

THE SOCIAL INFRASTRUCTURE CHAMPION IN EUROPE

28 April 2023



ESG
REGIONAL
TOP RATED



Apx. 2 PERCENT OF THE SWEDISH
POPULATION IS NOW A SHAREHOLDER
IN THE SOCIAL INFRASTRUCTURE
CHAMPION IN EUROPE

STRONG OPERATIONAL PERFORMANCE: NET OPERATING INCOME LIKE FOR LIKE = 13.4%

SEKm	<i>Like-for-like Q1 2023</i>		<i>Q1 2022</i>	Reported difference	Including residential
	1 Jan 23 – 31 Mar 23	1 Jan 23 – 31 Mar 23	1 Jan 22 – 31 Mar 22		
Rental income	1,414m	1,428m	1,286m	+9.9%	+11.0%
Property costs	-372m	-372m	-368m	-1.0%	-1.0%
Net operating income	1,042m	1,056m	919m	+13.4%	+14.9%

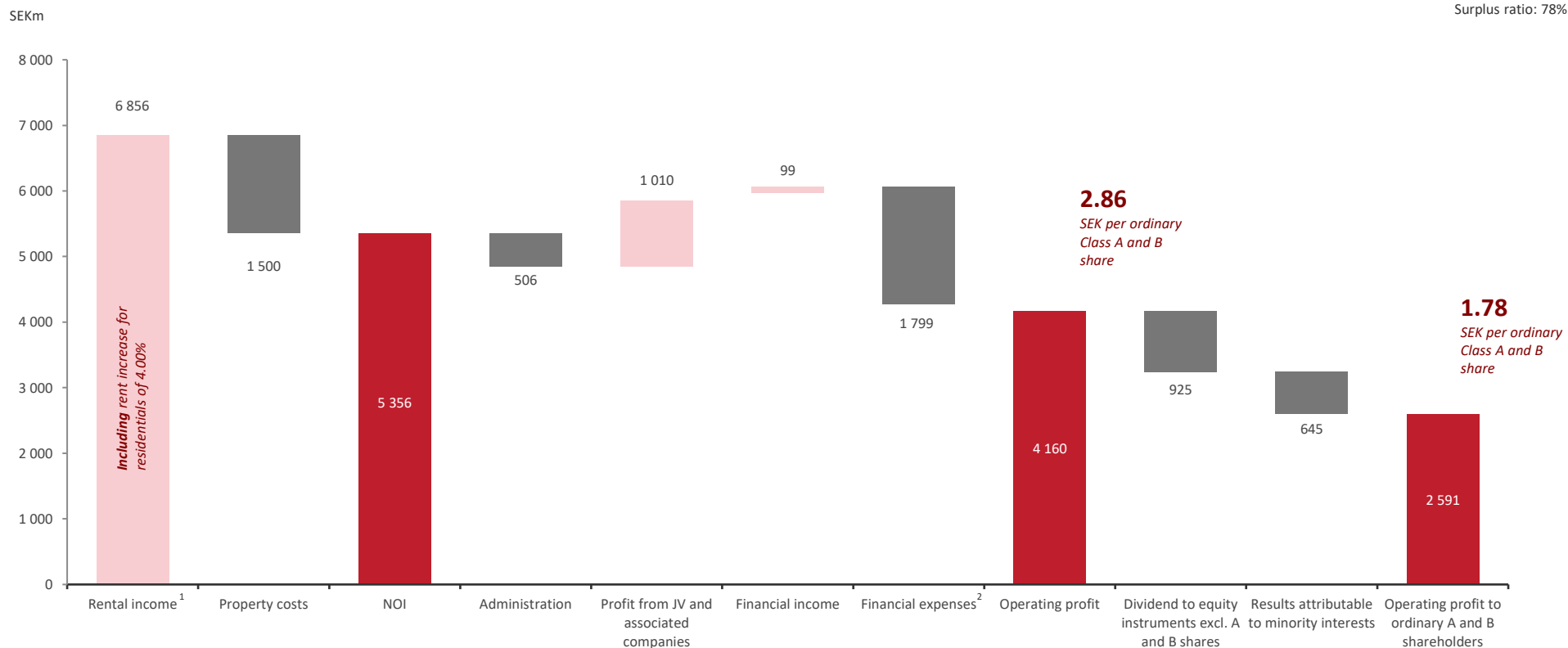
Including estimated rent increase of 4.00% on our rent regulated residential (not yet final negotiated) for 3 months (SEK 14m).

Changes in comparable portfolio during the period

- Rental income **increased by 9.9 percent on like-for-like basis** compared with the corresponding period in the preceding year
- Net operating income **increased by 13.4 percent on like-for-like basis**, which was **370 bps higher** than the NOI weighted inflation for the portfolio.

