



Samhällsbyggnadsbolaget



SAMHÄLLSBYGGNADSBOLAGET  
I NORDEN AB (PUBL)

JANUARY – MARCH 2022

Q1

# Summary of period

## First quarter

### The quarter in brief

- Rental income increased with 38 percent to SEK 1,831m (1,325).
- The operating surplus increased with 34 percent to SEK 1,153m (858).
- Cash flow from operating activities before changes in working capital was SEK 738m (389).
- Profit before tax increased to SEK 3,472m (3,117), of which:
  - Profit from property management is included in the amount of SEK 1,446m (615). The profit from property management includes costs for early repayment of loans and other items affecting comparability of SEK -16m (-43).
  - Changes in the values of properties are included in the amount of SEK 2,362m (2,333).
  - Changes in the values of financial instruments are included in the amount of SEK -341m (163).
- Profit for the period was SEK 2,939m (2,735) after the deduction of deferred tax of SEK -401m (-290) and current tax of SEK -132m (-92), corresponding to earnings per series A and B ordinary share of SEK 1.86 (1.75) before dilution.
- The value of the property portfolio amounted to SEK 158.9bn (149.3).
- Long-term net asset value (EPRA NRV) was SEK 68,794m (64,516), corresponding to SEK 47.31 (44,46) per share.

### Significant events during the first quarter

- On 27 January, SBB acquired Odalen Fastigheter AB for a purchase consideration of SEK 510m. Odalen is a long-term property developer in elderly care. The acquisition comprises a total of about 60,000 m<sup>2</sup> of social infrastructure, which fully developed generates annual net operating income of about SEK 100m. In addition, the acquisition also includes about 36,000 m<sup>2</sup> of GFA of building rights for social infrastructure.
- At the end of January, SBB sold three properties to Svenska Myndighetsbyggnader AB (joint venture owned 50/50 by SBB and Kåpan Tjänstepensionsförening) based on a value at completion of SEK 2.7bn. The properties that have been sold have the Swedish Police and the Swedish Courts as tenants.
- As of 7 February, SBB controlled 97.8 percent of the capital and votes in Amasten AB (publ). SBB has demanded mandatory redemption of the remaining shares in the company. The shares were de-listed from the Nasdaq First North Premier Growth Market and the last day for trading in Amasten was 4 February 2022.
- In February, SBB acquired 24 properties from Kalmar Kommunbolag AB. The property portfolio comprises a total lettable area of about 136,000 m<sup>2</sup> and rental income at the 2022 level amounts to about SEK 158m.
- SBB issued its first unsecured social bond of EUR 700m with a negative interest rate on issue. In addition, SBB raised a loan of about SEK 1bn with a ten-year capital maturity from a Nordic bank.

- At the end of March, SBB borrowed SEK 1,060m with a 15-year capital maturity from Nordic Investment Bank. The loan finances Sara kulturhus in Skellefteå, which SBB took possession of during the period.
- SBB received a top ESG rating from Sustainalytics among more than 4,000 companies that Sustainalytics covers globally.
- SBB started a new company – SBB Idrott för alla AB – with the aim of building sports halls for sports associations and schools.
- The Board of Directors of SBB submitted a proposal to the Annual General Meeting to approve on a grant of SEK 50m to the work of the UNHCR in Ukraine.

### Significant events following the end of the quarter

- In April, S&P Global Ratings confirmed SBB's investment grade rating BBB- with a positive outlook. This means that SBB's rating is BBB- with a positive outlook for the company and its unsecured debt.
- After the end of the period, SBB has begun establishing and expanding networks and infrastructure for electric car charging. As part of SBB's sustainability vision for 2030, 30,000-40,000 charging points will be built throughout Sweden within the next few years.

SEK 158.9 BN

Property value  
March 31, 2022

SEK 1,831 M

Rental income  
January – March 2022

SEK 2,939 M

Profit for the period  
January – March 2022

SEK 738 M

Cash flow from operating activities  
January – March 2022

SEK 1.86 /SHARE

Earnings per share  
March 31, 2022

1.24%

Average interest rate  
March 31, 2022

# SBB key ratios

	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
<b>Property-related key ratios</b>			
Market value of properties, SEKm	158,919	104,736	149,335
Number of properties	2,337	1,786	2,241
Number of m <sup>2</sup> , thousands	5,566	4,573	5,425
Surplus ratio, %	63	65	68
Yield, %	3.8	4.3	3.8
Economic letting ratio, %	94.3	93.7	94.1
Average contract length of social infrastructure properties, years	11	9	11
<b>Financial key ratios</b>			
Rental income, SEKm	1,831	1,325	5,930
Net operating income, SEKm	1,153	858	4,047
Profit for the period, SEKm	2,939	2,735	25,601
Cash flow from operating activities before changes in working capital, SEKm	738	389	2,415
Equity excluding non-controlling interests, SEKm	66,069	41,303	62,148
Return on equity, %	3	5	38
Loan-to-value ratio, %	42	35	40
Secured loan-to-value ratio, %	18	12	12
Equity/assets ratio, %	42	42	43
Adjusted equity/assets ratio, %	46	46	47
Non-pledged quota, multiple	3.21	2.60	2.78
Interest-coverage ratio, multiple	5.5	4.8	5.5
<b>Share-related key ratios</b>			
Actual net asset value (EPRA NTA), SEKm	61,366	33,942	57,354
Actual net asset value (EPRA NTA), SEK/share	42.20	25.53	39.52
Actual net asset value (EPRA NTA) after dilution, SEK/share	42.20	23.68	39.52
Long-term net asset value (EPRA NRV), SEKm	68,794	41,201	64,516
Long-term net asset value (EPRA NRV), SEK/share	47.31	30.99	44.46
Long-term net asset value (EPRA NRV) after dilution, SEK/share	47.30	28.75	44.45
EPRA Earnings (Profit from property management after tax paid), SEKm	931	339	2,251
EPRA earnings (EPS), SEK/share	0.64	0.25	1.63
EPRA earnings after dilution (EPS diluted), SEK/share	0.64	0.24	1.62
EPRA Vacancy rate	5.66	6.30	5.89
Earnings per series A and B ordinary share, SEK	1.86	1.75	17.17
Earnings per series D ordinary share, SEK	0.50	0.50	2.00
Average number of series A and B ordinary shares	1,452,975,231	1,329,482,358	1,379,982,887
Average number of series D ordinary shares	193,865,905	183,877,510	191,331,014
Average number of preference shares	-	30,713	-
Number of series A and B ordinary shares	1,454,141,898	1,329,482,358	1,451,141,898
Number of series D ordinary shares	193,865,905	192,724,976	193,865,905
Number of preference shares	-	30,713	-

See all definitions and calculations on pages 43-47.



# Samhällsbyggnadsbolaget i Norden

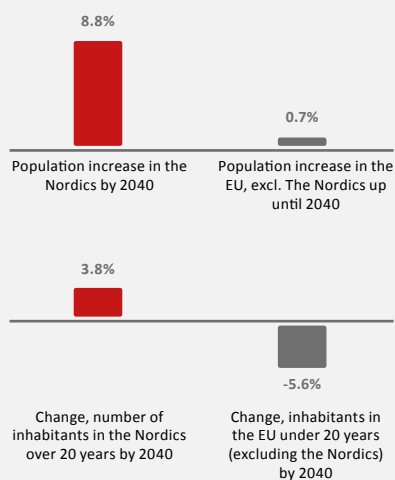
Ilija Batljan founded SBB in March 2016 with the vision of building the best European property company for social infrastructure. The company's strategy is to own, manage and develop community service properties and rent-regulated residentials over the long term. The company also aims to actively conduct project and property development to develop new social infrastructure.

SBB operates in markets with stable and strong underlying driving forces (economic development and population growth). SBB's property portfolio is characterized by a high occupancy rate and long lease contracts. Rental income consists of secure, long-term flows, primarily from Nordic central governments/municipalities/county councils and from Swedish rent-regulated residentials. Of the company's income, 98 percent derives from community service properties in the Nordics and Swedish rent-regulated residentials – social infrastructure. Cash flows are uniquely stable with three of the Nordic central governments being among only ten sovereigns around the world to hold an AAA rating from the three leading credit rating agencies. As a whole, the property portfolio provides exposure to the Nordics' strong demographic trend, with a sharp increase in population compared with the rest of the EU.

## Rental income rolling 12-month

Classification	Rental income, SEKm	Total, %
Rental apartments	2,320	32
Building rights for future rental apartments	79	1
<b>Total, Housing</b>	<b>2,400</b>	<b>33</b>
Elderly care units	806	11
LSS	425	6
Building rights for future publicly funded housing	0	0
<b>Total, Publicly funded housing</b>	<b>1,231</b>	<b>17</b>
Education	2,097	29
<i>Preschool</i>	810	11
<i>Primary school/upper-secondary school</i>	880	12
<i>University</i>	406	6
Hospitals and health centres	461	6
Central government infrastructure and town halls	470	6
Public offices	355	5
Other	0	0
Building rights for future community service properties	162	2
<b>Total, Community service properties</b>	<b>3,545</b>	<b>48</b>
<b>Total, Social infrastructure</b>	<b>7,176</b>	<b>98</b>
Other	163	2
<b>Total</b>	<b>7,339</b>	<b>100</b>

