

THE SOCIAL INFRASTRUCTURE CHAMPION IN EUROPE

SEPT, 2022



 **SUSTAINALYTICS**
a Morningstar company

ESG
REGIONAL
TOP RATED



2022



ApX. 2.5 PERCENT OF THE SWEDISH
POPULATION IS NOW A SHAREHOLDER
IN THE SOCIAL INFRASTRUCTURE
CHAMPION IN EUROPE

SBB OVERVIEW AND KEY HIGHLIGHTS – UNIQUE COMBINATION OF SAFE ASSETS

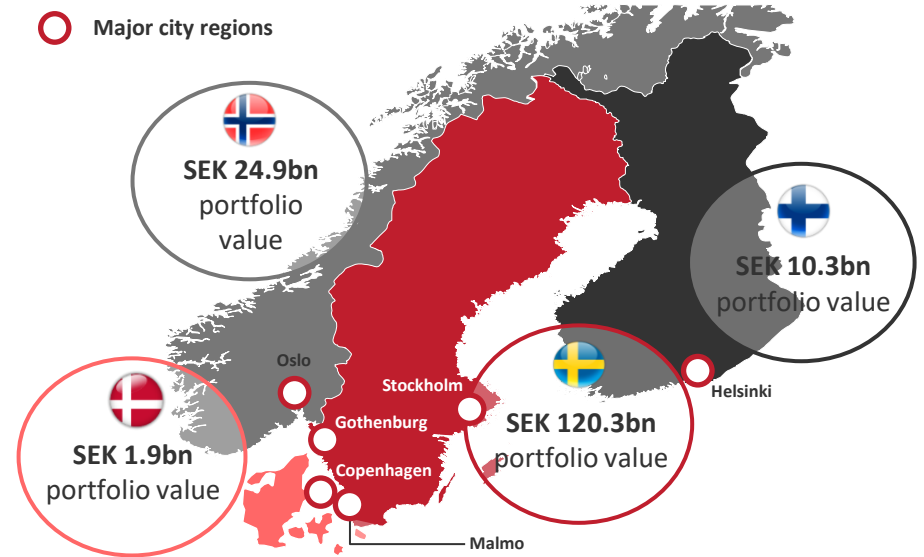
Company snapshot

- ✓ SBB operates in the world's safest real estate asset classes – community service properties in the Nordics where 100% of tenants are sovereign or state-financed organisations and highly regulated Swedish residentials.
- ✓ Properties are in attractive location, major Nordic cities; therefore, **high alternative use potential and strong case for creation 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**

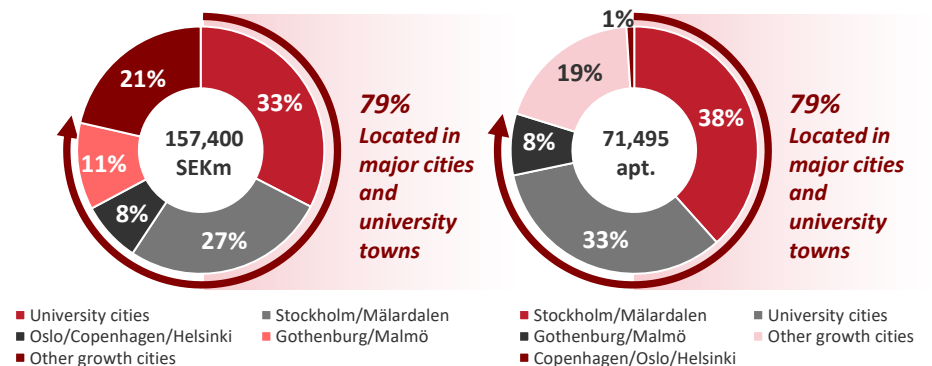
Key figures

SEK 7.3bn passing rent	SEK 157.4bn portfolio book value	11yr WAULT but effectively perpetual	46% net LTV on total assets	BBB- (negative) S&P Global Ratings
	SEK 218m Net profit for the period	3.8% net initial yield ¹	1.46% average interest rate	BBB- (positive) Fitch Ratings
				BBB (stable) SCOPE

Portfolio book value by country



Portfolio book value and building rights portfolio



OVERVIEW OF PROPERTY PORTFOLIO

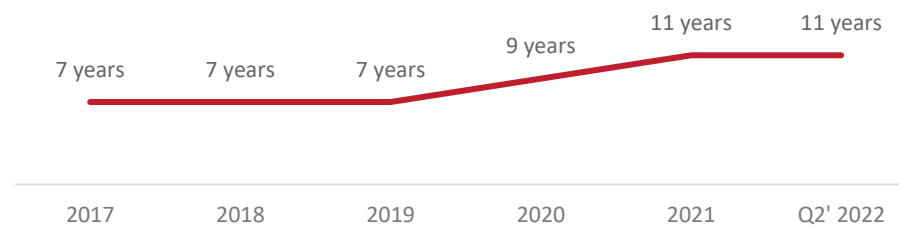
Dynamics of SBB's Property Portfolio

Credit Worthy Tenants	Majority of income directly from Nordic states or local, government backed, municipalities	✓
Tax Financed	Community service properties either directly or indirectly tax financed	✓
Regulation	Residential & Community service properties subject to government regulation	✓
Long Lease Terms	Average WAULT of 11 years for community service properties ¹	✓
Low Vacancy Rates	Economic letting ratio around 95% for last 5 years. Vacancies due to elective vacancy by upgrading properties to generate higher returns	✓
Inflation Hedged	Rental contracts is tied to the Consumer Price Index	✓
Limited Rental Receivables	Limited rental receivables, with 99.8% rent collection during the Covid crisis in FY 2020	✓

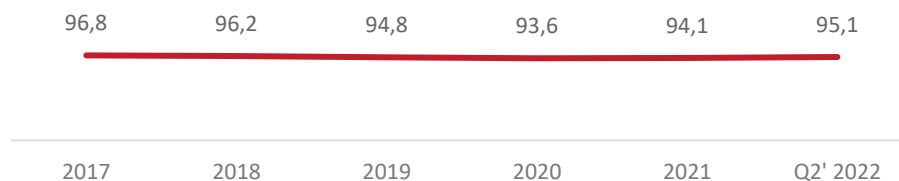


Low risk, stable, inflation-linked cash flow

WAULT, community service properties¹, yrs



Economic letting ratio², %



Notes: ¹Community Service Properties including Publicly Funded Residentials. ²Rental income as a percentage of rental value