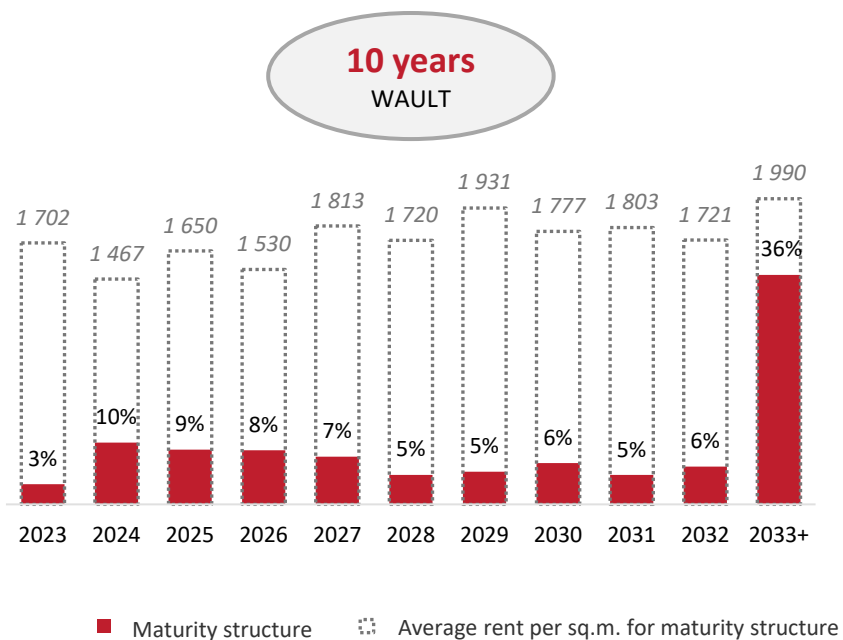
THE GROUP'S EARNINGS CAPACITY GOING FORWARD – ROLLING 12 MONTHS

Current earnings capability for the Group – rolling 12 months



RENTAL INCOME - ORIGINATES FROM “AAA” ASSETS

Lease maturity overview for community service properties – rolling 12 months



Sovereign credit risk exposure in community service





✓ Cash flows originating from the most stable economies in the world, with 99.8% rent collection during the Covid-19 pandemic proving the tenants' ability to pay their rent during stressful times.

✓ The cash flows originates from 3 of the world's total of 10 AAA-rated economies with a combined WAULT of 10 years, which creates a highly predictable and uniquely stable income stream as the basis for SBB's future growth.

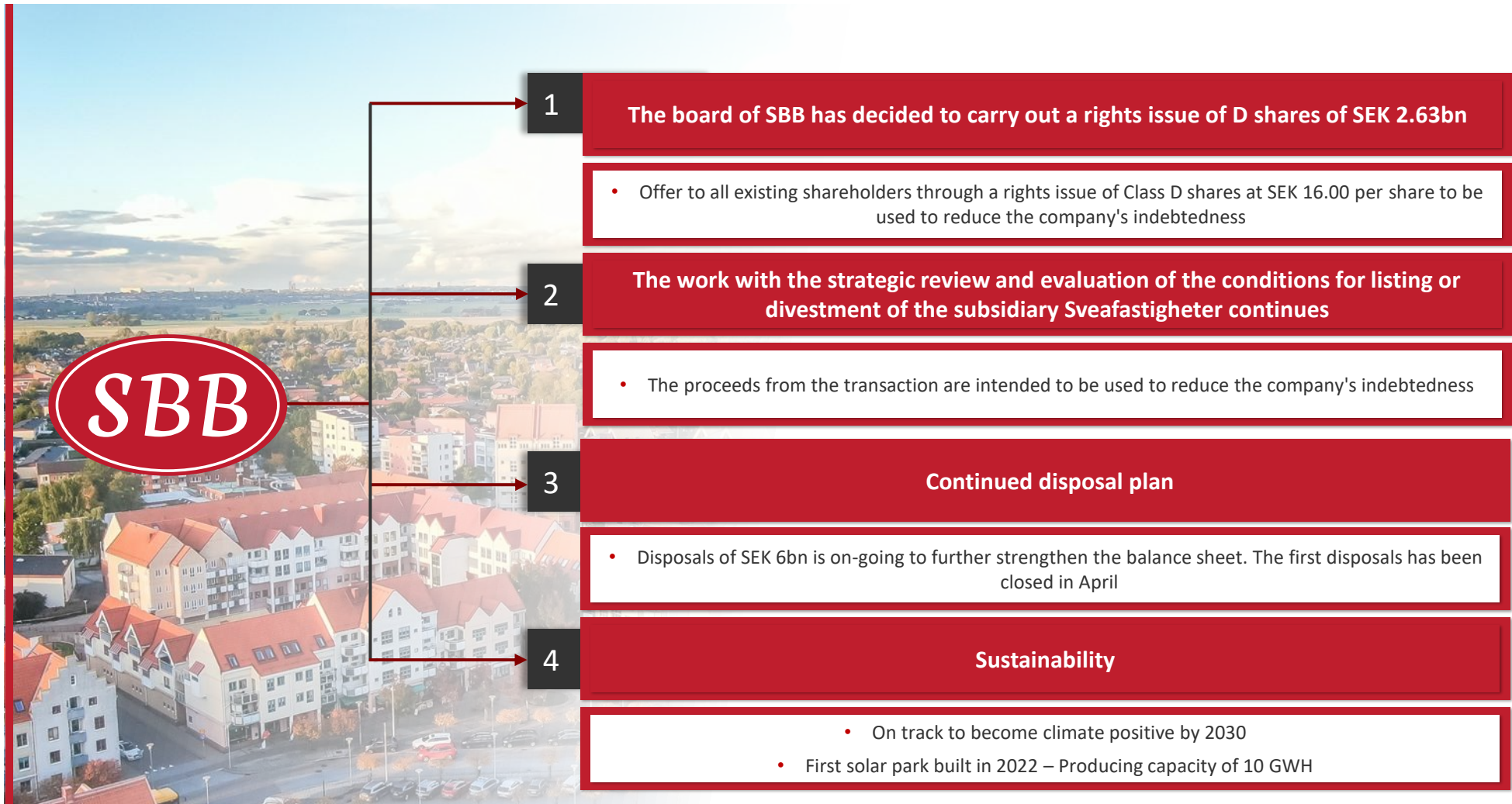
✓ Strong global mega trends to support the business model:

- Urbanization
- Sustainability focus
- Changed demographics

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)

STRATEGIC PLAN GOING FORWARD



RATING

Fitch	
Rating	Fitch's latest report: Rating sensitivities
BBB- Positive Outlook	<ul style="list-style-type: none"> Net debt/EBITDA of less than 12x¹ EBITDA net interest cover greater than 3.0x Unencumbered investment property assets/unsecured debt >2.0x Weighted average debt maturity above five years

Scope	
Rating	Scope's latest report: Outlook and rating-change drivers
BBB Stable Outlook	<ul style="list-style-type: none"> The Stable Outlook reflects Scope's view that the SBB EduCo AB joint venture and the residential spinoff should lead to deleveraging sufficient to decrease LTV to around 50% while interest cover deteriorates less than previously anticipated and remains comfortably above 2.2x

S&P	
Rating	S&P's latest report
BBB- Negative Outlook	<ul style="list-style-type: none"> The negative outlook is based on SBB's adjusted net debt-to-debt plus equity remaining at 60% or higher, or; that the EBITDA interest coverage ratio should fall below 2.4x over a longer period

Comments
<ul style="list-style-type: none"> During the past 12 months, SBB have reduced the total debt by SEK 16.4bn. SBB's focus on a stronger rating and lower indebtedness continues. During the next 6 months, SBB will reduce its debts through liquidity from sales and the rights issue of Class D shares. At the same time, SBB have an average interest rate of 2.29%, which is 120 bps below today's STIBOR 3m. The period of fixed interest for all interest-bearing liabilities is 3.3 years. SBB continues to have good access to capital and at the end of March an announcement was made that the company had completed refinancing and new financing with a total financing of SEK 11.6bn. Of this, SEK 3.2bn referred to new financing. A total of SEK 1.6bn has been used to repay bonds. SBB's total remaining bond maturity in 2023 amounts to SEK 2.2bn, which is covered by existing cash and cash equivalents. This report clearly shows that we managed to reduce indebtedness below 60% and that our interest coverage ratio remains at a good level exceeding 3 times and will be further strengthened by the measures presented above. We thus meet all the criteria for leaving S&P's negative outlook behind us.



Notes: ¹ Based on the current portfolio mix of around 20% residential by EBITDA

PARTNERING WITH BROOKFIELD SUPER-CORE INFRASTRUCTURE PARTNERS TO CAPITALISE ON THE OPPORTUNITIES WITHIN THE EDUCATIONAL SECTOR

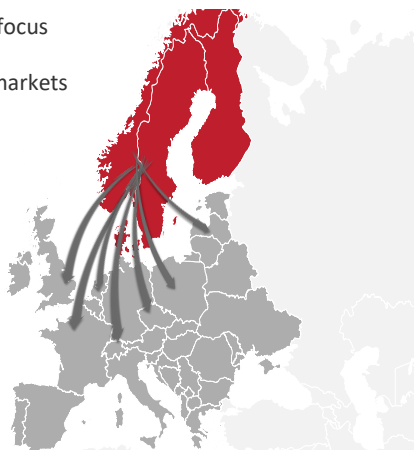
1 Best positioned to lead a Pan-European consolidation

■ Current geographical focus

→ Illustrative potential markets

Selected countries sovereign credit rating

	FitchRatings	S&P Global Ratings
	AAA	AAA
	AA	AA
	A-	A
	AA+	AA+
	AA-	AA



Equity injections through the sale of 49% stake in SBB EduCo AB

- Three closings totaling SEK 9.2bn, of which SEK 8.7bn has been completed during the first quarter 2023.

Refinancing of existing debt – SBB EduCo AB

- Refinancing responsibility for SEK 21.5bn of SBB's net debt of SEK 78bn. This stands for 28% of SBB's outstanding net debt as of Q1 2023.
- SBB EduCo AB is currently preparing a rating for the company. The expectation is for a BBB rating.
- Refinancing of EduCo will provide a significant liquidity contribution to SBB by repaying SBB's loan to EduCo of SEK 14.5bn.

2 Brookfield Super-Core Infrastructure Partners

BSIP is a perpetual open-end fund with approximately \$13.6 billion¹ invested in low-risk core infrastructure assets in developed markets on a permanent-hold basis

- ✓ Mature, cash-generating essential infrastructure assets with contracted or regulated revenues and attractive yield
- ✓ Perpetual vehicle investing on a permanent-hold basis
- ✓ Flexibility to target control or minority interest positions
- ✓ Pursue investments in OECD markets
- ✓ Focus on the data, utilities, renewable power, social infrastructure and midstream sectors where Brookfield has operating expertise

Portfolio investments²

Telia Tower Partners

8,000 ground-based sites



\$1.2 billion

Availability Based Infrastructure

6 concessions



\$970 million

Nordic Availability Based Infrastructure

585 Educational Assets



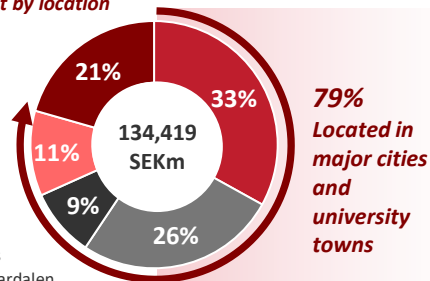
\$3.8 billion

HIGHLIGHTS FOR THE FIRST QUARTER 2023

- 13.4 percent like-for-like growth in NOI** – 370 bps above the NOI weighted inflation for 2022
- 85% of the gross debt has a fixed interest rate** – The average period of fixed interest for all interest-bearing liabilities of 3.3 years
- Focus on core business** – Increased focus on community service infrastructure assets
- Ability to adapt**
- We have unique liquid assets, and we remain committed to continuing to strengthen our balance sheet**