## Driving factors

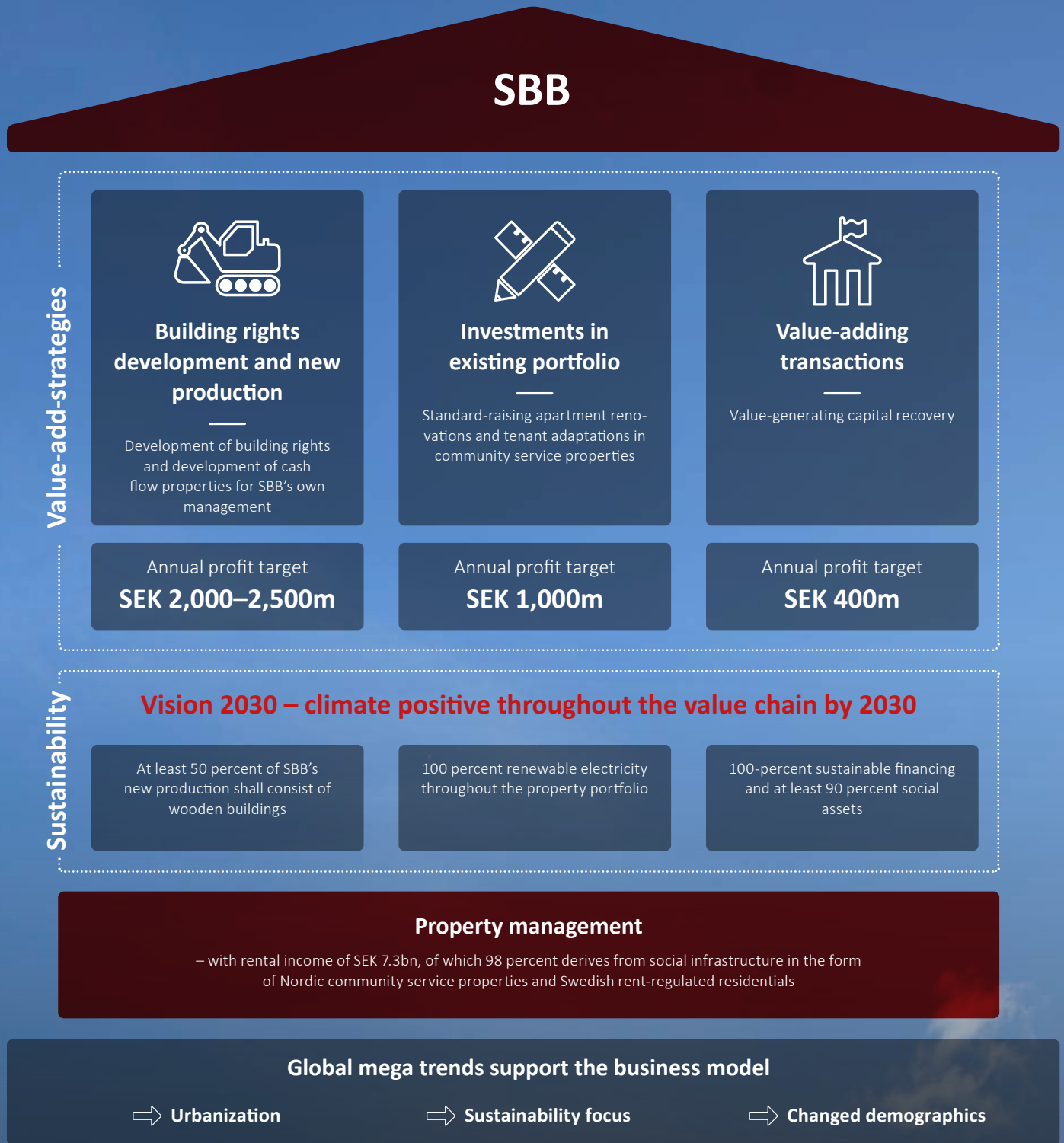


# Driving factors

	Why a low risk asset?	Driving force
<b>Rental apartments</b>	Regulated market with sub-supply combined with social safety net and housing allowance – only 0.17% weak payers among the tenants in all of Sweden’s 1.5m rental apartments.	<p>SBB's average value for housing Q4, 2021 (SEK/m<sup>2</sup>): 23,577</p> <p>Cost new construction of residentials, incl. land (SEK/m<sup>2</sup>): 42,870</p>
<b>Education</b>	Preschools, primary schools, upper secondary schools and universities in the Nordics are publicly funded.	<p>Change, number of inhabitants in the Nordics over 20 years by 2040: 3.8%</p> <p>Change, number of inhabitants in the EU under 20 years (excluding the Nordics) by 2040: -5.6%</p>
<b>Elderly care units</b>	Elderly care in the Nordics is publicly funded and the number of elderly people over the age of 75 in the Nordics is estimated to increase by 44-66 percent by 2040.	<p>Share of GDP that public sector spends on elderly care in the Nordics: 2.0%</p> <p>Share of GDP that public sector spends on elderly care in the EU: 0.5%</p>
<b>LSS</b>	Publicly funded housing for people with special needs in a housing market characterized by structural shortages.	<p>SBB's average value for LSS properties Q4, 2021 (SEK/m<sup>2</sup>): 28,008</p> <p>Cost new construction of residentials, incl. land (SEK/m<sup>2</sup>): 42,870</p>
<b>Hospitals &amp; health care centres</b>	In contrast to other parts of the EU/EEA, health care is predominantly publicly funded in the Nordics.	<p>Share of public healthcare funding in the Nordics: 79.8%</p> <p>Share of public healthcare funding in the EU: 28.5%</p>
<b>Police and judiciary</b>	The police force and judiciary are publicly funded. The Nordics currently invest less resources in relation to GDP compared with other EU countries, providing potential in pace with population growth and increasing political focus on reducing the gap towards the other EU countries.	<p>Share of GDP spent on the police and judiciary in the Nordics: 1.2%</p> <p>Share of GDP spent on the police and judiciary in the EU: 1.7%</p>
<b>Central government infrastructure, town halls and public offices</b>	Sweden, Norway and Denmark are among only ten sovereigns in the world to hold an AAA rating from all leading credit rating agencies.	

# SBB's business model and how we generate value

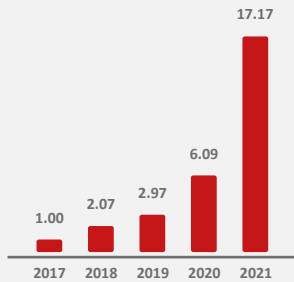
The business model builds on managing the world's most secure assets and complementing this with three value-add-strategies with the potential to generate value in building rights development and new production, Investments in existing portfolios and value-generating transactions. Through its business model, SBB generates long-term, sustainable shareholder value through a high risk-adjusted annual return.



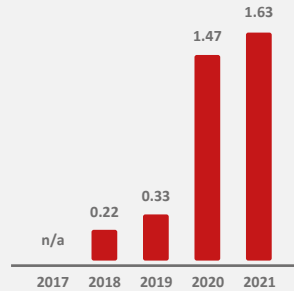
## Focus on delivery

- Earnings per Class A and B ordinary share have risen by 1,617 percent since 2017
- The dividend per Class A and B ordinary share has risen by 1,220 percent since 2017
- Strong balance sheet: BBB- (investment grade credit rating) from S&P, Fitch (positive outlook) and BBB (stable outlook) from Scope.

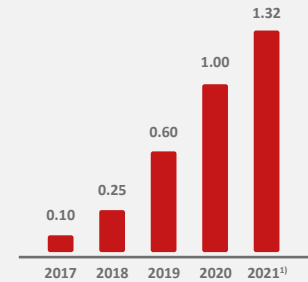
Earnings per Class A and B ordinary share, SEK



EPRA earnings (EPS), SEK/share



Dividend per Class A and B ordinary share, SEK



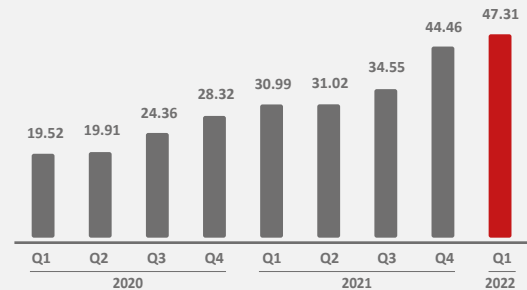
1) proposed dividend

## Growth potential

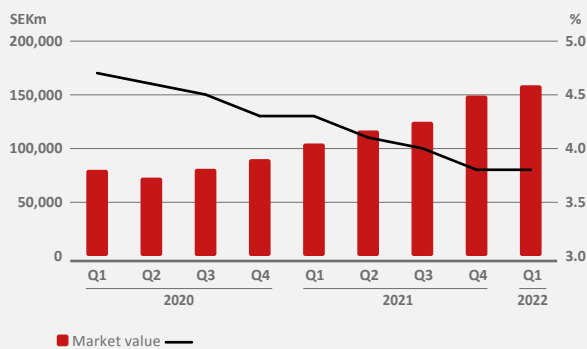
Europe's leading property developer  
(number of apartments)



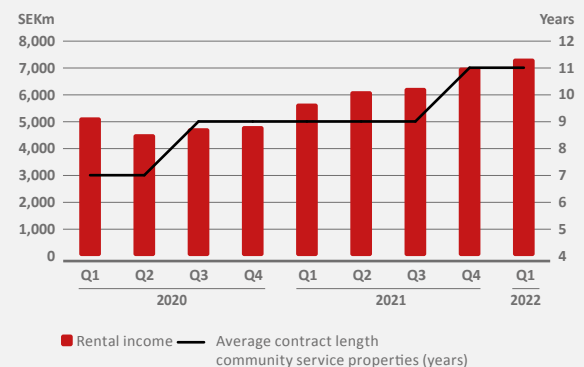
EPRA NRV – per series A and B share



The value of the properties (SEKm) & yield



Rental income – rolling 12-month (SEKm) and average contract length (years)





# A message from the CEO

SBB's income comprises secure cash flows from property management of social infrastructure, in which housing, including LSS, constitutes 53 percent of the property value and 50 percent of the rental income. Educational properties make up 28 percent of the property value and 29 percent of the rental income.

## Focus on a stronger rating and a lower loan-to-value ratio

SBB owns properties for SEK 159bn and to this can be added SBB's share of the value in joint ventures/associated companies, corresponding to about SEK 35bn. The investments made by SBB in the past three years provide, on the other hand, a good opportunity for SBB to now prioritize higher credit ratings clearly over acquisitions. In Sweden, 2022 is also an election year and activity in municipal sales is expected to be low over the next 12-18 months. All in all, this provides a very good opportunity for SBB to reduce the loan-to-value ratio through sales and loan repayments and to use its strong position in property development for organic growth, through new construction, through investments in existing holdings, as well as through sales of building rights. In the first quarter of 2022, SBB completed renovations that improve the net operating income from 304 apartments. In addition to apartment renovations, SBB continuously upgrades its portfolio of community service properties. The total volume of these projects amounts to about SEK 2,003m and, when these have been completed, they will contribute to an increase in net operating income of SEK 107m on an annual basis. This means that the yield on cost for these value-generating projects is 5.3 percent. Our focus is on generating the greatest-possible risk-adjusted return for our slightly more than 200,000 shareholders. We believe that a stronger rating and a lower loan-to-value ratio is the best choice for delivering the highest return. Let me therefore be clear: A BBB+ rating is SBB's priority objective.



## Inflation-secured rental income – strong increase in rental income in the first quarter

SBB's rental income is tied to the Consumer Price Index (CPI) and is thus hedged for inflation. The relatively high level of inflation in the Nordics entails stronger growth in the company's rental income for 2022. Given SBB's active property management and property refinement work, our internal target is for our average annual increases in rental income in comparable portfolios to exceed the CPI by 100 basis points. We have exceeded the target every year since the company's inception and the average outcome on a 12-month rolling basis for the past three years is about 120 basis points above the CPI. The year 2022 is expected to deliver according to plan. Rental income in comparable portfolios (like for like) increased by 3.8 percent in the first quarter. Despite a cold winter quarter, the increase in net operating income for comparable portfolios (like-for-like) was strong at 2.4 percent. SBB is a safe asset, even in times of high inflation. The almost

automatic indexing delivers a strong increase in income every year.

## Fixed interest is an insurance premium for times like these

SBB had an average interest rate of 1.24 percent at the end of the first quarter. Interest rates are on the rise and that is precisely why we have taken out long-term fixed-rate loans over the past two years. To put it quite simply, we have paid a premium to let inflation do the work. At the end of the first quarter, our interest maturity was 3.7 years. This means that it will take some time before higher interest rates have an impact on SBB's earnings and will be compensated by inflation-adjusted rental income. To illustrate this, we have visualized below the effect on SBB's average interest rate and profit from property management if the interest rate, measured as 3-month STIBOR, would increase from the current 0.1 percent to 1.5 percent, 2 percent or 2.5 percent.

Scenario assumption			Effect, avg. interest and prof. from prop. mgt.				
STIBOR 3M today	Increase	New STIBOR 3M	2022	2023	2024	2025	2026
0.10%	1.40%	1.5% (Effective interest rate 2.8%)	1.55%	1.62%	1.69%	1.78%	1.83%
0.10%	1.90%	2.0% (Effective interest rate 3.3%)	1.67%	1.78%	1.86%	2.01%	2.08%
0.10%	2.40%	2.5% (Effective interest rate 3.8%)	1.79%	1.93%	2.03%	2.24%	2.33%
		CPI	4%	3%	2.5%	2%	2%
		SBB rental income	7,339	7,706	8,014	8,295	8,544
		Interest expenses, STIBOR 2.5%	1,538	1,664	1,745	1,928	2,006
		<b>Class A &amp; B shares, profit from property management STIBOR 2.5%</b>	<b>4,010</b>	<b>4,419</b>	<b>4,632</b>	<b>4,710</b>	<b>4,860</b>
		Interest expenses, STIBOR 1.5%	1,334	1,396	1,457	1,530	1,573
		<b>Class A &amp; B shares, profit from property management STIBOR 1.5%</b>	<b>4,214</b>	<b>4,670</b>	<b>4,907</b>	<b>5,097</b>	<b>5,288</b>
		Plus profit from property development	2,500	2,500	2,500	2,500	2,500



SBB's interest-coverage ratio was a multiple of 5.5 at the end of the first quarter of 2022. The fact is that SBB could manage to keep the dividend and raise it with inflation even if the nominal interest rose to 10 percent (real interest two to three percent). If SBB would lower the net debt by SEK 5bn, it would be possible to raise the dividends with inflation even if the nominal interest rose to 10 percent and the real interest was four to five percent. Inflation adjusted rental income and long-term fixed interest rates offers stable cash flow and dividends.