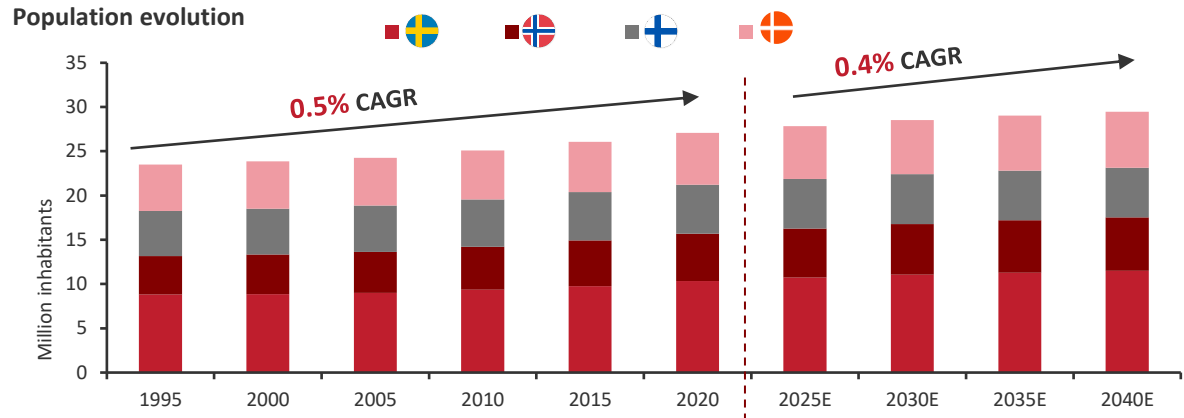
DEMOGRAPHIC MEGA TRENDS DRIVING DEMAND FOR SBB'S PROPERTIES

Key considerations

- ✓ **Strong population growth** expected in the Nordic countries (c. 4.0m additional inhabitants up to 2050), concentrated in the urban and intermediate regions, with population growth across all age classes
 - In Sweden alone, there is a need for c.600k new homes by 2040 and c.7.7m sq.m. of new area in community service properties by 2030

- ✓ **Trend of ageing population:**
 - Old-age dependency ratio increased from c.24% in 1990 to 30% in 2017, and expected to reach c. 40% by 2040 – i.e. 100 people in the working-age population will support 40 people of retirement ages
 - Clear demand growth for community service properties such as elderly care properties, hospitals and health centres.

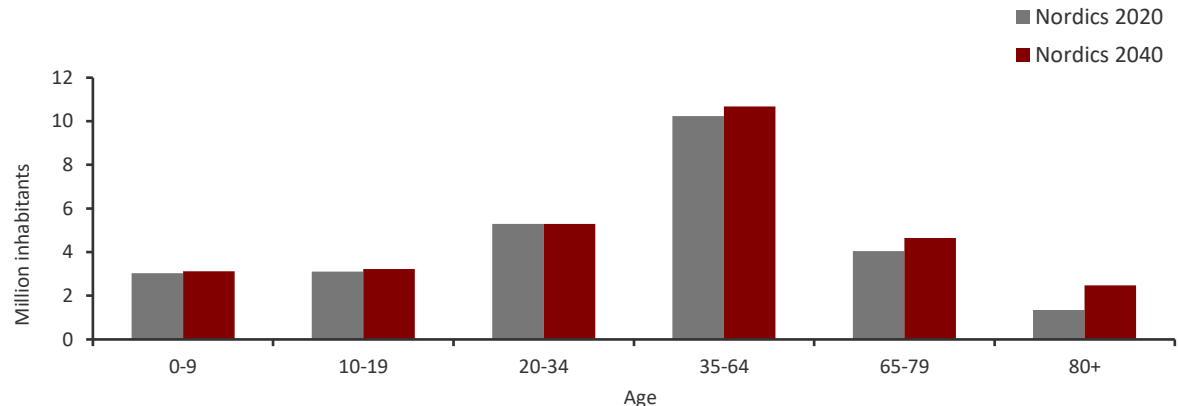
Population growth across all the Nordics



Source: Nordics Statistics database

Elderly population expected to grow significantly in the Nordics by 2040

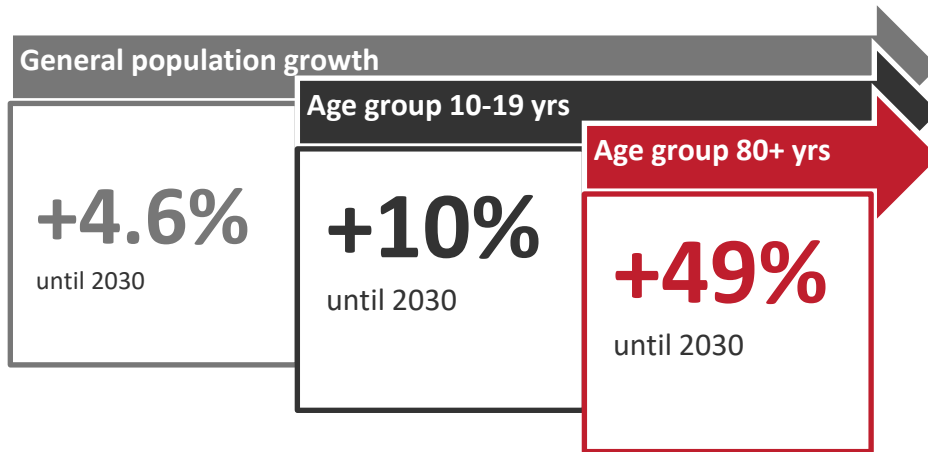
Projection of population by age in the Nordics



Source: Nordics Statistics database

DEMOGRAPHIC NEEDS AND SUPPLY SHORTAGE OF SOCIAL INFRASTRUCTURE PROPERTIES IN SWEDEN

Shortage



- ✓ **560** new elderly care units until 2026
- ✓ **74** new health care centers until 2026
- ✓ **1,000** new schools and pre-schools until 2030
- ✓ **30** new police stations until 2024