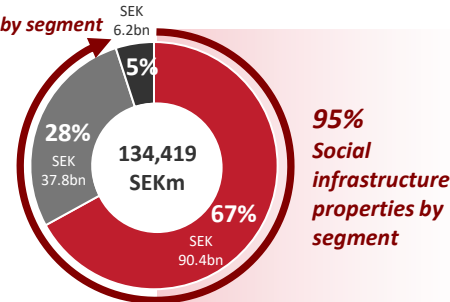
Property portfolio overview

Split by location



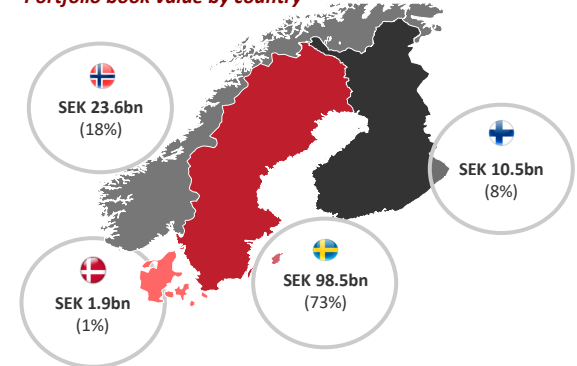
- University cities
- Stockholm/Mälardalen
- Oslo/Copenhagen/Helsinki
- Gothenburg/Malmö
- Other growth cities

Split by segment



- Community service properties
- Residentials
- Other

Portfolio book value by country



BBB- (Negative)

S&P Global Ratings
Latest review: 08-Jul-2022

BBB- (Positive)

Fitch Ratings
Latest review: 09-Jun-2022

BBB (Stable)

SCOPE Scope Ratings
Latest review: 15-Nov-2021

4.4% Initial yield¹

10 years WAULT³

98% Social infrastructure²

KEY RATIOS FOR THE FIRST QUARTER 2023

Key take away's – Consolidated income statement	Q1 2023	Q1 2022	Difference
Rental income for the quarter	1,725m	1,831m	-5,8%
Net operating income	1,206m	1,256m	-4,0%
Cash flow from operating activities before changes in working capital	284m	744m	-61,8%
Profit from property management	187m	1,326m	-85,9%
Adjusted profit from property management ¹	670m	1,133m	-40,8%
Profit for the period	-3,898m	2,939m	neg

Key take away's – Financials	Q1 2023	Q4 2022
Loan-to-value ratio, %	47	49
Interest-coverage ratio, multiple	3.2x	3.9x
The average period of fixed interest for all interest-bearing liabilities, years	3.3	3.2
Average debt maturity, years	4.0	3.9

Key take away's – Share-related	Q1 2023	Q4 2022
Long-term net asset value (EPRA NRV)	38,780m	45,579m
Long-term net asset value (EPRA NRV) per share	26.67	31.34

Key take away's – Property-related	Q1 2023	Q4 2022
Market value of properties	134,419m	135,616m
Surplus ratio, %	70	72
Initial yield,%	4.4	4.3
Valuation yield,%	4.83	4.72
Economic letting ratio, %	95.5	95.3
Average contract length of community service properties, years	10	10

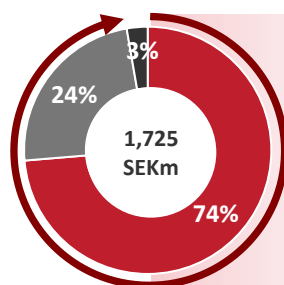
NET OPERATING INCOME

SEKm	<u>Period</u>		<u>Quarter</u>		<u>Full year</u>
	1 Jan 23 – 31 Mar 23	1 Jan 22 – 31 Mar 22	Q1 2023	Q1 2022	2022
Rental income	1,725	1,831	1,725	1,831	7,447
Operating costs	-423	-455	-423	-455	-1,567
Maintenance	-65	-85	-65	-85	-393
Property tax	-30	-35	-30	-35	-141
Net operating income	1,206	1,256	1,206	1,256	5,346
<i>Surplus ratio</i>	70%	69%	70%	69%	72%



Rental income for the period

1 Jan 2022 – 31 Mar 2023



97%
Delivered from
social
infrastructure
properties by
segment

- Community service properties
- Residentials
- Other

Changes in comparable portfolio during the period

- Rental income **increased by 9.9 percent on like for like basis** compared with the corresponding period in the preceding year
- Net operating income **increased by 13.4 percent on like for like basis**, which was **370 bps higher** than the NOI weighted inflation for the portfolio.

PROFIT FROM PROPERTY MANAGEMENT

SEKm	<u>Period</u>		<u>Quarter</u>		<u>Full year</u>
	1 Jan 23 – 31 Mar 23	1 Jan 22 – 31 Mar 22	Q1 2023	Q1 2022	2022
Net operating income	1,206	1,256	1,206	1,256	5,346
Administration	-157	-167	-157	-167	-898
Acquisition, restructuring and other costs	-30	-13	-30	-13	-120
Profit from associated companies/joint ventures	-369	434	-369	434	-1,866
- of which profit from property management	246	314	246	314	941
- of which value changes	-451	194	-451	194	-1,970
- of which write-downs	-160	-	-160	-	-747
- of which tax	-3	-74	-3	-74	-90
Profit before financial items	651	1,510	651	1,510	2,462
Interest income	49	63	49	63	239
Interest expenses	-522	-312	-522	-312	-1,526
Translation gains/losses	-483	193	-483	193	-1,911
Other	-122	-8	-122	-8	400
Profit from property management	187	1,326	187	1,326	2,391
Profit from property management excl. FX and items affecting comparability	816	1,149	816	1,149	4,078