### Results are what count: profit from property management increased by 135 percent

SBB owns and manages high-demand rent-regulated residentials in Sweden and community service properties in the Nordic region with an average lease term of 11 years. Profit from property management for the first quarter of 2022 increased by SEK 831m to SEK 1,446m. Profit from property management, adjusted for changes in value and tax from joint ventures/ associated companies increased by 115 percent to SEK 1,326m (618). Net operating income increased by 34 percent to SEK 1,153m (858).

### ... and continued strong profit growth from our value-adding strategies

We supplement our uniquely secure property management with three revenue-generating and value-add-strategies: building rights development & new production, investments in existing portfolios and value-generating transactions. The value-add strategies strengthen SBB's earnings, helping generate value over the long term. Our value-add-strategies continue to deliver on all levels. For the first quarter of 2022, profit from building rights development and new production amounted to SEK 1,642m, compared with the target of SEK 2.0-2.5bn on an annual basis. At the end of the year, we had 4,905 apartments and 99,447 m<sup>2</sup> of community service properties currently in production and 15,787 apartments currently in project development. At the same time, we sold properties with building rights for SEK 184m in the first quarter, demonstrating our capacity to derive considerable cash flow from our building rights portfolio year after year, and to reinvest in cash flow properties.

Profit after tax was SEK 2,939m. EPRA earnings, that is, profit from property management adjusted for earnings attributable to preference shares, Series D shares, hybrid bonds and minority interests, was SEK 0.64 (0.25) per ordinary Series A and B share.

### Sustainability is the core of our business model

SBB's Vision 2030 climate target is to be climate positive throughout the value chain by 2030. We also have a solid road map of climate targets that have been approved by Science Based

Targets following a due diligence process and that have been published on their website. The most sustainable properties are those that have already been built. This is why SBB conducts unique initiatives and makes major investments in streamlining its existing portfolios.

Miljöbyggnad iDrift is an important tool in Sweden's efforts to establish a framework for the sustainable management of existing properties. In collaboration with the Sweden Green Building Council, SBB has begun the certification of 500 of its existing buildings, following which, an additional 500 will be certified.

SBB has commissioned a further analysis of the climate impact of wooden construction. The study shows that the climate impact of the building system is very low compared with other building systems, and if the storage of biogenic carbon is included, the building system is climate positive. SBB currently has buildings of the type analyzed in production in four projects, and more are underway. In Region South, SBB has implemented a new agreement for approximately 250 environmental waste sorting rooms. The new agreement allows SBB to monitor the waste volumes and CO<sub>2</sub> savings per month. The agreement will now be implemented at more properties. Several projects involving solar cells, heat pumps, additional insulation, connection of properties, electric car charging, etc. are underway in all of SBB's markets.

SBB's LHL Hospital in Gardermoen, Norway has been certified in accordance with Breeam In Use Outstanding, which is the highest classification that can be achieved. This is the highest classification achieved in the health sector for Breeam In Use. An additional certification of the GC Health Center in Gardermoen is currently in progress and start-ups are planned for two more properties. Amasten has new production projects in progress to build additional rent-regulated residentials in Örnköldsvik, Luleå, Eskilstuna, Falun and Gävle. All of these projects are being built within the framework for Miljöbyggnad Silver certification and have solar cells, IMD, charging posts and FTX ventilation. During the month of February, solar cells were installed in Örnköldsvik. In the Kronandalen area in Luleå, 49 rental apartments are being built with sustainability in focus, with, for example, a carpool, recycling centre, proximity

to green areas and natural methods for delaying and regulating storm water. Ground was also broken for 206 rent-regulated residentials in Eskilstuna.

We are in the process of advertising new summer-vacation jobs. This year too, hundreds of young people will experience their first contact with working life through SBB. Social sustainability is not a charity – it is a win-win! An important part of the company's social sustainability initiative is to contribute new elderly care units and LSS housing. The number of apartments for elderly care units managed in-house is set to increase sharply, with the target of doubling the total rental income from elderly care units and LSS housing between 2020 and 2025, from the level of slightly more than SEK 800m to SEK 1.6bn annually. At the end of the first quarter of 2022, our income from elderly care units and LSS housing had increased to SEK 1,243m. The acquisition of Odalen, which is Sweden's leading developer of elderly care units, will further strengthen our position.

### Prospects

SBB is stronger than ever. SBB's rolling 12-month earnings capacity rose by 64 percent compared with the first quarter of 2021 and amounted to SEK 8,379m (5,065) at the end of the period. Earnings capacity per Series A and B shares increased by 62 percent to SEK 5.76. For the 2022 full year, we forecast earnings of SEK 8.10 per Series A and B ordinary share, and that stands firm. Today we are a large family with about 200,000 shareholders and slightly more than 400 employees at many locations in several countries. Our team is our platform. Whether you develop cities, cars or computer games, it's all about human creativity, knowledge and meritocratic market thinking. If you also make sustainability the foundation, you foster optimum conditions for delivering long-term shareholder value and societal value throughout the value chain, from property development to property management. And that's what we intend to continue doing.

Ilija Batljan, Founder and CEO

” The fact is that SBB could manage to keep the dividend and raise it with inflation even if the nominal interest rose to 10 percent.

# Consolidated income statement

Amount in SEK, millions	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
Rental income	1,831	1,325	5,930
Operating costs	-455	-303	-1,114
Maintenance	-85	-63	-322
Property administration	-103	-73	-317
Property tax	-35	-28	-130
<b>Net operating income</b>	<b>1,153</b>	<b>858</b>	<b>4,047</b>
Central administration	-64	-63	-290
Acquisition and restructuring costs	-13	-3	-86
Results from associated companies/joint ventures	434	244	2,814
<i>-whereof profit from property management</i>	314	247	410
<i>-whereof changes in value</i>	194	-	3,095
<i>-whereof tax</i>	-74	-3	-691
<b>Profit before financial items</b>	<b>1,510</b>	<b>1,036</b>	<b>6,485</b>
<b>Profit from financial items</b>			
Interest income and similar items	63	48	274
Interest expenses and similar items	-312	-238	-1,011
Expenses for redeemed loans in advance	-3	-40	-155
Translation gains/losses	193	-185	118
Leasing costs	-5	-6	-21
<b>Profit from property management</b>	<b>1,446</b>	<b>615</b>	<b>5,690</b>
Changes in value, property	2,362	2,333	21,360
Dissolution of goodwill after property sales	-	6	-252
Results, production of residentials	5	-	9
Changes in the value of financial instruments	-341	163	2,487
<b>Profit before tax</b>	<b>3,472</b>	<b>3,117</b>	<b>29,294</b>
Tax for the year	-132	-92	-247
Deferred tax	-401	-284	-3,698
Dissolution of deferred tax goodwill	-	-6	252
<b>PROFIT FOR THE PERIOD</b>	<b>2,939</b>	<b>2,735</b>	<b>25,601</b>
<i>Profit for the period attributable to:</i>			
Parent Company shareholders (incl. hybrid bonds)	2,926	2,725	24,583
Non-controlling interest	13	10	1,018
<b>PROFIT FOR THE PERIOD</b>	<b>2,939</b>	<b>2,735</b>	<b>25,601</b>
Earnings per series A and B ordinary share before dilution	1.86	1.75	17.17
Earnings per series A and B ordinary share after dilution	1.85	1.75	17.03
Earnings per series D ordinary share, SEK	0.50	0.50	2.00

# Consolidated statement of comprehensive income

Amount in SEK, millions	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
<b>Profit for the period</b>	<b>2,939</b>	<b>2,735</b>	<b>25,601</b>
Share of comprehensive income in associated companies/joint ventures	15	-	6
Translation gains/losses	896	1,280	1,120
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>3,850</b>	<b>4,015</b>	<b>26,727</b>
<i>Comprehensive income for the period attributable to:</i>			
Parent Company shareholders (incl. hybrid bonds)	3,837	4,005	25,709
Non-controlling interest	13	10	1,018
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>3,850</b>	<b>4,015</b>	<b>26,727</b>

## Comments on the consolidated income statement

### Net operating income

Rental income for the period, amounted to SEK 1,831m (1,325). In a comparable portfolio, rental income increased by 3.8 percent compared with the corresponding period in the preceding year. Of the rental income, SEK 1,167m pertained to community service properties, SEK 600m to residentials, and SEK 64m to other properties. The economic occupancy rate at the end of the period was 94.3 percent (94.1). The average contract length for community service properties was 11 years (11). Property costs for the period, amounted to SEK -678m (-467). They mainly consist of tax-related costs, operating and maintenance costs, as well as management administration. In a comparable portfolio, costs rose by 6.5 percent compared with the corresponding period in the preceding year, with most of the increase being attributable to tax-related costs. Net operating income in comparable portfolios increased by 2.4 percent.

### Profit from property management

In total, the period's costs for central administration amounted to SEK -64m (-63). The central administration costs include costs for business development, transactions, property development and financial management.

Profit from associated companies and joint ventures was SEK 434m (244) for the period. The profit is largely attributable to SBB Kåpan AB and JM AB (publ), which contributed SEK 46m and SEK 139m, respectively, to consolidated profit for the period. See further information on page 50.

Net financial items for the period amounted to SEK -64m (-421). The financial costs include interest for external financing, as well as other financial costs, such as accrued arrangement fees and exchange rate differences.

### Costs affecting comparability

As a result of the acquisition of Amasten, the company had costs affecting comparability of SEK -13m (-3) for the period. The financial costs include costs affecting comparability for early redemption of expensive loans by SEK -3m (-40) for the period.

During the period, exchange rate differences of SEK 193m (-185) were reported that are attributable to the translation of loans raised in Euro to the extent that the loans are not matched against hedges in the form of net assets in Euro and FX derivatives.

### Changes in value and tax

Value changes for the properties amounted to SEK 2,362m (2,333), of which SEK 53m (121) were realized value changes and SEK 2,309m (2,212) were unrealized value changes. Combined, our value-add-strategies have contributed about three fourths of the change in value. This includes project and property development, together with succession renovations, in which SBB has succession renovated 304 apartments over the period, made project investments in existing portfolios and produced new homes in, for example, Skellefteå, Umeå and Stockholm, and constructed a school in Järfälla. The general rent trend, given increased inflation expectations, re-negotiations and newly signed leases, resulting in higher net operating income, contributed with the rest of the change in valuation. The valuation yield is unchanged.

Value changes for financial instruments amounted to SEK -341m (163). The item comprises realized and unrealized changes in the value of financial investments in shares and other securities and derivatives.

Profit after tax for the period amounted to SEK 2,939m (2,735). Tax on the profit for the period was SEK -533m (-382), of which SEK -132m (-92) pertained to current tax and SEK -401m (-290) pertained to deferred tax related to properties and tax-loss carryforwards.

# Segment reporting

## Segment reporting

For reporting and follow-up, SBB has been divided into three segments: Residential, Community service 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 analyze the business, as well as on the data obtained on which to base strategic decisions.