Public procurement in Sweden

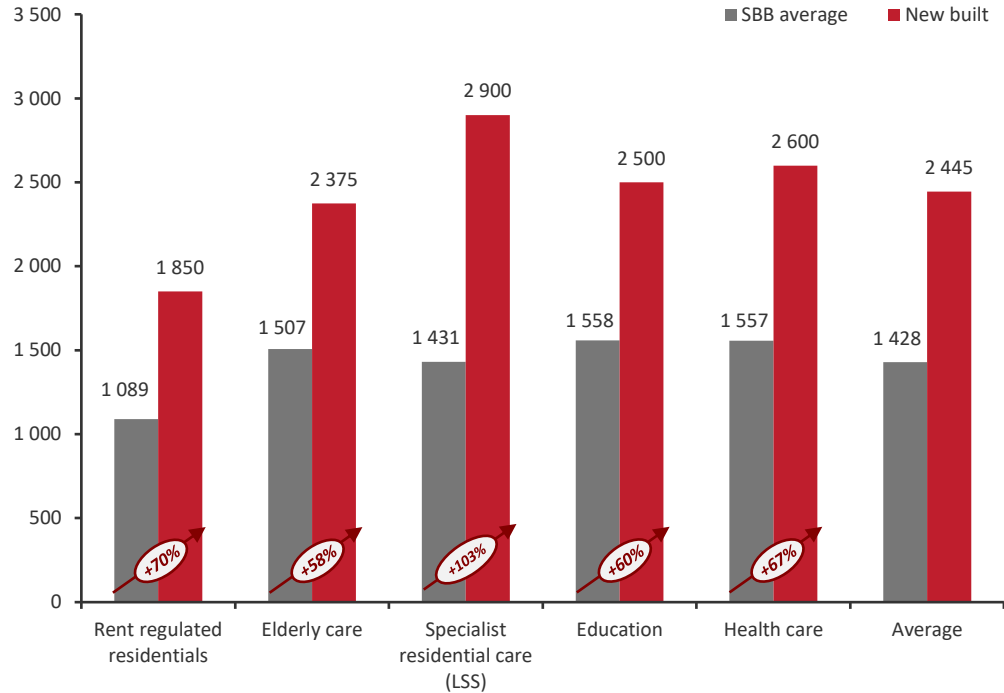
- ✓ **18,000** new public procurements per year
- ✓ **13%** canceled before signed agreements
- ✓ **7%** appealed
- ✓ **20%** only 1 tender
- ✓ **60%** 1-3 tenders



VALUE CREATION POTENTIAL IN FUTURE RENT-UPLIFT AND NOW REPLACEMENT COST IS INCREASING

Large upside rent potential across all property sub categories

SEK/sq.m.



RENT REGULATED RESIDENTIALS

Area	Rent levels (SEK/sq.m.)		
	New construction	SBB average	Upside
Rent regulated residentials	1,850	1,089	761

PUBLICLY FUNDED RESIDENTIALS

Area	Rent levels (SEK/sq.m.)		
	New construction	SBB average	Upside
Elderly care	2,350 – 2,400	1,507	893 – 843
Specialist residential care (LSS)	2,900	1,431	1,469

COMMUNITY SERVICE PROPERTIES

Area	Rent levels (SEK/sq.m.)		
	New construction	SBB average	Upside
Education	2,500	1,558	942
Health care	2,600	1,557	1,043

SBB CREATES VALUE FROM “AAA” ASSETS

Income overview

Classification	Rental Income, SEKm	% of Total
Regulated rent residentials	2 395	33
Building rights for regulated rent residentials	78	1
Sum rent regulated residentials	2 473	34
Apartments for elderly care	813	11
Apartments for specialist residential care (LSS)	429	6
Building rights for publicly funded residentials	0	0
Sum publicly funded residentials	1 242	17
Education	2 096	29
Pre school	862	12
Compulsory/Upper secondary school	888	12
University	346	5
Hospitals and health centres	460	6
Government infrastructure and City Halls	410	6
Public offices	306	4
Other	0	0
Building rights for community service	168	2
Sum community service	3 440	47
Sum social infrastructure	7 154	98
Other	137	2
Total	7 291	100



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



We create value from underutilised land



Legislation prohibits local governments from declaring default: tenant sovereign risk



We improve our assets to generate additional value



Sovereign credit risk exposure in community service

Government and government-backed tenants

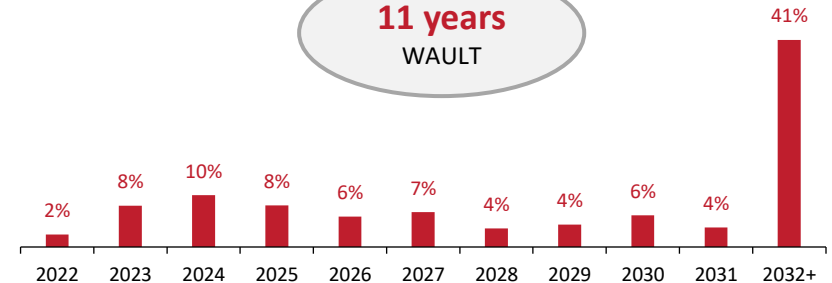


Sovereign credit rating

	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)

11 years

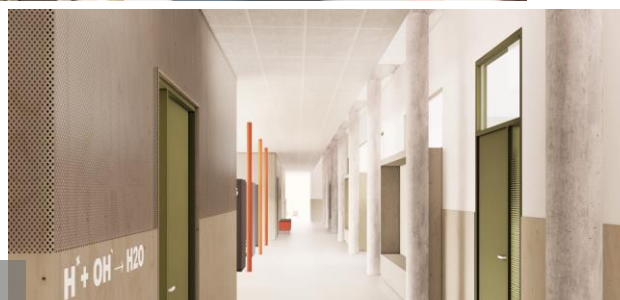
WAULT



SBB LONG TERM PARTNER TO A MUNICIPALITY IN THE STOCKHOLM REGION (HANINGE MUNICIPALITY)



Illustrations of new school and elderly care unit



- ✓ Long term collaboration with Haninge Municipality
- ✓ Owner of more than 100,000 sq.m. lettable area with the municipality as the main tenant
- ✓ Long-term partnership has led to:
 - Development of new school and elderly care unit with municipal tenant, total investment of SEK 400m
 - Development of building rights for 3,000 apartments whereof 800 are in on-going construction



STRONG MANAGEMENT TEAM AND BOARD OF DIRECTORS

Active and hands-on management team with exceptional experience and track-record

23 years

Management team's average years of experience



Ilija Batljan
CEO and Founder
rikshem
Nynäshamns Municipality
Region Stockholm

24 years in industry



Oscar Lekander
Deputy CEO and COO
rikshem
SVEFA

12 years in industry



Krister Karlsson
Deputy CEO and Head of Property Development
rikshem
NCC

33 years in industry



Eva-Lotta Stridh
Deputy CEO and CFO
rikshem
Akelius

21 years in industry



Carl Lundh Mortimer
Head of Business Development
rikshem

12 years in industry



Jenny Asmundsson
Head of Public Procurements
Hemfosa
FASTIGHETER

20 years in industry



Rosel Ragnarsson
Head of Finance
DEXIA
Swedbank
Nordea

46 years in industry



Annika Ekström
Deputy CEO and Head of Asset Management
Hemfosa
FASTIGHETER

26 years in industry



Viktor Mandel
CEO of Sveafastigheter Bostad
Nordanö
BRUNSWICK

13 years in industry

Supported by a highly dedicated, reputable and diverse Board of Directors with strong real estate background