PROFIT BEFORE TAX

SEKm	<i>Period</i>		<i>Quarter</i>		<i>Full year</i>
	1 Jan 23 – 31 Mar 23	1 Jan 22 – 31 Mar 22	Q1 2023	Q1 2022	2022
Profit from property management	187	1,326	187	1,326	2,391
Changes in value, property	-2,332	2,362	-2,332	2,362	-4,571
Realization result on distribution of Neobo	-	-	-	-	-3,202
Dissolution of goodwill after property sales	-	-	-	-	-387
Write-down of goodwill	-	-	-	-	-395
Results, production of residentials	-2	5	-2	5	-17
Changes in the value of financial instruments	-1,199	-341	-1,199	-341	-1,560
Profit before tax	-3,959	3,472	-3,959	3,472	-10,548

Property portfolio change

- External valuations of all of our properties were conducted in the first quarter. The outcome shows a decline in value by SEK 2,332m for the period.

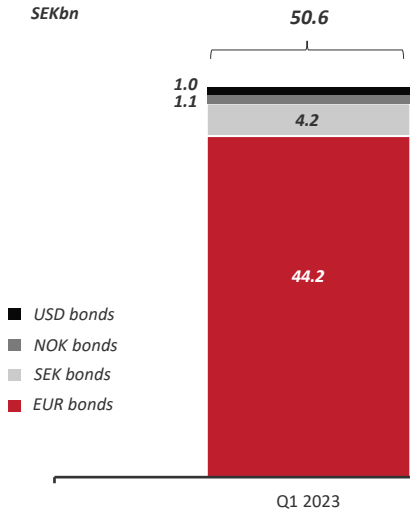
Comments to changes in value of properties

- Changes in the value of properties over the period amounted to SEK -2,332m (2,362), of which SEK -47m (53) were realized changes in value and SEK -2,379m (2,309) were unrealized changes in value.

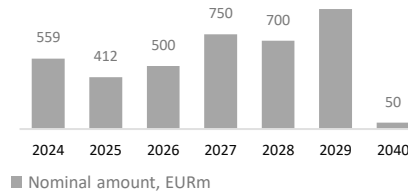
The change in value is explained by higher yield requirements.

DEBT PORTFOLIO

Bond portfolio break down



EUR bonds - maturity profile

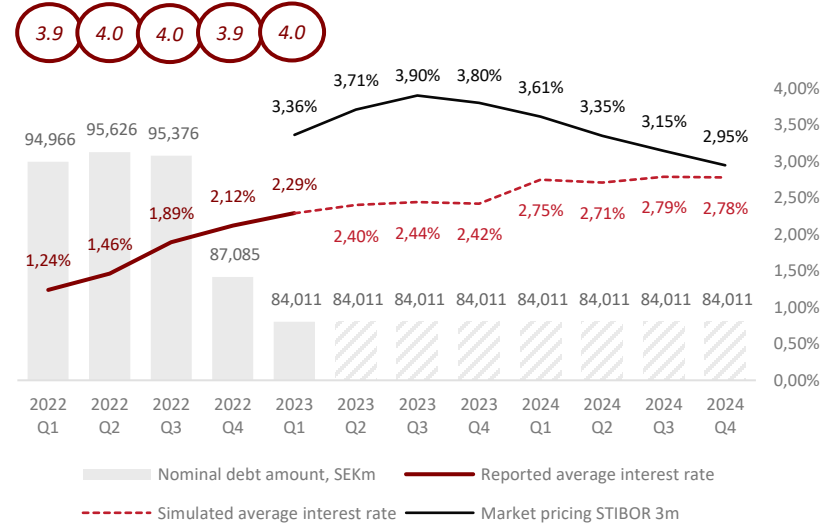


Our EUR bond portfolio totaling **EUR 3,916m** outstanding debt as per Q1 2023. The debt maturity is **4.4 years** with **1.16%** as an average interest rate – **100% fixed**.

Of this, our bonds maturing after 2025 amounts to **EUR 2,950m** (71% of EUR debt portfolio) with a **fixed coupon rate of 1.04%** as per Q1 2023 and with a maturity of over **5 years**.

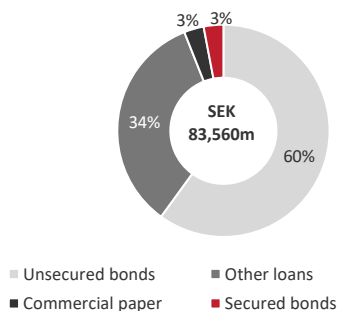
Cost of debt

Average maturity (years)