Period 01-01-2022 – 31-03-2022	Community service properties	Housing	Other properties	Total segment	Group-wide items and eliminations	Group total
Rental income	1,167	600	64	1,831	-	1,831
Property costs	-315	-331	-32	-678	-	-678
<b>Net operating income</b>	<b>852</b>	<b>269</b>	<b>32</b>	<b>1,153</b>	-	<b>1,153</b>
Central administration	-	-	-	-	-64	-64
Acquisition and restructuring costs	-	-	-	-	-13	-13
Results from associated companies/joint ventures	-	-	-	-	434	434
<b>Profit before financial items</b>	-	-	-	-	<b>357</b>	<b>1,510</b>
Interest income and similar items	-	-	-	-	63	63
Interest expenses and similar items	-	-	-	-	-127	-127
<b>Profit from property management</b>	-	-	-	-	<b>293</b>	<b>1,446</b>
Changes in value of investment properties	558	1,660	144	2,362	-	2,362
Resolution of goodwill on property sales	-	-	-	-	-	-
Profit from development of residential	-	-	-	-	5	5
Changes in the value of financial instruments	-	-	-	-	-341	-341
<b>Profit before tax</b>	<b>1,410</b>	<b>1,929</b>	<b>176</b>	<b>3,515</b>	<b>298</b>	<b>3,472</b>
Tax	-	-	-	-	-533	-533
<b>Profit for the period</b>	<b>1,410</b>	<b>1,929</b>	<b>176</b>	<b>3,515</b>	<b>-235</b>	<b>2,939</b>
Investment properties (SEKm)	94,682	56,298	7,939	158,919		
Investments (SEKm)	572	562	19	1,153		
Value per m <sup>2</sup> (SEK)	30,843	27,728	16,828	28,521		
Surplus ratio (%)	73%	45%	50%	63%		

Period 01-01-2021 – 31-03-2021	Community service properties	Housing	Other properties	Total segment	Group-wide items and eliminations	Group total
Rental income	1,036	223	66	1,325	-	1,325
Property costs	-304	-128	-35	-467	-	-467
<b>Net operating income</b>	<b>732</b>	<b>95</b>	<b>31</b>	<b>858</b>	-	<b>858</b>
Central administration	-	-	-	-	-63	-63
Acquisition and restructuring costs	-	-	-	-	-3	-3
Results from associated companies/joint ventures	-	-	-	-	244	244
<b>Profit before financial items</b>	-	-	-	-	<b>178</b>	<b>1,036</b>
Interest income and similar items	-	-	-	-	48	48
Interest expenses and similar items	-	-	-	-	-469	-469
<b>Profit from property management</b>	-	-	-	-	<b>-243</b>	<b>615</b>
Changes in value of investment properties	2,172	165	-4	2,333	-	2,333
Resolution of goodwill on property sales	-	-	-	-	6	6
Changes in the value of financial instruments	-	-	-	-	163	163
<b>Profit before tax</b>	<b>2,904</b>	<b>260</b>	<b>27</b>	<b>3,191</b>	<b>-74</b>	<b>3,117</b>
Tax	-	-	-	-	-382	-382
<b>Profit for the period</b>	<b>2,904</b>	<b>260</b>	<b>27</b>	<b>3,191</b>	<b>-456</b>	<b>2,735</b>
Investment properties (SEKm)	80,298	17,536	6,902	104,736		
Investments (SEKm)	325	431	98	854		
Value per m <sup>2</sup> (SEK)	24,221	21,363	15,804	22,904		
Surplus ratio (%)	71%	43%	47%	65%		



# Consolidated balance sheet

Amount in SEK, millions	31-03-2022	31-03-2021	31-12-2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Goodwill	6,066	6,325	6,066
<b>Total intangible assets</b>	<b>6,066</b>	<b>6,325</b>	<b>6,066</b>
<b>Tangible assets</b>			
Investment properties	158,919	104,736	149,335
Land lease agreements	680	596	639
Equipment, machinery and installations	54	26	48
<b>Total tangible assets</b>	<b>159,653</b>	<b>105,358</b>	<b>150,022</b>
<b>Financial fixed assets</b>			
Participations in associated companies/joint ventures	15,898	2,261	16,373
Receivables from associated companies/joint ventures	4,571	927	3,885
Derivatives	752	223	547
Financial fixed assets at fair value	4,245	1,137	4,530
Other long-term receivables	96	293	207
<b>Total financial fixed assets</b>	<b>25,562</b>	<b>4,841</b>	<b>25,542</b>
<b>Total fixed assets</b>	<b>191,281</b>	<b>116,524</b>	<b>181,630</b>
<b>Current assets</b>			
Properties held for sale	239	-	279
<b>Current receivables</b>			
Accounts receivable	115	61	219
Other receivables	1,499	1,536	1,959
Prepaid expenses and accrued income	605	370	540
<b>Total current receivables</b>	<b>2,219</b>	<b>1,967</b>	<b>2,718</b>
Cash and cash equivalents	8,913	12,415	9,837
Cash investments	768	5,992	53
<b>Total cash and cash equivalents and cash investments</b>	<b>9,681</b>	<b>18,407</b>	<b>9,890</b>
<b>Total current assets</b>	<b>12,139</b>	<b>20,374</b>	<b>12,887</b>
<b>TOTAL ASSETS</b>	<b>203,420</b>	<b>136,898</b>	<b>194,517</b>

# Comments

## Investment properties

As of 31 March 2022, the value of the properties amounted to SEK 158.9bn. The value of the property portfolio has been based on external valuations made by Newsec, JLL, Savills, Cushman & Wakefield and Colliers. 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 administration costs and investment needs. An average yield requirement of 4.35 percent (4.34) has been used in the valuation. The value of the properties includes SEK 4,156m for building rights that have been valued through the application of 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. See further on investment properties on pages 17-19.

## 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 by a change in certain parameters assumed for the valuation. The table provides a simplified illustration as a single parameter is unlikely to change in isolation.

	Change	Value impact
Rental value	+/- 5%	7,247 / -7,256
Discount rate	+/- 0.25% units	-6,761 / 7,662
Direct return requirements	+/- 0.25% units	- 6,594 / 7,613

## Property portfolio change

	149,335
<b>Opening fair value, 01-01-2022</b>	<b>149,335</b>
Acquisition	6,936
Investments	1,153
Sales	-2,182
Translation differences	1,368
Unrealized value changes	2,309
<b>Fair value at end of period</b>	<b>158,919</b>

## Associated companies and joint ventures

SBB's engagement in associated companies and joint ventures consists partly of a shareholding in the companies and in some cases financing to the companies. As of 31 March 2022, participations in associated companies and joint ventures amounted to SEK 15,898m (16,373) and receivables from associated companies and joint ventures amounted to SEK 4,571m (3,885). Some of the companies conduct property development projects, while other companies own investment properties. The largest holdings consist of the companies Svenska Myndighetsbyggnader AB, SBB Kåpan AB, Public Property Invest AS and JM AB (publ). See further information on page 50.

## Goodwill

The goodwill item of SEK 6,066m (6,066) is largely attributable to the acquisition of Hemfosa and consists mainly of synergy effects in the form of reduced financing and administration costs. In addition, there is a reported goodwill attributable to the difference between nominal tax and the deferred tax that is calculated on the acquisition of properties in company format that must be reported among "business combinations", as the acquisitions of Hemfosa and Sveafastigheter are considered to be. For reported goodwill of SEK 1,781m, a corresponding amount is recognized under the item deferred tax.

## Cash and cash equivalents and cash investments

Cash and cash equivalents amounted to SEK 8,913m (9,837) and cash investments, comprising shares in listed companies, amounted to SEK 768m (53).

## Consolidated balance sheet

Amount in SEK, millions	31-03-2022	31-03-2021	31-12-2021
<b>EQUITY AND LIABILITIES</b>			
Share capital	165	152	165
Other contributed capital	26,581	24,495	26,371
Reserves	1,731	1,249	834
Retained earnings, including comprehensive income for the year	37,592	15,405	34,778
<b>Equity attributable to Parent Company shareholders</b>	<b>66,069</b>	<b>41,301</b>	<b>62,148</b>
Hybrid bonds	17,302	15,519	17,295
Other reserves	-544	-798	-543
Non-controlling interest	2,296	1,484	4,071
<b>Total equity</b>	<b>85,123</b>	<b>57,508</b>	<b>82,971</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	33,361	13,553	21,974
Bond loans	50,298	42,665	51,919
Derivatives	49	41	30
Deferred tax liabilities	10,967	7,449	10,428
Leasing liabilities	680	596	639
Other long-term liabilities	396	610	292
<b>Total long-term liabilities</b>	<b>95,751</b>	<b>64,914</b>	<b>85,282</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	2,398	2,633	1,758
Commercial papers	6,271	4,914	11,169
Bond loans	2,638	3,082	1,175
Accounts payable	309	151	181
Current tax liabilities	436	253	418
Liability, cash collateral	4,657	-	5,607
Other liabilities	3,836	1,941	3,923
Accrued expenses and prepaid income	2,001	1,503	2,033
<b>Total current liabilities</b>	<b>22,546</b>	<b>14,476</b>	<b>26,264</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>203,420</b>	<b>136,898</b>	<b>194,517</b>

## Comments

### Deferred tax

In Sweden, deferred tax is calculated at a nominal tax rate of 20.6 percent on differences between the reported and tax value of assets and liabilities, as well as of tax-loss carryforwards. In Norway and Denmark, the corresponding tax rate is 22.0 percent and in Finland, it is 20.0 percent. As of 31 March 2022, the deferred tax liability amounted to SEK 10,967m (10,428) and is largely attributable to investment properties and tax-loss carryforwards. As of 31 March 2022, the tax-loss carryforwards amounted to SEK 3bn.

### Interest-bearing liabilities

At the end of the period, interest-bearing liabilities in the Group amounted to SEK 94,966m (87,995), of which SEK 35,759m (23,732) pertained to liabilities to credit institutions, SEK 52,936m (53,094) pertained to bond loans and SEK 6,271m (11,169) pertained to commercial papers. See further under the section Financing on page 26.

# Consolidated changes in equity

Amount in SEKm	Equity attributable to Parent Company's shareholders					Hybrid-bond	Other reserves <sup>1)</sup>	Holdings without controlling influence	Total equity
	Share capital	Other contributed capital	Reserves <sup>1)</sup>	Retained earnings	Total				
<b>Opening equity, 01-01-2021</b>	<b>150</b>	<b>24,102</b>	<b>-213</b>	<b>12,826</b>	<b>36,865</b>	<b>15,096</b>	<b>-616</b>	<b>412</b>	<b>51,756</b>
Profit for the period	-	-	-	2,608	2,608	117	-	10	2,735
Other comprehensive income	-	-	1,462	-	1,462	-	-182	-	1,280
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,462</b>	<b>2,608</b>	<b>4,070</b>	<b>117</b>	<b>-182</b>	<b>10</b>	<b>4,015</b>
New share issue	2	392	-	-	394	-	-	-	394
Issue hybrid bonds	-	-	-	-	-	-12	-	-	-12
Acquired hybrid bond	-	-	-	-	-	409	-	-	409
Tax effects equity	-	1	-	-	1	26	-	-	27
Dividend	-	-	-	-29	-29	-117	-	-	-146
Acquired minority interests	-	-	-	-	-	-	-	1,063	1,063
<b>Total equity 31-03-2021</b>	<b>152</b>	<b>24,495</b>	<b>1,249</b>	<b>15,405</b>	<b>41,301</b>	<b>15,519</b>	<b>-798</b>	<b>1,484</b>	<b>57,508</b>
Profit for the period	-	-	-	21,479	21,479	379	-	1,008	22,866
Other comprehensive income	-	-	-415	6	-409	-	255	-	-154
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-415</b>	<b>21,485</b>	<b>21,070</b>	<b>379</b>	<b>255</b>	<b>1,008</b>	<b>22,712</b>
New share issue	3	1,940	-	-	1,943	-	-	-	1,943
Issue hybrid bonds	-	-	-	-	-	4,987	-	-	4,986
Issue warrants	-	58	-	-	58	-	-	-	57
Acquired hybrid bond	-	-	-	-	-	-104	-	-	-104
Redemption of preference shares	-	-15	-	-5	-20	-	-	-	-20
Redemption of part of hybrid bond	-	-	-	-154	-154	-3,110	-	-	-3,263
Redemption/conversion of mandatory convertible	9	-105	-	-28	-125	-	-	-	-125
Tax effects, equity	-	-2	-	-	-2	3	-	-	1
Dividend	-	-	-	-1,778	-1,778	-379	-	-	-2,157
Acquired minority interests	-	-	-	-	-	-	-	3,043	3,043
Redeemed minority interests	-	-	-	-147	-147	-	-	-1,465	-1,612
<b>Closing equity, 31-12-2021</b>	<b>165</b>	<b>26,371</b>	<b>834</b>	<b>34,778</b>	<b>62,148</b>	<b>17,295</b>	<b>-543</b>	<b>4,071</b>	<b>82,971</b>
<b>Opening equity 01-01-2022</b>	<b>165</b>	<b>26,371</b>	<b>834</b>	<b>34,778</b>	<b>62,148</b>	<b>17,295</b>	<b>-543</b>	<b>4,071</b>	<b>82,971</b>
Profit for the period	-	-	-	2,806	2,806	120	-	13	2,939
Other comprehensive income	-	-	897	15	912	-	-1 <sup>2)</sup>	-	911
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>897</b>	<b>2,821</b>	<b>3,718</b>	<b>120</b>	<b>-1</b>	<b>13</b>	<b>3,850</b>
New share issue	-	210	-	-	210	-	-	-	210
Issue hybrid bonds	-	-	-	-	-	-9	-	-	-9
Issue mandatory convertible bonds	-	-	-	-	-	-	-	-	-
Tax, issue costs	-	-	-	-	-	16	-	-	16
Dividend	-	-	-	-	-	-120	-	-	-120
Redeemed minority interests	-	-	-	-7	-7	-	-	-1,787	-1,794
<b>Total equity 31-03-2022</b>	<b>165</b>	<b>26,581</b>	<b>1,731</b>	<b>37,592</b>	<b>66,069</b>	<b>17,302</b>	<b>-544</b>	<b>2,296</b>	<b>85,123</b>

1) Reserves consist of hedge accounting and translation differences.