CATELLA
GIMMEL
FASTIGHETER
GENESTA

Lennart Schuss (CoB¹)



FastPartner
COMPACTOR

Sven-Olof Johansson



BALDER
KLÖVERN
ARVID SVENSSON

Fredrik Svensson



apotea-se
DOBERMAN

Eva Swartz Grimaldi



Norwegian Government

Anne-Grete Ström-Erichsen



STENDÖRREN
AB | SAGAX

Hans Runesten



Notes: ¹ Chairman of the Board

PROPERTY MANAGEMENT AS THE FOUNDATION OF SBB'S LEADING BUSINESS MODEL WITH A BEST-IN-CLASS ASSET MANAGEMENT TEAM

Experienced asset management team

- ✓ Local market presence in all of SBB's investment markets
- ✓ In-house asset management and property management
- ✓ Extensive network and in-depth market knowledge to identify new acquisition and leasing opportunities
- ✓ Deep understanding of tenants' needs and requirements through proactive dialogues

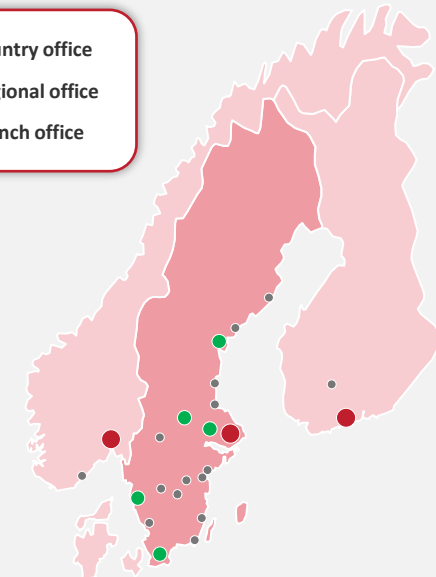
 <p>Alexander Hedin Regional Manager Stockholm Community Service Properties 11 years experience</p>	 <p>Jessica Thornander Regional Manager West Community Service Properties 27 years experience</p>	 <p>Maria Liderås Regional Manager East Community Service Properties 18 years experience</p>	 <p>Christer Melander Regional Manager North Community Service Properties 25 years experience</p>
 <p>Henrik Melder Head of Norway 23 years experience</p>	 <p>Arto Nummela Head of Finland 32 years experience</p>	 <p>Ola Svensson Regional Manager South and Head of Den. 21 years experience</p>	 <p>Per Sundequist Regional Manager Residential Middle Sweden 24 years experience</p>
		 <p>Anna-Carin Skoglund Regional Manager North Residential 30 years experience</p>	

25 years

Asset management team's average years of experience



Local market presence

- Country office
- Regional office
- Branch office



High exposure to AAA-rated governments tenants with attractive long-term leases and terms

Sovereign credit rating

	AAA		AAA
	AA+		AAA

Best-in-class lease terms

10–15 years typical lease length for newly signed leases

Propensity to prolong at lease end;
Education: 97%, Elderly care: 99.5%

Improved surplus ratio achieved

69% surplus ratio as per Q2 2021.
Up from 64.5% in Q4 2017 (rolling 12m)

Property Management as the foundation of our business model, providing passing rent of SEK 7.3bn of which 98% comes from AAA-rated governments and rent regulated residentials

UNIQUE LOW RISK ASSET CLASS WITH LONG DURATIONS AND HIGH-PROPENSITY-TO-PROLONG TENANTS

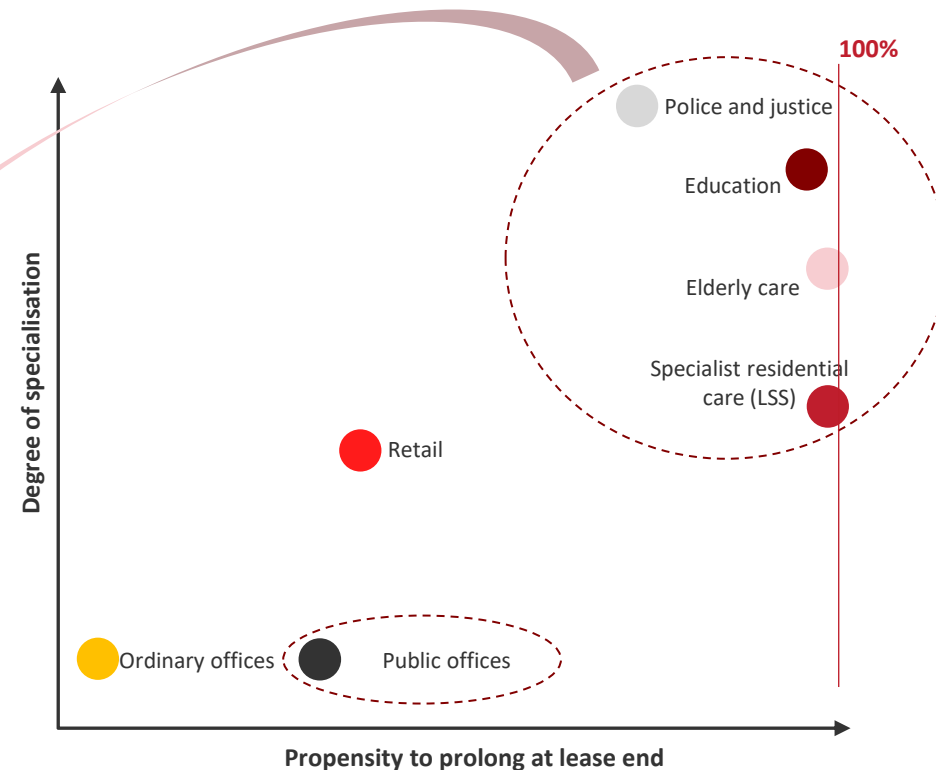
Structured process together with tenants

- ✓ Ongoing dialogue with community service tenants on a quarterly basis
- ✓ Discussions to prolong leases normally start 3-5 years before lease-end
- ✓ Ambition is to sign new prolonged lease contracts leading to higher NOI and increased lease maturity 2-3 years before lease end

Comments

Our properties enjoy a long average lease term of eleven years, and the majority of community services tenants renew their leases. For leases expiring 2022-2026, about approx. 30% are with tenants in place for more than 25 years, and approx. 60% for more than 15 years.

