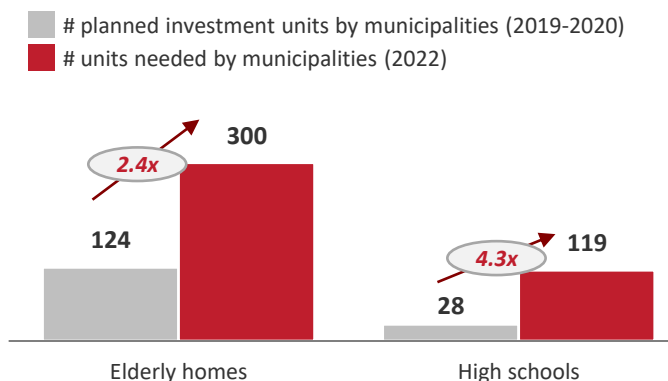
Social infrastructure – a low-risk and highly liquid market

SBB's total transaction volume totaling SEK 44.8bn during a volatile 2020-2021



Undersupply of CSP; significant investment potential for SBB

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



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

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

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



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

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The Social Infrastructure Champion in Europe



Committed to value-add strategies



Building rights development and new production



Investments in existing portfolio



Value-adding transactions

SEK +1,000–1,400m

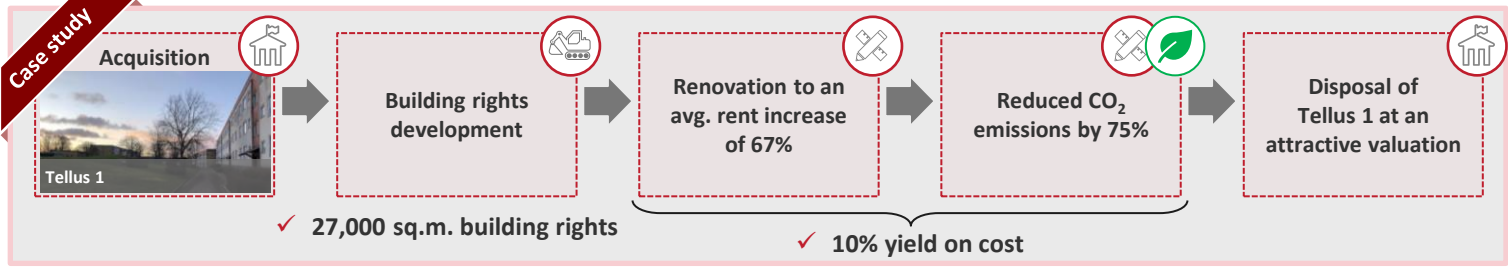
SEK +600m

SEK +400m

Total value creation

Value-add strategies in practice: Tellus 1

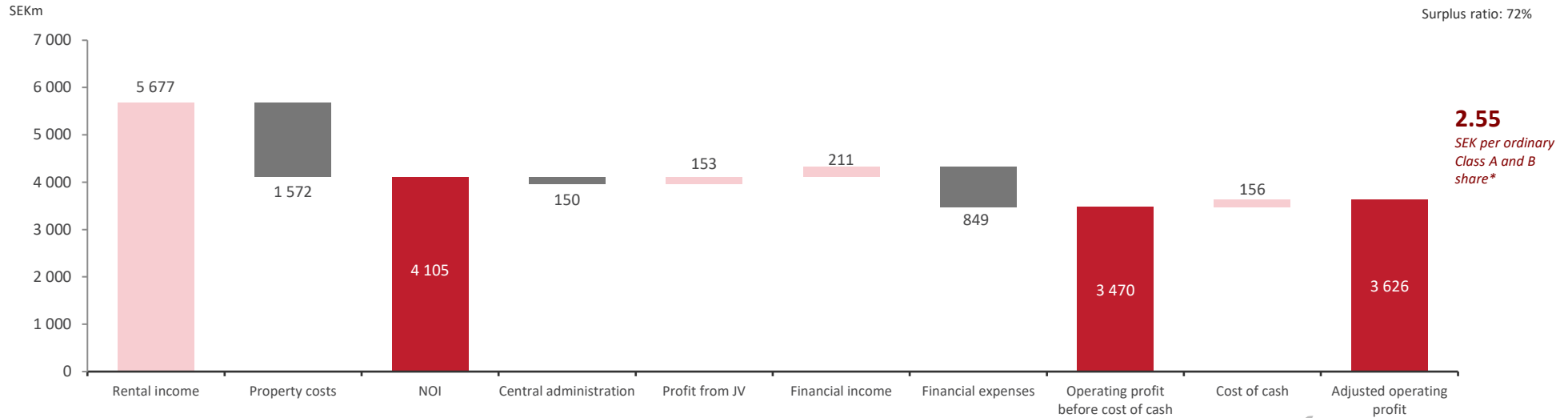
Property management



Property Management as the foundation of our business model, providing passing rent of SEK 5.7bn of which 98% are coming from "AAA" economies and rent-regulated residentials