2) The amount refers to translation differences regarding hybrid loans of SEK -1m (182).

## Comments

As of 31 March 2022, equity amounted to SEK 85,123m (82,971). The equity includes issued hybrid bonds with a book value of SEK 16,756m and preference shares in the Norwegian subsidiary Nye Barcode 121 Bidco AS and minority holdings in Amasten Fastighets AB (publ) and Unobo AB, as well as companies in the Sveafastigheter Group as SBB does not hold all of the shares in those companies. During the period, SBB carried out issues of series B ordinary shares for SEK 210m after issue costs that were, for example, used as consideration for the acquisition of shares in Odalen Fastigheter AB. Additional shares in Amasten Fastighets AB (publ) have been acquired during the period which has reduced the equity by SEK 1,794m.

Translation differences in the translation of net assets in subsidiaries in Norway, Finland and Denmark from local currency to SEK amounted to SEK 896m of the change in equity during the period. The effect is mainly explained by the positive development of the Norwegian krona and the Euro against the Swedish krona during the period.

The equity ratio was 42 percent (43), the adjusted equity ratio was 46 percent (47) and the loan-to-value ratio was 42 percent (40).

# Consolidated cash flow statement in summary

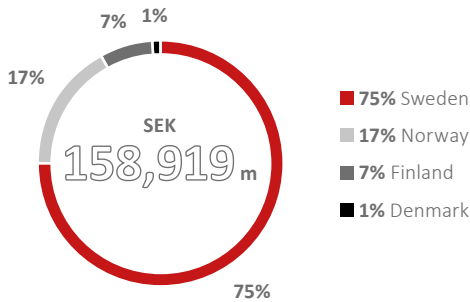
Amount in SEK, millions	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
<b>Operating activities</b>			
Profit from property management	1,446	615	5,690
<i>Adjustment for non-cash flow items</i>			
Depreciation	2	2	5
Profit from associated companies/joint ventures	-434	-244	-2,814
Net interest income	64	421	795
Interest paid	-271	-381	-1,285
Interest received	63	68	271
Paid tax	-132	-92	-247
<b>Cash flow from operating activities before changes in working capital</b>	<b>738</b>	<b>389</b>	<b>2,415</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) of operating receivables	507	1,006	21
Increase (+)/Decrease (-) of operating liabilities	515	-114	2,184
<b>Cash flow from operating activities</b>	<b>1,760</b>	<b>1,281</b>	<b>4,620</b>
<b>Investment activities</b>			
Investments in properties	-7,880	-12,704	-55,899
Property sales	2,281	2,360	20,241
Investments/divestments in equipment, machinery and installations	-8	-6	-31
Investments in associated companies/joint ventures	1,011	479	-9,234
Investments in intangible fixed assets	-	-6	-
Change in receivables from associated companies/joint ventures	-661	-95	-3,049
Change in financial assets	-372	-4,046	180
Change in other long-term receivables	117	-239	-169
<b>Cash flow from investing activities</b>	<b>-5,512</b>	<b>-14,258</b>	<b>-47,962</b>
<b>Financing activities</b>			
Issue hybrid bonds	-9	-12	4,975
Issue warrants	-	-	58
Acquired hybrid bonds	-	409	305
Redemption of hybrid bonds	-	-	-3,263
Redemption of mandatory convertible	-	-	-125
Redemption of preference shares	-	-	-20
Dividend paid	-710	-332	-1,846
Acquired minority interests	-	1,063	4,140
Redeemed minority interests	-1,794	-	-1,612
Borrowings	24,350	17,042	75,773
Repayment of loans	-18,324	-6,044	-43,418
Change in cash collateral	-950	-	5,607
Change in other long-term liabilities	252	-388	-1,028
<b>Cash flow from financing activities</b>	<b>2,815</b>	<b>11,738</b>	<b>39,546</b>
<b>Cash flow for the period</b>	<b>-937</b>	<b>-1,239</b>	<b>-3,796</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>9,837</b>	<b>13,606</b>	<b>13,606</b>
Exchange rate change in cash and cash equivalents	13	48	27
<b>Cash and cash equivalents at the end of the period</b>	<b>8,913</b>	<b>12,415</b>	<b>9,837</b>



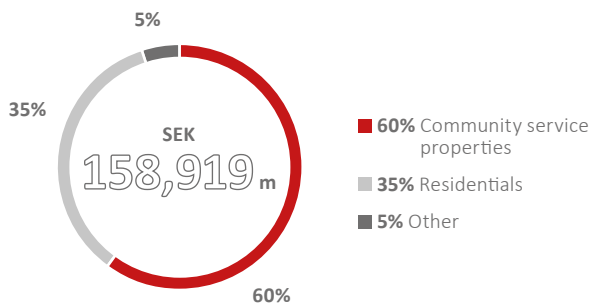
# Property portfolio

Alongside rent-regulated residentials, community service properties constitute the social infrastructure that is SBB's core holding. The combination of community service properties and rent-regulated residentials is unique among listed companies. SBB's property portfolio is among the most secure investments available, offering high, risk-adjusted returns.

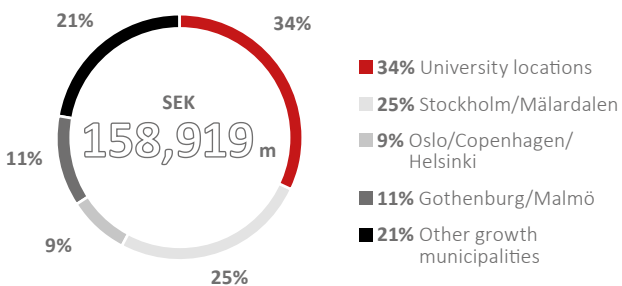
Property value, by country



Property value per segment



Property value per region



Of the company's income, 98 percent derives from community service properties in the Nordics and Swedish rent-regulated residentials.

## Property value, by country

SEK 27.4 BN

Property value  
**NORWAY**

SEK 10.4 BN

Property value  
**FINLAND**

SEK 119.3 BN

Property value  
**SWEDEN**

SEK 1.8 BN

Property value  
**DENMARK**

79%

Located in major cities and university regions

98%

Social infrastructure

# The community service property portfolio, including publicly funded residentials

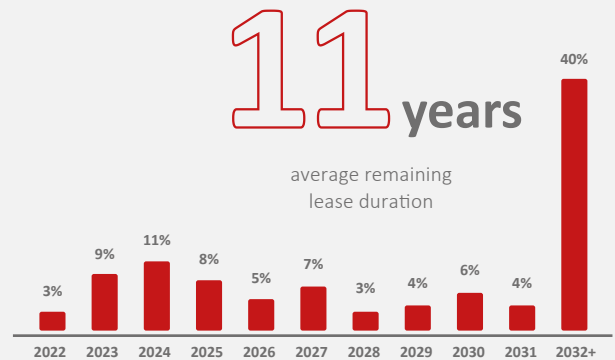
## Largest tenants

Tenant	Rental income, rolling 12-month, SEKm	% of total
Läringsverkstedet	306	6.4
Trygge Barnehager AS	265	5.5
Swedish state	242	5.1
Norwegian state	241	5.1
Academedi	155	3.3
Norwegian National Association for Heart and Lung Diseases	147	3.1
Attendo	145	3.0
Finnish state	136	2.8
Municipality of Härnösand	125	2.6
Ambea	98	2.1
Esperi	91	1.9
Humana	83	1.7
Municipality of Haninge	83	1.7
Municipality of Skellefteå	63	1.3
Region Västra Götaland	62	1.3
International English School	59	1.2
Municipality of Boden	56	1.2
Municipality of Karlskrona	48	1.0
Municipality of Strängnäs	48	1.0
Municipality of Västerås	47	1.0
<b>Total 20 largest tenants</b>	<b>2,501</b>	<b>52.4</b>
Other	2,275	47.6
<b>Total rental income</b>	<b>4,776</b>	<b>100.0</b>

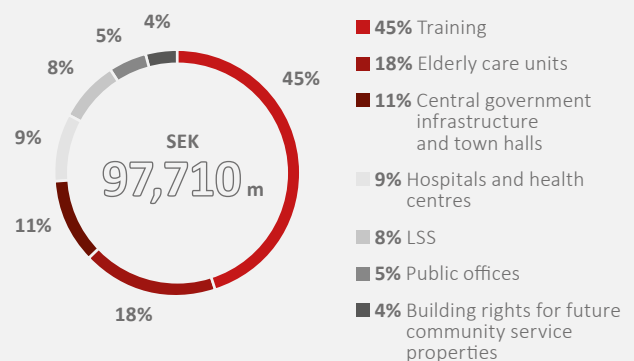
## Rental income by area of use

Use	Rental income, rolling 12-month, SEKm	% of total
Education	2,097	43.9
Elderly care units	806	16.9
Central government infrastructure and town halls	470	9.8
Hospitals and health centres	461	9.7
LSS	425	8.9
Public offices	355	7.4
Building rights for future community service properties	162	3.4
Offices & other	0	0.0
<b>Total</b>	<b>4,776</b>	<b>100.0</b>

## Maturity structure



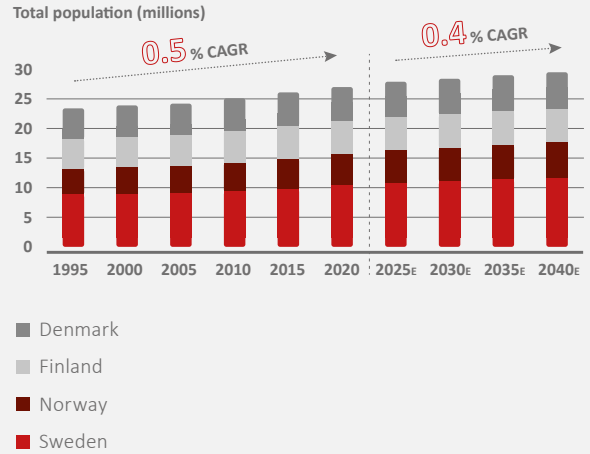
## Community service properties, value by area of use



### Supply and demand for social infrastructure

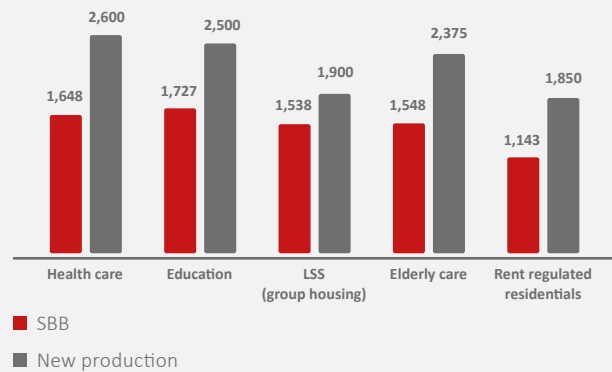
The need for community service properties is great. The graph at the upper-right shows the Nordics' strong demographic trend, which is generating considerable need for social infrastructure. In addition to a considerable need for social infrastructure properties, there is also considerable potential for further letting of the existing portfolio. During 2021, leading property adviser Newsec analyzed rent levels for newly produced community service properties in Sweden. The graph at the lower-right shows rent levels in the new production analysis in relation to average rent levels for SBB's portfolio.