Tenant turnover in community service properties¹

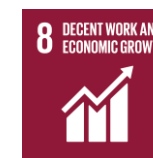


- ✓ Propensity to prolong at lease end;
Education: 97%, Elderly care: 99.5%¹

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

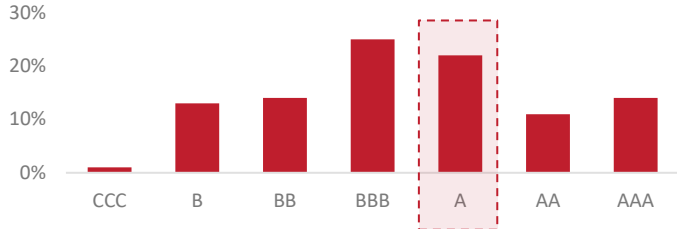
- ✓ Achieve investment grade BBB+ in the short term and A- in the long term
- ✓ 100% sustainable financing
- ✓ SBB to be classified as a green share on Nasdaq Stockholm

RECOGNITION OF ESG PERFORMANCE

ESG ratings



Upgraded from BB to A



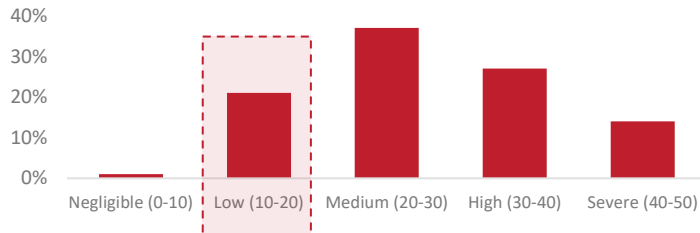
MSCI
ESG RATINGS



CCC B BB BBB **A** AA AAA



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



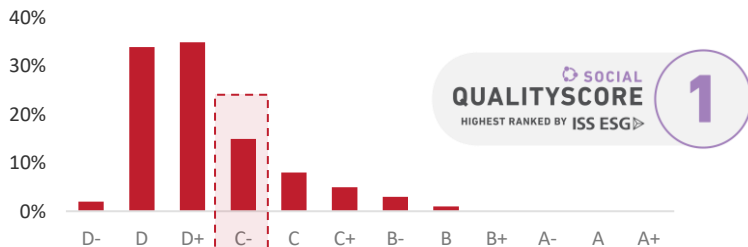
Peers Table

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

Peers	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 Leader¹



Regional Top Rated 2022



ESG REGIONAL TOP RATED

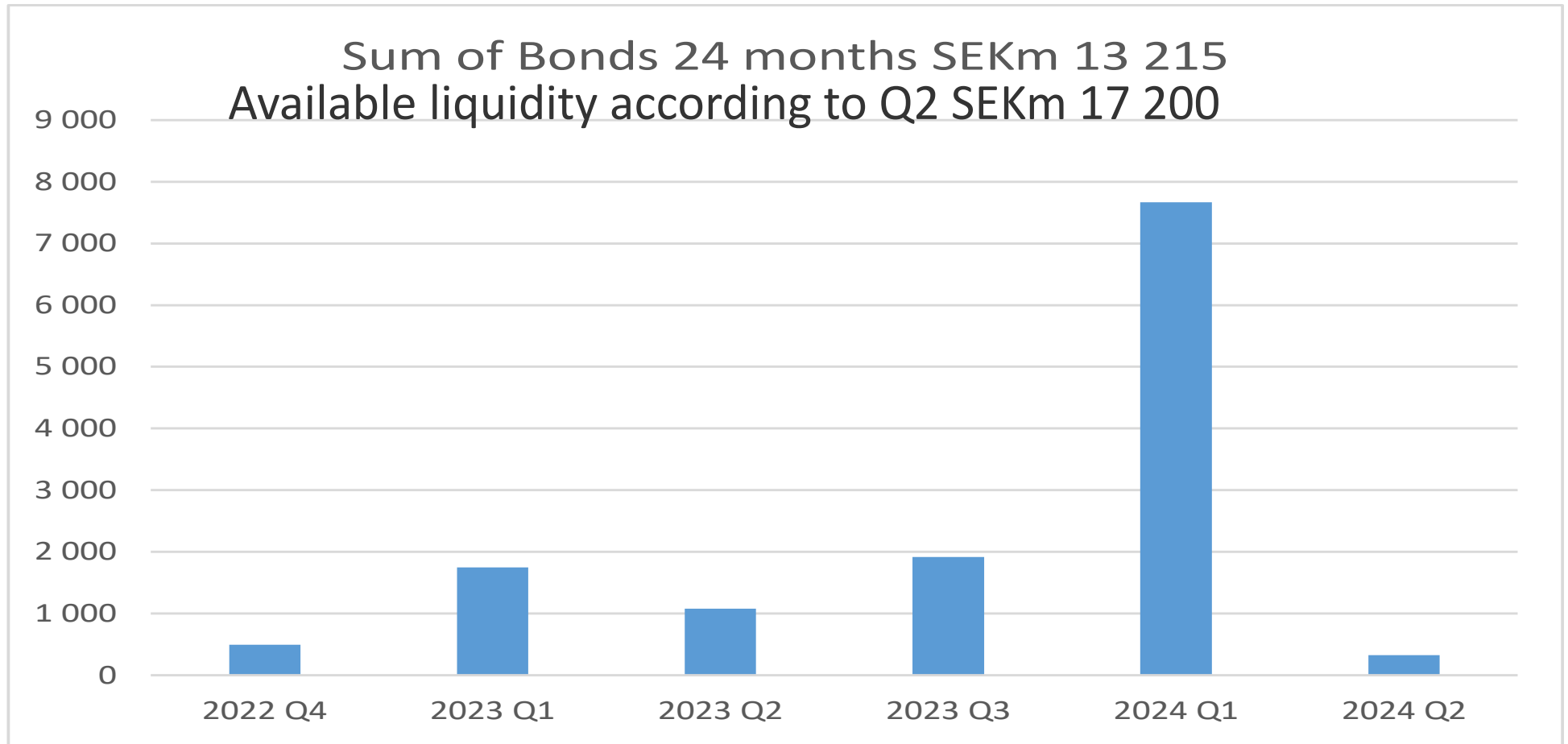


SBB has been identified as a top ESG performer (ESG Regional Top Rated 2022) out of more than 4,000 comprehensive companies that Sustainalytics covers in their global universe