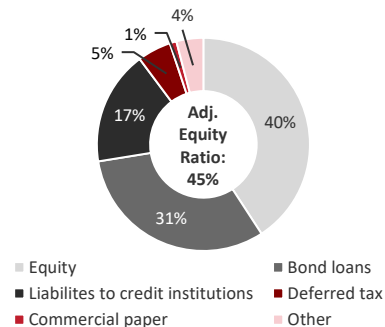


Diversified debt and capital structure

Debt structure

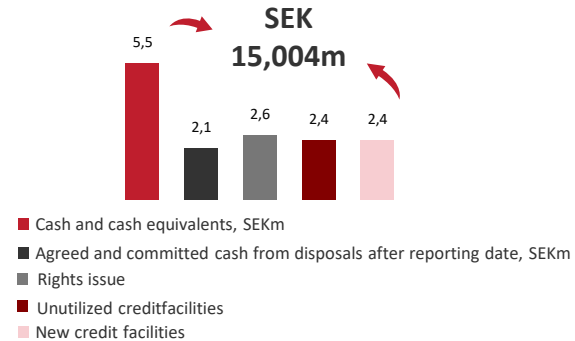


Capital structure

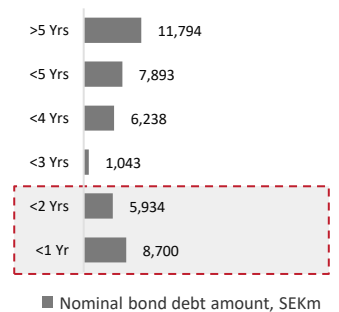


Liquidity and debt maturity profile

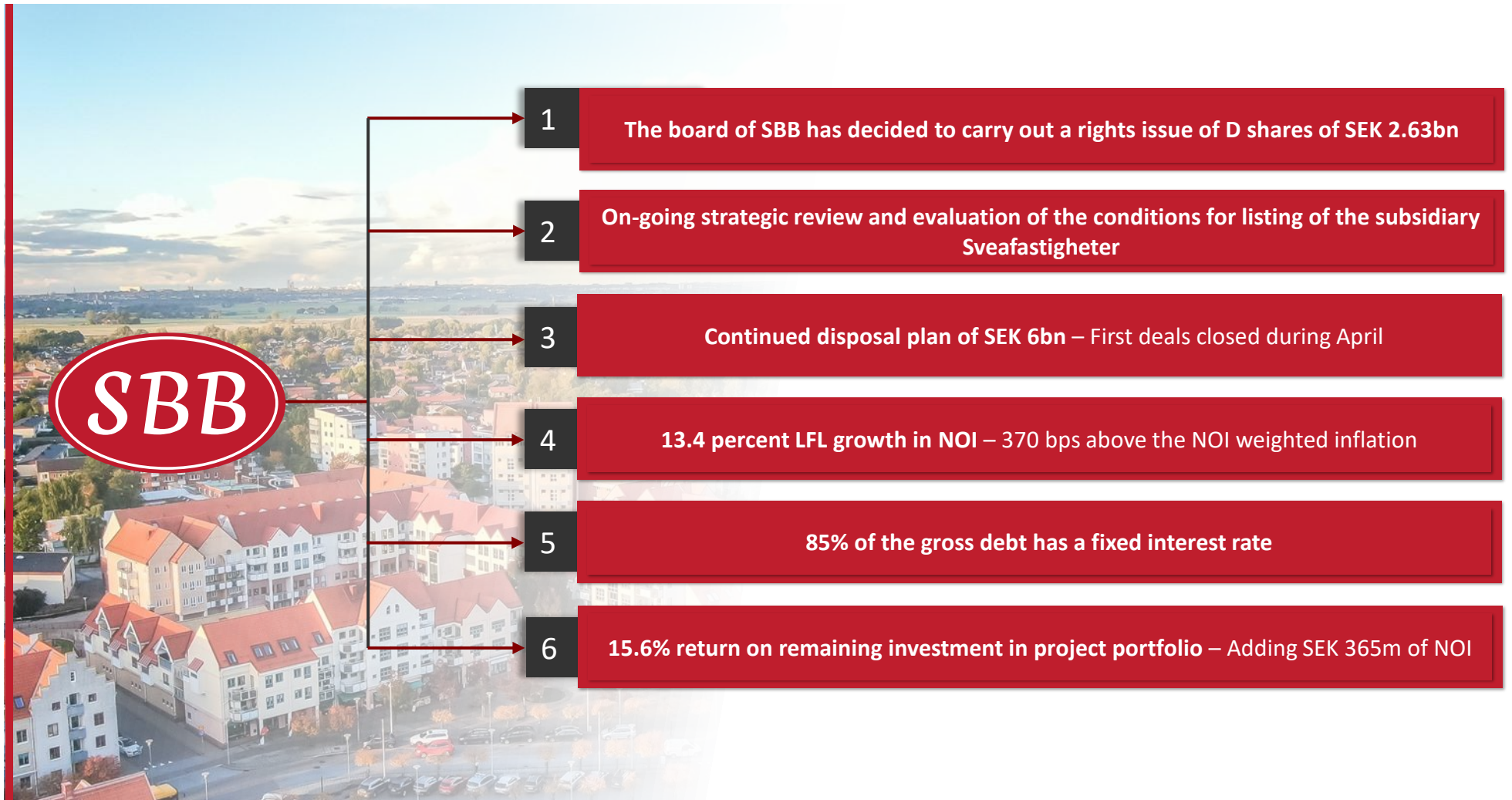
Liquidity break down



Total bond maturity profile



TO SUMMARIZE

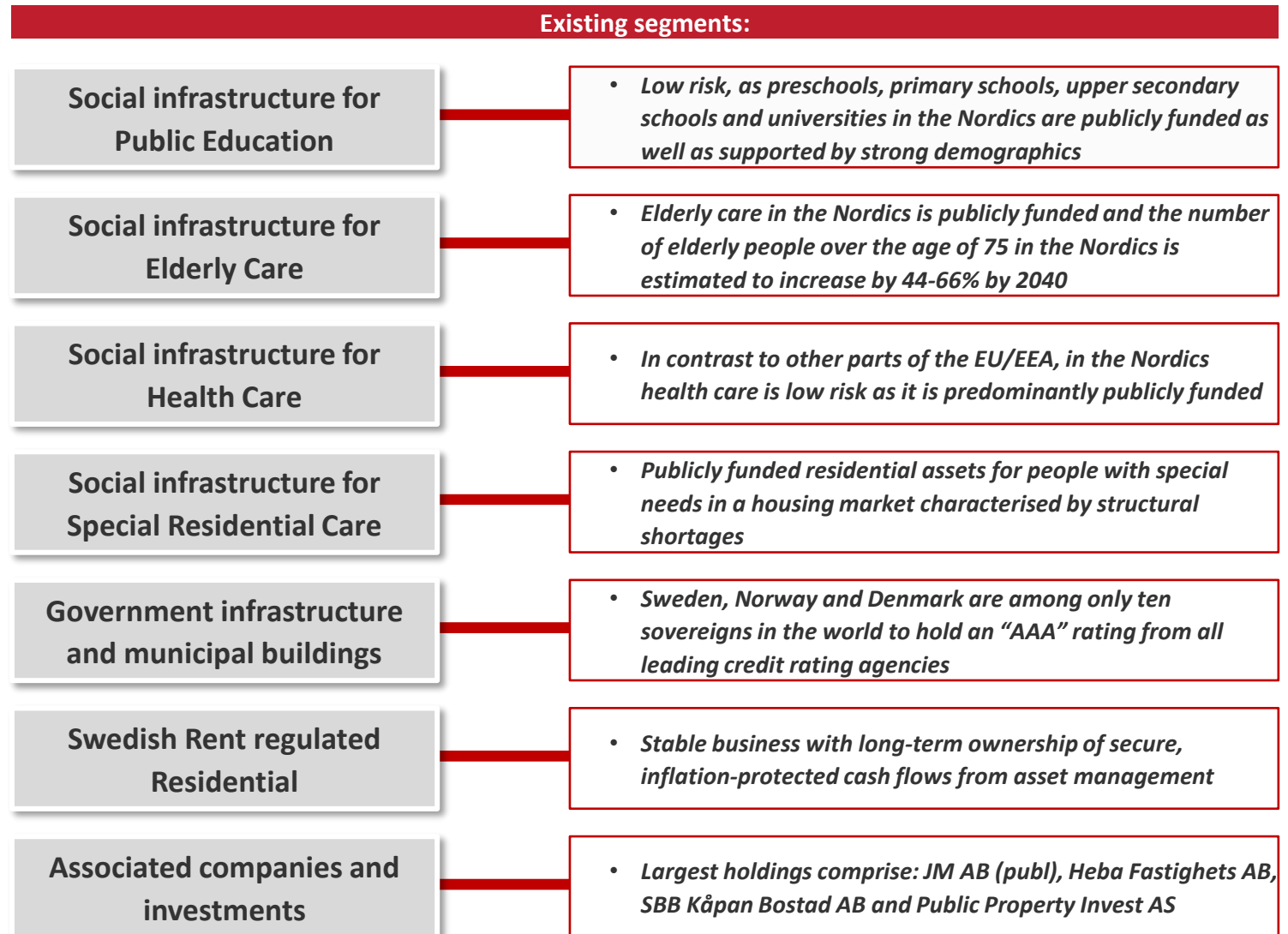


THANK YOU!



Samhällsbyggnadsbolaget

APPENDIX - THIS IS SBB



APPENDIX - SBB OVERVIEW AND KEY HIGHLIGHTS

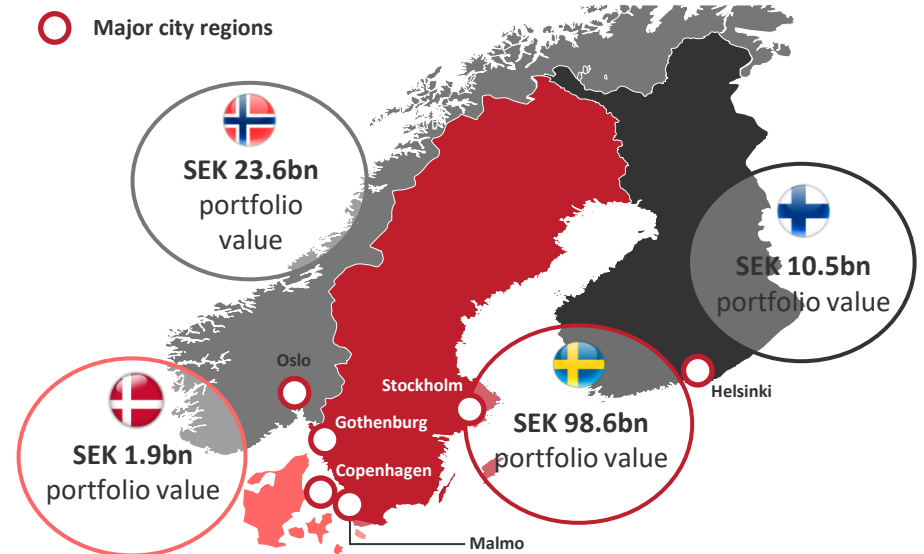
Company snapshot

- ✓ SBB operates in the world's safest real estate asset classes – community service properties in the Nordics where 100% of tenants are sovereign or public-financed tenants and highly regulated Swedish residentials.
- ✓ Properties are in attractive location, major Nordic cities; therefore, **high alternative use potential and strong case for development of building rights**
- ✓ **c.100% occupancy of available properties (i.e. not under refurbishment) in community services and residential**, with minimal vacancy in the residential and project portfolio to capture upside through investment driven renovations
- ✓ **Sustainability is the core of SBB's business model as the first private member ever of Public Housing Sweden**