### Population growth throughout the Nordics



Source: Nordics Statistics database

### Rent per m<sup>2</sup> for new production, compared with SBB's existing portfolio



Source: Newsec

# Three value-add-strategies deliver additional income and growth



## 1. Building rights development and new production

Profit target of SEK 2,000m – SEK 2,500m annually

**Outcome 2022:** SEK 1,642m



## 2. Investments in existing portfolio

Profit target of SEK 1,000m annually

**Outcome 2022:** SEK 177m



## 3. Value-adding transactions

Profit target of SEK 400m annually

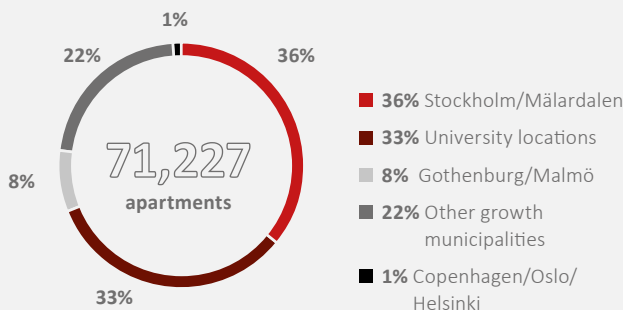
**Outcome, transaction volume in 2022:** SEK 9,2bn

# Europe's largest property developer



## 1. Building rights development and new production

### Project portfolio by geography



Refers to building rights development, project portfolio and joint ventures. For the distribution between joint ventures and SBB's own projects, see the following pages.

### Profit potential, building rights development

	SEKm
Value @ SEK 8,000/m <sup>2</sup> GFA	26,168
Current value @ SEK 1,508/m <sup>2</sup> GFA	4,940
<b>Profit potential</b>	<b>21,266</b>

### Operational targets – Building rights development and new production

Building rights development and new production shall generate average annual profit of SEK 2,000–2,500m

- The number of apartments in the building rights portfolio shall amount to at least 20,000
- The number of apartments under project development shall amount to at least 5,000




# SBB generates value throughout the value chain



Annual profit target SEK 2.0-2.5bn<sup>1)</sup>

## Value-generating activities in the first quarter of 2022

	Building rights development	
		No. m <sup>2</sup> GFA
	Zoning plan having gained legal force	29,700

	New production	
	Resi. – No. of apts	CS – No. m <sup>2</sup>
	Construction starts	577
	Completed	-
	Land allocation	33,472
	Acquired building rights	110
		72

## Portfolio summary (including joint ventures)

4,905 Apartments currently under production

56,397 m<sup>2</sup> community service properties under production

15,787 Apartments in project development

394,500 Progression of building rights (m<sup>2</sup> GFA)<sup>2)</sup>

1) Profit from building rights development and new production is calculated as the sum of profit from new production (calculated as the change in market value of project properties less the period's investments) and profit from building rights development (the change in the value of the building rights portfolio adjusted for investments and sales of building rights)

2) The volume generated includes the progression of building rights at the zoning stage Request for planning permission, Planning permission received, Consultation, Review, Approval and Legal force with adjustments for sales and acquisitions.

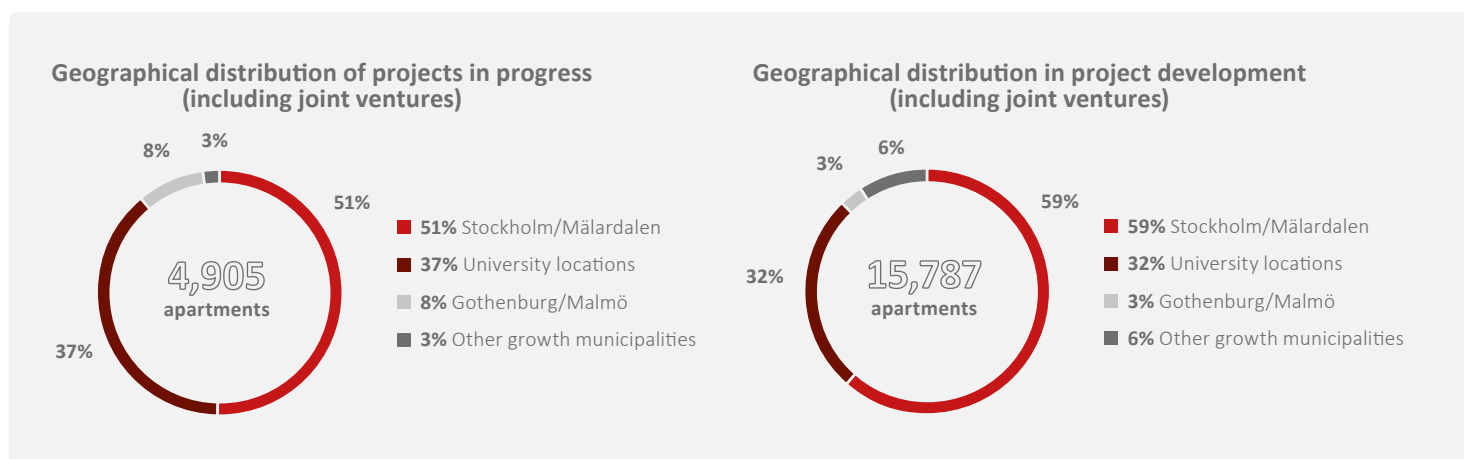
# New production portfolio

## Production in progress

New construction projects for which a building permit has been granted and a contracting agreement has been signed.

## Currently in project development

Projects for which land allocations and/or building permits have yet to be granted but for which a municipal decision on land allocation has been made, or an acquisition agreement has been signed regarding land not owned by SBB, and projects on land that is owned by SBB for which the design and planning process has been initiated



## Production in progress

	SBB's share <sup>1)</sup>	Apt	m <sup>2</sup>	DN (SEKm)	Share HR <sup>2)</sup> (%)	Share CS <sup>2)</sup> (%)	Yield on cost <sup>3)</sup> (%)
Projects developed by SBB	100%	1,910	126,542	185	77%	23%	5.0%
Acquired projects <sup>3)</sup>	100%	1,067	63,845	104	76%	24%	4.3%
Joint venture projects (HR/CS)	49%	1,807	110,572	201	96%	4%	4.9%
Joint venture projects (BR)	29%	121	7,246	-	-	-	-
<b>Total</b>	<b>79%</b>	<b>4,905</b>	<b>308,205</b>	<b>490</b>	<b>84%</b>	<b>16%</b>	<b>4.8%</b>
<b>SBB's share of total</b>	<b>100%</b>	<b>3,892</b>	<b>249,993</b>	<b>394</b>	<b>81%</b>	<b>19%</b>	<b>4.8%</b>

## Currently in project development

	SBB's share <sup>1)</sup>	Apt	m <sup>2</sup>	Share HR <sup>2)</sup> (%)	Share CS <sup>2)</sup> (%)
Projects developed by SBB	100%	9,319	554,958	84%	16%
Acquired projects <sup>3)</sup>	100%	221	5,648	100%	0%
Joint venture projects (HR/CS)	46%	4,547	316,836	75%	25%
Joint venture projects (BR)	48%	1,700	102,047	-	-
<b>Total</b>	<b>76%</b>	<b>15,787</b>	<b>979,489</b>	<b>81%</b>	<b>19%</b>
<b>SBB's share of total</b>	<b>100%</b>	<b>12,475</b>	<b>752,531</b>	<b>83%</b>	<b>17%</b>

1) SBB's share is calculated based on the estimated investment

2) The share of rental apartments and share of community service properties is calculated based on the estimated investment

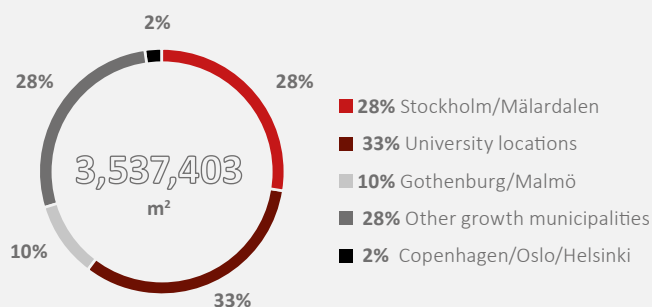
3) Refers to projects where SBB is not responsible for project implementation

## Development of building rights

SBB divides the building rights development process into four phases.

- Project concepts (phase 1)
- Ahead of planning approval (phase 2)
- With planning approval (phase 3)
- Zoning plan having gained legal force (phase 4)

Geographical distribution of the building rights portfolio (including joint ventures)



Planning phase	Shareholding (%)	Application for planning notice	Planning approval	Adoption	Legal force	Number BTA	Book value (SEKm)	per m² (SEK)
Phase 1 – Project concepts	100					891,374	799	896
Phase 2 – Ahead of planning approval	100	✓				167,345	235	1,404
Phase 3 – With planning approval	100	✓	✓			1,069,461	1,900	1,776
Phase 4 – Zoning plan having gained legal force	100	✓	✓	✓	✓	872,721	1,222	1,400
<b>Total</b>	<b>100</b>					<b>3,000,901</b>	<b>4,156</b>	<b>1,385</b>
Building rights in joint venture	51					536,502	1,531	2,853
Total	93					3,537,403	5,686	1,608
<b>SBB's share of total</b>	<b>100</b>					<b>3,275,661</b>	<b>4,940</b>	<b>1,508</b>

Information on the project portfolio is based on assessments of the size, focus and scope of the projects. The information also builds on assessments of future project costs and rental value. Such assessments and assumptions should not be seen as a forecast. Assessments and assumptions involve uncertainties regarding the implementation, design and size, schedules, project costs and future rental value of the projects. Data on the project portfolio are reviewed regularly and assessments and assumptions are adjusted as a result of projects, currently in project development, being completed, of new projects being added, or of conditions changing.

## Examples of zoning plans in progress



### Skellefteå – Residentials

Number GFA: appr.  
40,000

The Municipality of Skellefteå is currently in a strong phase of growth with several thousand new jobs being created over the upcoming years. This brings substantial need for new residentials, and here SBB is an important player, with 341 apartments currently in production and four zoning plans for residentials in progress.



### Gothenburg – Residentials and education

Number of GFA: appr.  
13,500

In the Guldheden district of Gothenburg, within a short distance from both the Chalmers University of Technology and Sahlgrenska Hospital, SBB owns a property that houses the Department of Earth Sciences (University of Gothenburg). A zoning process is in progress allowing for the planning of new residentials, as well as new offices and educational premises.



### Stockholm – Residentials

Number GFA: appr.  
22,000

In Bromsten in Stockholm, a zoning process is in progress for two residential neighbourhoods with a strong focus on social sustainability by, among other things, making use of the courtyard space, which, with its planned winter gardens, offers opportunities for social gatherings, both for residents and local neighbours.

## Examples of projects in progress



### Altplatsen, Gothenburg – elderly care units and residentials

Lease agreement: 20 years  
No. of apts: 102  
Number m<sup>2</sup>: 13,600

The project will also include an elderly care unit, with accommodation for 100 residents, and a residential building with 102 apartments and commercial premises on the ground floor. Altplatsen is located in a quiet neighbourhood close to the countryside and within walking distance of Frölunda Torg. The buildings will be certified in accordance with the Miljöbyggnad Silver environmental building standard.



### Fridhem, Ängelholm – Elderly care units

Lease agreement: 20 years  
Number m<sup>2</sup>: 5,720

An elderly care unit with accommodation for 80 people, with the Municipality of Ängelholm as the tenant will be located in Fridhem, a central area under development in Ängelholm. The accommodation is designed to create a safe and welcoming residential environment for the elderly and a good working environment for the employees. The building will be certified in accordance with the Miljöbyggnad Silver environmental building standard.