STRONG OPERATING PROFIT Q1 – ROLLING 12 MONTHS

Current earnings capability for the Group for 12 months



1

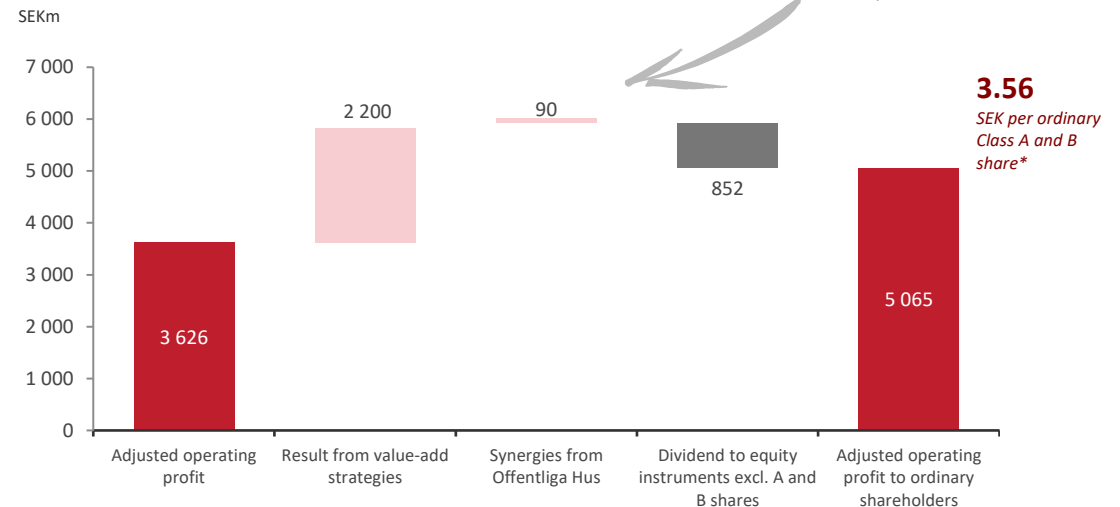
Profit after tax for the period was SEK 2,735m, a strong increase compared to the corresponding period of the previous year. Corresponding to 1.75 SEK per ordinary Class A and B share (0.94).

2

Adjusted for non-recurring costs, profit from property management increased by 41 percent in comparison with the first quarter of 2020 to SEK 843m (596).

3

For the full year 2021, earnings per ordinary share A and B are estimated to be SEK 5.15



IN SUMMARY...

“For the full year 2021, earnings per ordinary share A and B are estimated to be SEK 5.15”

1

Strong and stable cash flow backed by AAA-countries – SBB continues to deliver strong profits, secure cash flows and high growth. Profit after tax was SEK 2.7bn, an increase of 99 percent compared with the first quarter last year.

Adjusted for non-recurring costs for repayment of expensive loans and deductions for earnings attributable to preference shares, series D shares, hybrid bonds and minority interests, **profit for the period amounted to SEK 1.91 per series A and B ordinary share.**

2

Growth – Our value-add strategies continue to outperform.

Profit from building right development and new production for the first quarter of 2021 amounted to SEK 507m, compared with the target of SEK 1.0-1.4bn on an annual basis. At the end of the first quarter, SBB’s portfolio of building rights amounted to approximately 2,919,000 m² GFA, corresponding to approximately 42,000 apartments, which, together with a new production portfolio of 6,185 apartments, makes SBB the **Nordic region’s leading property developer.**

Profit from investments in existing portfolio in the first quarter of 2021 amounted to SEK 155m, compared with the target of SEK 600m on an annual basis. In the first quarter of 2021, SBB completed renovations that improve the net operating income from 200 apartments. A further 120 apartments are currently being renovated and the leases on 167 apartments have been terminated, with renovation planned to commence within a three-month period.

3

Key ratios for a BBB+ rating have been delivered – In the first quarter of 2021, SBB strengthened its equity by SEK 5.8bn. Despite the completion of the SEK 10bn transaction to acquire Offentliga Hus from the stock exchange, there has been a significant reduction in the loan-to-value ratio compared with last year.

At the end of the period, our pro forma net debt, adjusted for cash inflows from properties that have been sold but not yet transferred, liquid financial assets and 12 months’ earnings divided by total capital, in accordance with S&P’s definition of the loan-to-value ratio, amounted to 48 percent. According to S&P’s loan-to-value definition, our reported adjusted net debt was 51 percent at the end of the quarter, despite Offentliga Hus having been consolidated. **On the reported key ratios, we therefore have a strong BBB rating. According to our calculations, we have, at the same time, fulfilled the key ratios most significant for a BBB+ rating.**

THANK YOU!



Samhällsbyggnadsbolaget