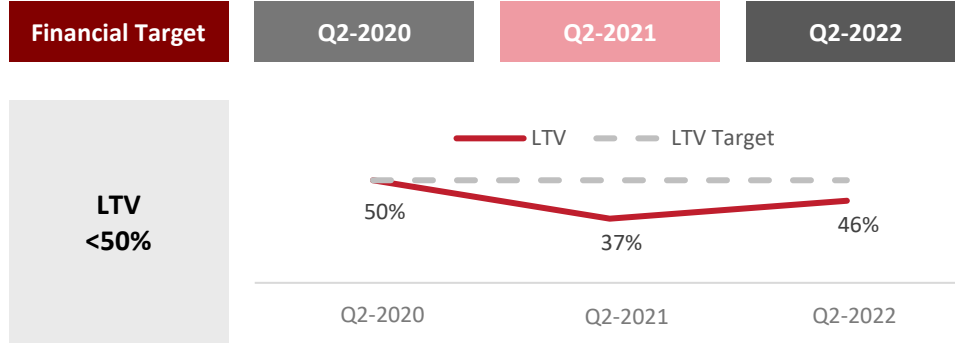
Notes: ¹ As of 21st August 2021

REFINANCING NEXT 24 MONTHS – NO HYBRIDS, FULL COVER FOR BONDS, STRONG BANK RELATIONSHIP AND DIVERSIFIED FUNDING INCLUDING USPP

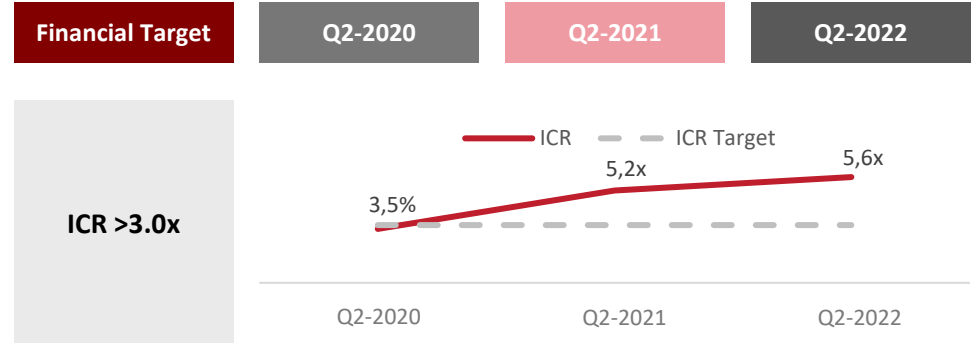


STRONG BALANCE SHEET WITH DELEVERAGING IN FOCUS

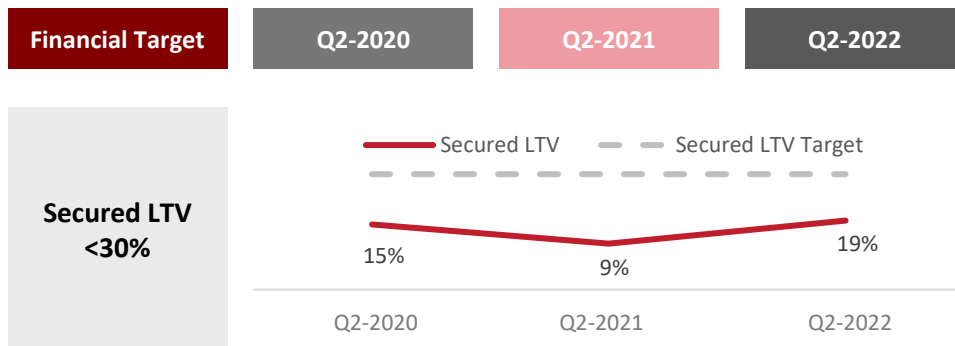
Loan-to-Value



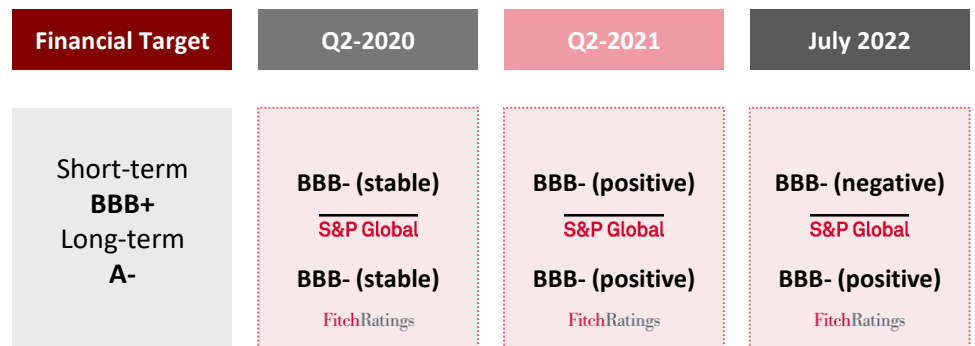
Interest Coverage Ratio



Secured Loan-to-Value



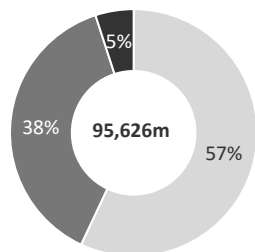
Ratings (S&P / Fitch)



STRONG BALANCE SHEET WITH A LOW COST OF DEBT AND LONG-DATED MATURITY PROFILE

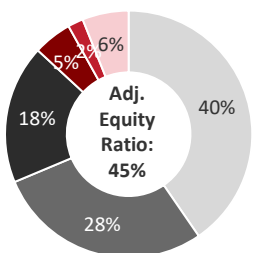
Diverse debt and capital structure

Debt structure



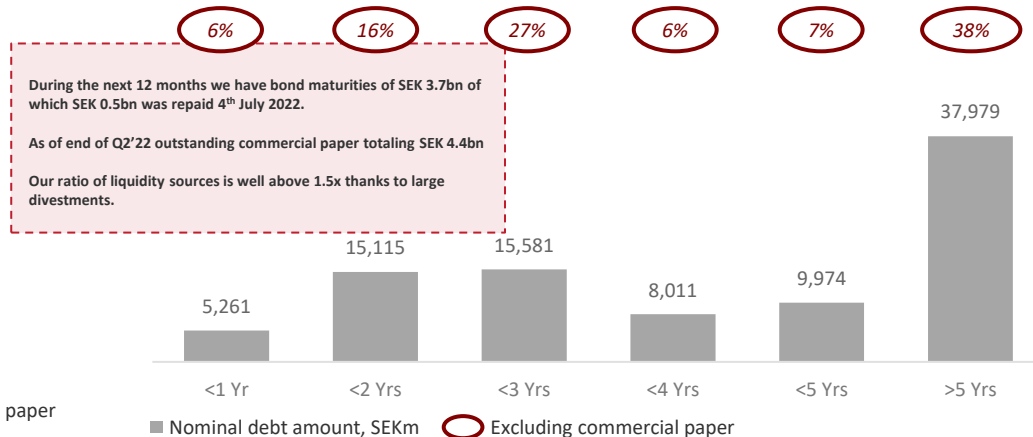
■ Unsecured bonds ■ Other loans ■ Commercial paper