### Bollnäs bandy hall – SBB Idrott för alla

Lease agreement: 25 years  
Number m<sup>2</sup>: 12,000

Bandy hall in central Bollnäs, on the old railway marshaling yard, adjacent to the train and bus station. The hall represents an important component in re-purposing the former industrial site and connecting it to central Bollnäs. The project is being conducted in close collaboration with the tenant, the Municipality of Bollnäs and the Bollnäs Bandy Association.



## 2. Investments in existing portfolio

Investments in the existing portfolio involve renovations that increase the net operating income of residential apartments (with a target of 600 renovated apartments annually) and investments in the company's community service properties. In the first quarter of 2022,

SBB completed renovations that improve the net operating income from 304 apartments. In addition to apartment renovations, SBB is continuously upgrading the standard of the community service property portfolio. The total investment volume of these projects is

approximately SEK 2,003m, as detailed in the table below. Profit for the year was SEK 177m, calculated as the difference between changes in value for current projects less investments during the year.

	Investment (SEKm)	Lettable area (m <sup>2</sup> )	Net operating income (SEKm)	Yield on cost (%)
Investments in existing portfolio in progress	2,003	99,447	107	5.3



Remodelling of the police station in western Helsinki



## 3. Value-adding transactions

SBB's principal focus is always generating value from the existing portfolio while also building significant shareholder value by recovering capital when fully developed properties and/or non-core properties are sold. SBB continuously assesses the portfolio to identify potential and focus resources on the properties offering the greatest potential. SBB continuously works to sell properties assessed as fully developed or not assessed to be core holdings. Selling such properties entails capital being recovered and resources being freed up to facilitate additional

attractive acquisitions whereby the quality of the portfolio is gradually raised. Given our strong local presence, SBB can be an efficient buyer and seller of both individual properties and portfolios. No transaction is too small or too big for SBB.

The company's history of property transactions has made it a market leader in the Nordics and the preferred buyer among both public and private sector vendors, primarily because of SBB's superior professionalism, capacity to execute transactions quickly and high degree

of credibility and integrity in the business relationship. The company has a history of acquiring properties with strong cash flows and untapped potential value. Combined with a continuous pipeline of acquisitions and sales, this allows the company to constantly recover capital to generate benefit for shareholders. During the fourth quarter of 2022, the company conducted property transactions for a total of SEK 9,2bn.

## Transactions in the first quarter of 2022

### January

SBB acquired Odalen Fastigheter, thus becoming the country's largest developer of elderly care properties

### January

SBB sold properties for SEK 2.7bn to Svenska Myndighetsbyggnader AB (owned 50/50 by SBB and Kåpan Pensioner)

### February

SBB agreed with Kalmar Kommunbolag AB to acquire KIFAB i Kalmar AB for about SEK 2bn

January

March



# Financing

## Financing key ratios

42%

Loan-to-value ratio

1.24%

Average interest

18%

Secured loan-to-value ratio

BBB-

Positive outlook (S&P)

BBB-

Positive outlook (Fitch)

### Significant macro events in the first quarter of 2022

In early 2022, uncertainty in the global economy increased most tangibly. The main underlying cause was, of course, the war in Ukraine, which, in addition to the human suffering caused, has heightened concerns of inflation. In the short term, this is because of the shortages in inputs caused, involving everything from the automotive industry to the food industry. In the longer term, it is mainly a matter of how the energy supply to large parts of Europe will be managed, which has increased concerns that inflation will be more long-lasting than first feared. In the US too, inflation statistics have continued to concern the US Federal Reserve, which has signalled an increased need to tighten monetary policy soon and to do so more forcefully. At present, the US policy rate is expected to rise to almost 3 percent. An increase will, in all likelihood, slow growth sharply in 2023, thereby dampening inflation and opening up for a recovery in the international economy in the medium term. For the Swedish economy, a slowdown in the growth rate is expected, although the level of resource utilization is expected to remain high. This opens up for tighter monetary policy in Sweden too. The big question is how the household sector will respond to rising interest rates. If households increase their savings, growth will halt towards the end of the year, although fiscal policy may come to the rescue and again boost the economy in 2023.

### Interest rate and credit market

In the current environment, investors' risk appetite has been clearly affected by recurrent falls in the world's stock markets, resulting in rising interest rates on credit bonds. At present, the stock market may be viewed as – if not particularly attractively valued – at least reasonably valued, and it should be able to cope with future interest rate increases quite well. The focus is on the effects of the so-called quantitative easing applied by the US Federal Reserve in connection with the bond purchases at the beginning of the pandemic and how this will affect long-term bond yields and, by continuation, the corporate bond market.

### Significant events during the period

On 1 February, bond XS2293906199 of SEK 600 million was repaid, which had matured with a variable interest rate of 3m Euribor + 0.65 percent. The bond was refinanced through an issue of social bonds for EUR 700 million and a with a coupon of 3m Euribor + 0.55 percent. The transaction was priced with a variable interest rate to maturity of three-month EURIBOR + 0.49%, making this SBB's first issue of a bond at a negative interest rate

In addition, an unsecured line of credit of EUR 70m was signed with a European investment bank.

At the end of March, two new bank loans were signed, a 15-year green loan with Nordic Investment Bank of SEK 1,060 million to finance Sara Kulturhus in Skellefteå and a loan of SEK 1,000 million with a ten-year maturity from a Nordic bank.

### Significant events after the period

The extraordinary events in the capital market have led to a drop in bond prices in the BBB- category, which SBB made use of after the period when it announced a voluntary repurchase offer of outstanding EUR bonds with ISIN XS1993969515. SBB managed to buy back EUR 25,7 million at the "purchase spread" of 175 base rate points.

### Interest-bearing liabilities

SBB's strategy is to maintain a low level of financial risk. The loan-to-value ratio shall be less than 50 percent, the interest coverage ratio shall exceed a multiple of 3.0 and the secured loan-to-value ratio shall be less than 30 percent.

The loan-to-value ratio was 42 percent (40) and the secured loan-to-value ratio was 18 percent (12). The interest coverage ratio was a multiple of 5.5 (5.5). At the end of the period, the fair value of interest-bearing liabilities and other financial instruments was deemed to correspond to the carrying amount. At the end of the period, interest-bearing liabilities amounted to SEK 94,966m (87,995) of which SEK 35,759m (23,732) pertained to liabilities to credit institutions, SEK 52,936m (53,094) pertained to bond loans and SEK 6,271m (11,169) pertained to commercial papers. Loans from credit institutions are normally secured through property mortgages. Issues of bonds and commercial papers are not normally secured.

SBB has continued to work actively to maintain low interest rates on its interest-bearing liabilities. At the end of the period, the average interest rate on the interest-bearing liabilities was 1.24 percent (1.11).

SBB's exposure to variable interest rates is 34 percent (26). The average period of fixed interest for all interest-bearing liabilities was 3.7 years (3.6) and the average debt maturity was 3.9 years (4.1).

Excluding commercial papers, SEK 5,099m matures within one year. To manage the refinancing risks, the commercial papers have been secured through back-up facilities covering all outstanding commercial papers at all times.

### Currency risk

Because SBB holds assets in Sweden, Norway, Finland and Denmark, it is exposed to currency risks. This currency risk is mainly attributable to income statement and balance sheet items in foreign currencies being translated into Swedish kronor. SBB mainly hedges currency exposure by means of natural hedging with net assets in foreign subsidiaries being matched by foreign currency loans and by signing forward exchange contracts and interest rate swaps when issuing bonds in foreign currencies.

### Liquidity

SBB's available liquidity amounted to SEK 8,913m, with liquid investments amounting SEK 768m. SBB also has SEK 6,800m in unutilized credit facilities. No additional securities need be pledged for the credit facilities to be used.

### Change in value of derivatives

Interest-rate derivatives are used to limit the interest rate risk for loans with variable interest and to increase predictability in profit from property management. At the end of the period, the total nominal value of the interest-rate derivatives amounted to SEK 13,331m (17,753) with maturities of between one and ten years. In accordance with the accounting rules in IFRS 9, derivatives must be marked-to-market. If the agreed interest rate deviates from the market rate, a surplus or deficit arises on the interest rate derivatives, with the change in value not affecting cash flow being reported in the income statement. At the end of the period, the interest-rate derivatives' fair value amounted to SEK 703m (517).

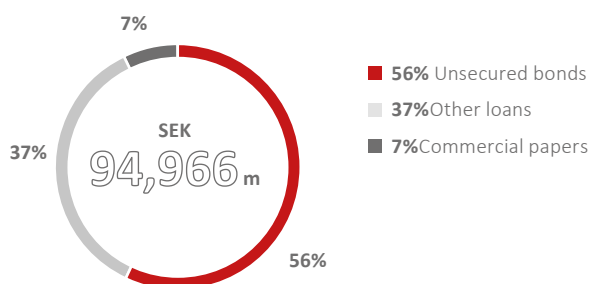
### Rating

SBB has an official credit rating from Fitch Ratings and Standard & Poor's Global Ratings. This rating is rating BBB- with a positive outlook. In addition SBB has the rating BBB with stable outlook from Scope. SBB also has a short rating of F3 from Fitch and of A3 from Standard & Poor's, corresponding to an investment grade rating. The reason for also having a short rating is to enable the company to issue securities on the commercial paper market.

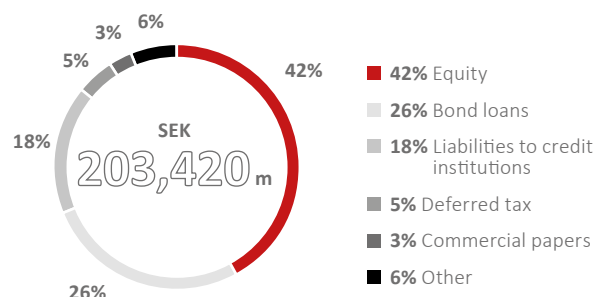
### Maturity structure (excl. commercial papers)

Maturity year	Nominal amount, SEKm	Share, %
< 1 year	5,099	6%
< 2 years	14,416	16%
< 3 years	24,418	27%
< 4 years	5,131	6%
< 5 years	5,988	7%
> 5 years	33,839	38%
<b>Total</b>	<b>88,891</b>	<b>100%</b>

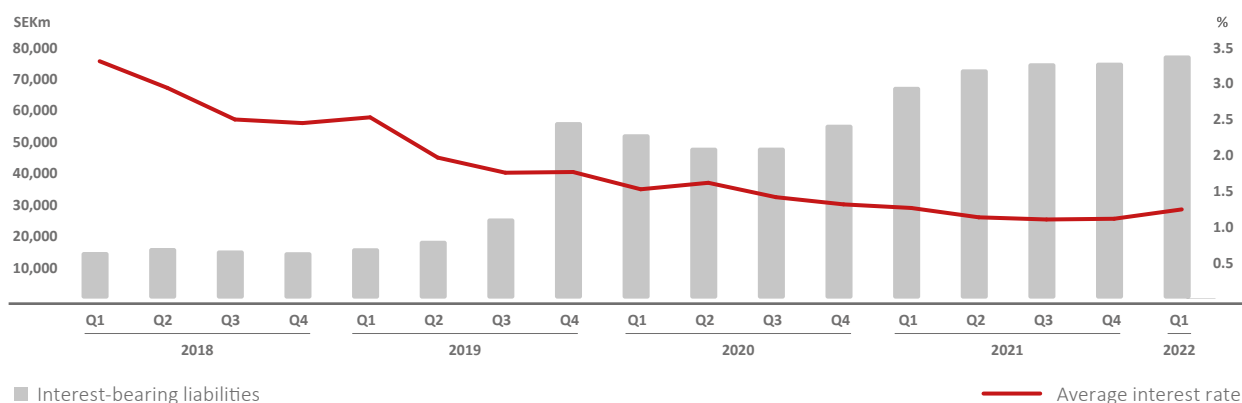
### Distribution of interest-bearing liabilities