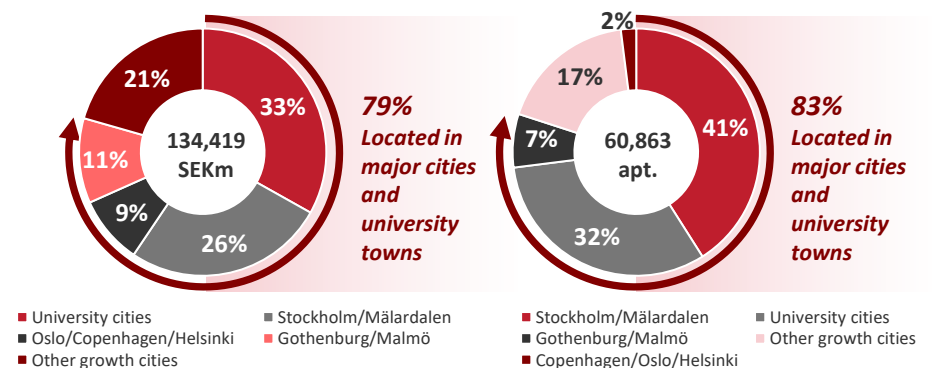
Key figures

SEK 6.9bn passing rent	SEK 134.4bn portfolio book value	10yr WAULT but effectively perpetual	47% net LTV on total assets	BBB- (negative) S&P Global Ratings
	85% fixed interest rate	4.4% net initial yield ¹	2.29% average interest rate	BBB- (positive) Fitch Ratings
				BBB (stable) SCOPE

Portfolio book value by country



Portfolio book value and building rights portfolio



Notes: ¹ Excluding building rights and on-going projects and including estimated rent increase of 4.00% on our rent regulated residentials (not yet final negotiated)

APPENDIX - VISION 2030 - BECOMING CLIMATE POSITIVE IN THE ENTIRE VALUE CHAIN

Vision 2030

- ✓ Climate positive in the entire value chain
- ✓ At least 90% social assets in the property portfolio
- ✓ Climate-adapted property portfolio that can cope with climate risks



E Environmental targets

- ✓ Reduce energy usage and climate impact by 5% per year
- ✓ At least 50% of SBB's new construction shall consist of wooden buildings from certified forestry
- ✓ The entire portfolio and all new construction shall be within 10 minutes' walking distance to commuting
- ✓ Reduce water usage by 1% per year
- ✓ Assess the entire property portfolio in relation to climate-related risks

S Social targets

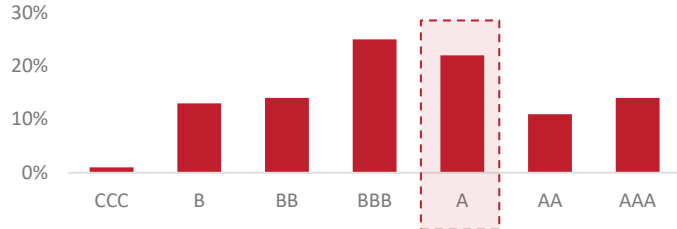
- ✓ At least 90% social assets in the property portfolio
- ✓ All municipalities where SBB owns apartments are offered support in the form of apartments to their social work related to housing
- ✓ Contribute with at least 200 summer jobs to youths living in our residential areas
- ✓ Contribute with at least 10 Better shelter and 100 tents via UNHCR to help refugees

G Governance and financial targets

- ✓ Achieve investment grade BBB+ in the short term and A- in the long term
- ✓ 100% sustainable financing
- ✓ SBB to be classified as a green share on Nasdaq Stockholm

APPENDIX - RECOGNITION OF ESG PERFORMANCE

ESG ratings

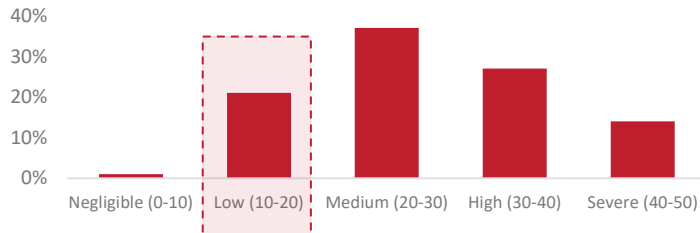


MSCI
ESG RATINGS

CCC B BB BBB **A** AA AAA



Risk reduced to 10.7,
threshold for negligible ESG-Risk is 10.0



Peers Table

Peers (Market cap \$4.5 - \$5.7bn)

	Exposure	Management	ESG Risk Rating
1. Samhallsbyggnadsbolaget i Norden AB	27.3 Low	61.8 Strong	10.7 Low
2. Shurgard Self Storage SA	26.3 Low	50.8 Strong	13.2 Low
3. Kojamo Oyj	27.1 Low	47.5 Average	14.4 Low
4. Switch, Inc. (Nevada)	30.4 Low	52.2 Strong	14.8 Low
5. The Unite Group plc	28.5 Low	46.6 Average	15.4 Low



Quality score 1 in
Social Sustainability: **Industry Leader**¹

Corporate ESG
Performance

Prime

RATED BY
ISS ESG

SOCIAL
QUALITYSCORE
HIGHEST RANKED BY ISS ESG

1



Regional Top Rated 2023

MORNINGSTAR | SUSTAINALYTICS

**ESG
REGIONAL
TOP RATED**

2023

SBB has been identified as a top ESG performer (ESG Regional Top Rated 2023) out of more than 4,000 comprehensive companies that Sustainalytics covers in their global universe



APPENDIX - AWARD-WINNING ARCHITECTURE WITH CUTTING-EDGE TECHNOLOGY