Capital structure

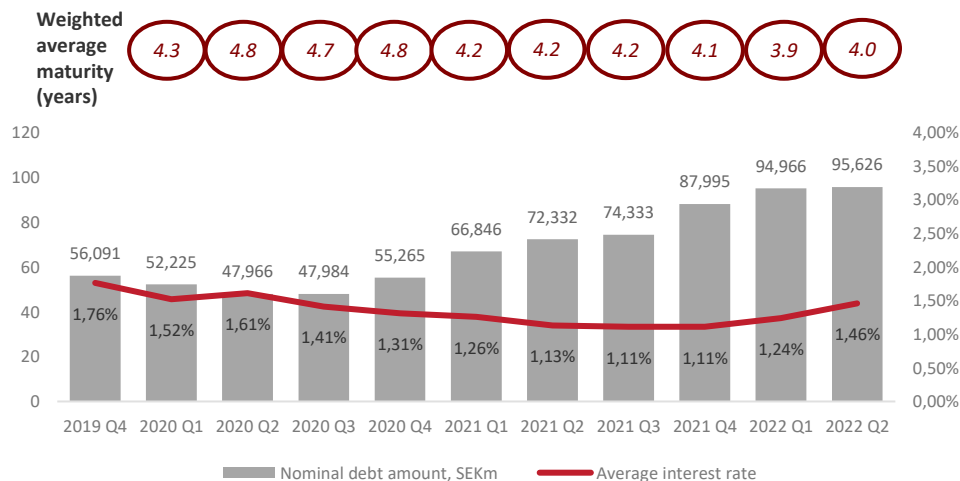


■ Equity ■ Bond loans ■ Liabilities to credit institutions ■ Deferred tax ■ Commercial paper ■ Other

Long-dated maturity profile



Progressively lower cost of debt



Latest Developments

SBB has, on 13th July, successfully priced its inaugural US Private Placement (“USPP”) transaction with US-based purchasers.

The social USPP was executed in two fixed rate senior unsecured tranches with a maturity of five and ten years, respectively.

The new USPP was swappad from USD to EUR and final fixed interest rate for 5-year EUR is 3.89% and final fixed interest rate for a 10-year EUR is 4.667%.

The final fixed interest rate within Schuldschein for 5-year EUR is 3.026%

SELECTION OF SBB'S LARGEST JOINT VENTURES AND ASSOCIATED COMPANIES – LOW LTV AT JV LEVEL

Svenska Myndighetsbyggnader AB

SMB owns and manages properties for the judiciary, the defense forces and other Swedish authorities. The remainder of the company is owned by Kåpan Pensioner. The portfolio includes several police stations currently in production.

Property value:	SEK 15.7bn
Net operating income:	SEK 616m
Shareholding:	50.0%

Will be sold during H2-2022

Public Property Invest AS

PPI owns and manages properties for the judiciary and other Norwegian authorities. The remainder of the company is owned by institutional and private investors.

Property value:	SEK 10.4bn
Net operating income:	SEK 547m
Shareholding:	44.8%

LTV 56 %

SBB Kåpan AB

SBB Kåpan AB owns and manages properties in Stockholm and the Mälardalen region. SBB Kåpan has the stated ambition of continuing to expand in the Mälardalen region. As of 30 June 2022, SBB Kåpan had a property portfolio of 2,766 apartments, of which 1,493 apartments are under production. The remainder of the company is owned by Kåpan Pensioner.

Property value:	SEK 6.2bn
Property value on completion:	SEK 8.1bn
Net operating income:	SEK 118m
Net operating income upon compl.:	SEK 270.5m
Shareholding:	50.0%

LTV 43 %

JM AB

JM is one of the Nordics' leading project developers of housing and residential areas. The company has building rights at its disposal for some 38,400 apartments and some 7,823 homes currently under production.

Profit before tax 2021:	SEK 2,158m
Shareholding:	30.6%
Dividend to SBB 2022:	SEK 260m+RS

Very low LTV

Heba Fastighets AB

Heba is a long-term and experienced property owner that develops, owns and manages housing and community properties in the Stockholm region, Uppsala and the Mälardalen. The holding is not classified as an associated company.

Property value:	SEK 14.9bn
Net operating income:	SEK 313m
Shareholding:	22.0%
Dividend to SBB 2022:	SEK 29m

LTV 41,1 %

Solon Eiendom ASA

Solon is one of Norway's leading project developers of housing and residential areas. The company has building rights at its disposal for some 8,300 apartments and some 820 homes currently under production. The remainder of the company is owned by OBOS.

Profit before tax 2021:	SEK 293m
Shareholding:	49.8%

✓ "Norwegian competition authority has approved the sale of 25% of the shares to OBOS"

Preservium property AB

In Greater Stockholm, Preservium owns and manages two properties with only public-sector tenants and an average remaining lease term of 19 years.

Property value:	SEK 1.5bn
Net operating income:	SEK 56m
Shareholding:	34.8%
Anticipated dividend SBB 2022:	SEK 10m

One Publicus Fastighets AB

The company owns three investment properties in which the City of Solna, the City of Malmö and the Municipality of Orust combined account for approximately 81 percent of the rental income.

Property value:	SEK 711m
Net operating income:	SEK 24m
Shareholding:	31.2%
Anticipated dividend SBB 2022:	SEK 5m

Origa Care AB

Origa Care owns 13 care properties in growth regions, primarily in southern Finland. The properties are fully let with an average remaining lease duration of 8 years.

Property value:	SEK 571m
Net operating income:	SEK 31m
Shareholding:	34.7%
Anticipated dividend SBB 2022:	SEK 7m

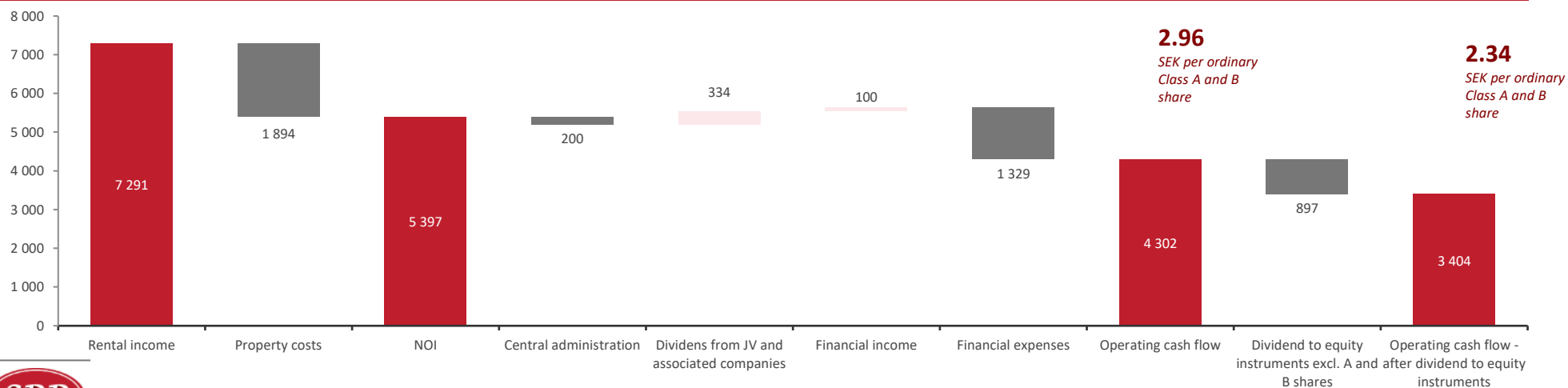
SBB INTENDS TO SYSTEMATICALLY REDUCE THE PROPORTION OF JV OPERATIONS THROUGH SEVERAL DIVESTMENTS OF JV AND THE DIVESTMENTS OF FINANCIAL INVESTMENTS

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

Current earnings capability for the Group for 12 months



Current cash earnings for the Group for 12 months



HOW MUCH CASH DOES THE SHAREHOLDERS GET? – THE POWER OF CPI-LINKED INCOME

SEKm	30 June 2022 earnings capacity	Divestments after end of Q2	30 June 2022 adjusted I	SEK 9.0bn portfolio under LOI	30 June 2022 adjusted II	Inflation adjustment	Pro forma 2023	Inflation assumptions		
								Country	2022	Weight
Rental income	7,291	-164	7,127	-365	6,761	461	7,223	Sweden	8.5%	76%
<i>Community service and Other properties</i>	4,896	-48	4,848	-365	4,482	365	4,847	Norway	6.5%	16%
<i>Residential properties</i>	2,395	-116	2,279	-	2,279	97	2,376	Finland	7.8%	7%
Financial income	100	-	100	-	100	-	100	Denmark	8.9%	1%
Dividend from JV's and associated companies	389	-	389	-	389	88	477			
Total income	7,780	-164	7,616	-365	7,250	549	7,800			
Property costs	-1,894	47	-1,848	10	-1,838	-150	-1,987			
Central administration	-200	-	-200	-	-200	-	-200			
Net operating income from finalised projects (Q3-Q4 2022)	-	39	39	-	39	188	227			
Net operating income after central administration	5,686	-78	5,607	-356	5,252	588	5,840			
Financial costs	-1,402	-213 ²	-1,615	145	-1,470	-	-1,470			
Hybrid	-509	-	-509	-	-509	-	-509			
D shares	-388	-	-388	-	-388	-	-388			
Cash flow to common shareholders class A and B	3,387	-292	3,095	-211	2,884	588	3,472			
<i>Per class A and B share</i>	2.33		2.13		1.98		2.39			
	<i>Before divestment of SEK 12bn</i>						<i>After divestment of SEK 12bn</i>			
Net initial yield¹ – total portfolio	3.8%		3.8%		3.8%		4.1%			
SBB reported LTV	46%		-		-		40%			
Net debt / (Net debt + equity) – 50% hybrid	59%		-		-		Firmly <55%			

Other assumptions		
Income		
▪	Community service and Other properties:	100% weighted inflation
▪	Residential:	50% of inflation in Sweden
▪	JV's and associated companies:	only dividends in cash
Property costs		
▪		100% weighted inflation on all property costs
NOI from finalised projects		
▪	Remaining investment:	SEK 1,532m financed by own cash flow
Financing		
▪	Repayment of debt:	SEK 12bn
▪	Interest rate:	market expectations/pricing for STIBOR 2023 and EURIBOR 2023



1) Excl. NOI from finalised projects

2) Net effect of negative impact from increased interest rates and positive impact from decreased debt in absolute terms

KEY HIGHLIGHTS IN SUMMARY Q2 2022

1 CPI-linked rental income - strong increase of rental income during the first half of the year, exceeds base inflation by 1.3 percent

- SBB has as an internal goal that our average annual increases of rental income in comparable holdings **shall exceed CPI with 100 basis points**. We have **surpassed that goal every year since the company was started** and the average outcome of 12m rolling for the past three years is an average of about **1.2 percent above the CPI**.
- The inflation is increasing as of the latest numbers, given that inflation stands on these levels, that our revenues could increase next year with **SEK 400-500m**.

2 Disposals with the continued focus to strengthen the balance sheet

- Since the beginning of Q2, **SBB has sold properties and financial assets totaling SEK 9.5bn**. This can be compared to the book values, prior to the disposals, of the same assets of **SEK 9.3bn**. **The net value of the disposals after the deduction of deferred tax was SEK 9.2bn**.
- SBB intends to systematically reduce the proportion of JV operations through divestments of JV and the divestments of financial investments in order to strengthen the balance sheet, increase transparency and focus on core operations.

3 Strong balance sheet with deleveraging in focus

- LTV and ICR at end of Q2 2022 of 46% (after divestments proforma 43%) and 5.6x, respectively.
- Strong balance sheet: BBB- from S&P (negative outlook) and Fitch (positive outlook) and a BBB rating from Scope
- We can assure our shareholders and our credit investors that we will do everything necessary to get a better rating.

4 Sustainability core to business model with ambitious 2030 climate targets

- Sustainability vision for 2030 - becoming climate positive in the entire value chain
- Strong ESG ratings: A rating from MSCI & Low risk classification from Sustainalytics with a Score of 10.7
- SBB has offered 300 young people summer jobs in SBB

5 Fixed interest is an insurance premium for times like these

- 75% of SBB debt is fixed interest rate. This means that CPI increase in income is fully matching increased financial costs given where the market is pricing interest rates next 4 years. On top of that our income will increase with SEK 475m next 3 years when our projects are finished. We will thus be able to continue to deliver a strong interest coverage ratio and the dividend to our shareholders.



THANK YOU!



Samhällsbyggnadsbolaget