### Capital structure



### Development of the Group's average interest rate



## Listed bonds as of 31-03-2022

Term	ISIN	SEKm	Repurchased by SBB	Maturity date	Interest rate	Type
2019-2022	XS2021634675	500	-50	2022-07-04	1,20% + STIBOR	Green
2019-2022	XS2059787049	600	-110	2022-10-03	0,95% + STIBOR	
2019-2023	XS2066041661	1 000	-	2023-02-01	1,01% + STIBOR	
2019-2023	SE0013042611	700	-388	2023-03-27	4,40% + STIBOR	Offentliga Hus, Green
2019-2023	XS2078737306	700	-25	2023-05-11	1,07%	
2019-2023	XS2000538699	200	-75	2023-05-22	1,40% + STIBOR	
2021-2023	XS2208267596	12	-	2023-07-24	7,00% + STIBOR	
2021-2023	XS2290558282	1 000	-20	2023-07-26	0,80% + STIBOR	Social
2019-2023	XS2050862262	800	-80	2023-09-06	1,15% + STIBOR	Green
2019-2024	SE0012256741	500	-313	2024-02-14	3,30% + STIBOR	Green
2019-2024	SE0012313245	200	-148	2024-02-19	3,25% + STIBOR	
2020-2024	SE0014965919	550	-223	2024-04-12	3,15% + STIBOR	Offentliga Hus, Green
2019-2025	XS1997252975	1 100	-359	2025-01-14	1,90% + STIBOR	
2022-2025	XS2461738770	260	-	2025-04-11	1,60% + STIBOR	Social
2020-2025	XS2275409824	200	-	2025-12-18	1,17% + STIBOR	Social
2020-2027	XS2111589219	600	-	2027-01-30	1,50% + STIBOR	Green
2019-2025	SE0013359148	1 500	-	Hybrid	3,50% + STIBOR	Hybrid
2019-2025	SE0013234531	575	-270	Hybrid	6,85% + STIBOR	Offentliga Hus, Hybrid

Term	ISIN	EURm	Repurchased by SBB	Maturity date	Interest rate	Type
2022-2024	XS2438632874	700	-	2024-02-08	0,55% + EURIBOR	Social
2019-2025	XS1993969515	550	-3	2025-01-14	1,75%	
2019-2026	XS2049823680	500	-	2026-09-04	1,13%	
2020-2027	XS2114871945	750	-	2027-08-12	1,00%	
2020-2028	XS2271332285	700	-	2028-12-14	0,75%	Social
2021-2029	XS2346224806	950	-	2029-11-26	1,13%	Social
2020-2040	XS2151934978	50	-	2040-04-03	2,75%	
2020-2026	XS2272358024	500	-	Hybrid	2,63%	Hybrid
2020-2025	XS2010032618	500	-	Hybrid	2,62%	Hybrid
2021-2027	XS2010028186	500	-	Hybrid	2,88%	Hybrid Social

Term	ISIN	NOKm	Repurchased by SBB	Maturity date	Interest rate	Type
2020-2023	XS2124186508	400	-	2023-02-24	0,72% + NIBOR	
2020-2023	XS2203994517	200	-	2023-07-14	0,15% + NIBOR	
2019-2024	XS2085870728	1 000	-	2024-11-28	3,12%	
2020-2025	XS2194790429	800	-	2025-06-26	1,99% + NIBOR	
2020-2025	XS2223676201	700	-	2025-08-27	1,65% + NIBOR	



## Sustainability

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 Agenda for Sustainable Development covers the three dimensions of sustainability: social, economic and ecological – 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.



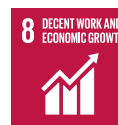
# Vision 2030 – climate positive throughout the value chain by 2030

- Climate-positive throughout the value chain
- At least 90 percent social assets in the property portfolio
- Climate-adapted property portfolio capable of standing up to climate risks

## E

### Climate and environment – overarching objectives

- Reduced energy consumption and climate impact by 5 percent annually
- At least 50 percent of new production must be built of wood from certified forestry
- The entire property portfolio and all new production must be within ten minutes walking distance from public transport
- Reduced water consumption by 1 percent annually
- Map the entire property portfolio with regard to climate-related risks (physical and transitional risks)



## S

### Social sustainability – overarching objectives

- At least 90 percent social assets in the property portfolio
- 100 percent of the municipalities we operate in are offered support in the form of apartments for their social housing work
- Contribute at least 200 summer jobs annually to young people who live in our residential areas
- Contribute at least ten Better shelters and 100 tents through the UNHCR to help refugees

## G

### Governance and financing – overarching objectives

- Investment grade rating of BBB+ in the short term and of A- in the longer term
- 100-percent sustainable financing
- SBB is to be classified as a green share on Nasdaq Stockholm





# Road map Vision 2030

## 2016-2019

Gradual improvements through energy-efficiency improvements, replacement of heating systems and green electricity contracts.

## 2020-2022

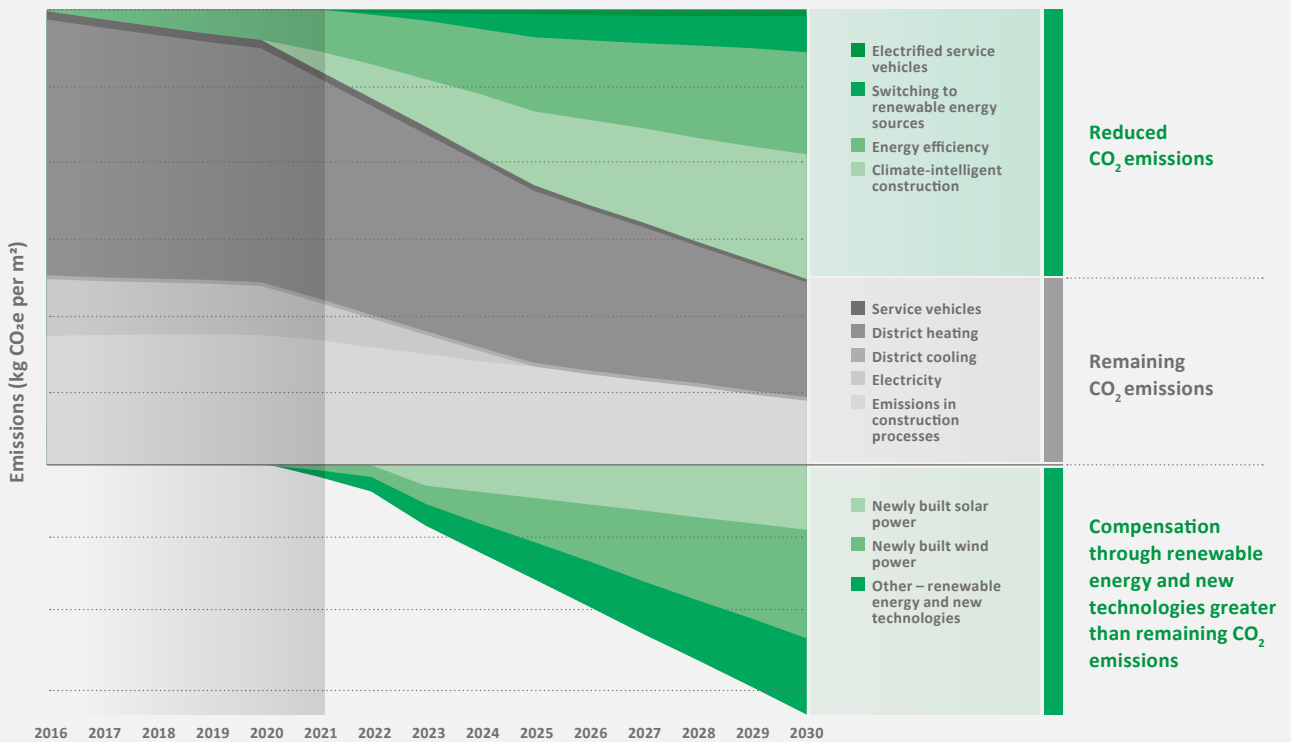
Accelerated energy-efficiency improvements and replacement of heating systems. Renewable electricity throughout the property portfolio. Build-out of solar power, charging posts and wind power commences. Half of all new construction is in wood.

## 2023-2025

Wind farms are built. Stricter demands for rapid realignment are being made of district heating suppliers. Large parts of the portfolio have access to charging posts. Strict requirements for climate-efficient construction process.

## 2026-2030

Large parts of SBB's vehicle fleet are electrified. SBB's entire electricity needs are covered by solar and wind power and more capacity is continuously being added. Carbon dioxide emissions from the construction process are greatly reduced.



# Focus on sustainability

SBB creates sustainable environments in which people want to live, work and spend time well into the future. Being the largest Nordic player in social infrastructure, SBB's local efforts contribute to general societal development that is environmentally, socially and economically sustainable.

As its Vision 2030 climate target, SBB strives to be climate positive throughout the value chain by 2030. A concrete road map is in place, clearly detailing and illustrating how this target will be achieved. The road map charts a clear course ahead for employees, suppliers and other stakeholders alike. With continued investments in energy efficiency improvements, solar cell plants and heat pumps, SBB's direct and indirect emissions will be drastically reduced. SBB's target for at least 50 percent of its construction to be in wood has also drastically reduced the company's indirect emissions in the construction process. By expanding the charging capacity for electric cars at the properties, SBB can also help reduce its tenants' emissions. Achieving climate positivity requires collaboration with suppliers such as district heating companies and construction companies, as well as strict requirements for reduced emissions.

SBB also targets having at least 90 percent social assets in its property portfolio, having 100-percent sustainable financing, and SBB's share being classified as green on Nasdaq Stockholm.

Vision 2030 also includes intermediate targets in ecological, social and economic sustainability. A complete description of SBB's sustainability targets and Vision 2030 can be found at <https://corporate.sbbnorden.se/en/sustainability/>

## Ecological sustainability

The climate issue is one of humanity's great challenges and SBB bears a responsibility towards future generations to contribute solutions and to mitigate its own climate impact. We seek to act decisively on climate change and have therefore adopted the overall goal of climate positivity by 2030 throughout the value chain.

SBB's objectives include at least 50 percent of SBB's new production comprising wooden buildings, achieving 100 percent renewable electricity throughout the property portfolio, and managing and creating housing in public transport locations, helping reduce the transport sector's environmental impact.

## Development in the first quarter of 2022

Miljöbyggnad iDrift is an important tool in Sweden's efforts to establish a framework for the sustainable management of existing properties. SBB has begun the certification of 500 of its existing buildings, and will then certify an additional 500. These are a number of different properties, including schools, residential and community service properties around the country. Sweden Green Building Councils' (SGBC) collaboration with SBB is the largest order to date for Miljöbyggnad iDrift and the hope is that this will set a positive example for other players with large property holdings. The certification has been developed and prepared specifically to effectively realign and sustainability adjust large, existing volumes. By means of the stamp of quality that Miljöbyggnad iDrift certification provides, property owners can, in addition to contributing to the climate realignment, increase the value of their objects and more easily attract tenants.

## New construction projects in progress Q1 2022

	Number/number of m <sup>2</sup>	Number of wooden buildings	Proportion of wooden buildings	Number certified	Proportion certified
Number of projects	19	6	32%	12	63%
Number of m <sup>2</sup>	126,500	27,000	21%	84,800	67%

## Number of solar cell, wind power and heat pump systems – in progress and completed

	Number in progress	Number completed	Number of kWh in progress	Number of kWh completed	Share of the property portfolio's total energy consumption
Solar cell plants (stand-alone)	1	-	10,000,000	-	1.93%
Solar cell systems (CS)	9	5	784,000	340,000	0.22%
Solar cell systems (RE)	8	-	1,048,000	-	0.20%
Heat pumps (CS)	11	8	8,745,000	469,000	1.77%
Heat pumps (RE)	12	-	3,706,000	-	0.71%
Other energy-saving projects*	151	5	13,445,000	567,000	2.70%

\* E.g. control, monitoring, lighting, additional insulation.

## Number of apartment renovations

	31-03-2022
Completed	304
In progress	217
Scheduled for the next three months	291

SBB has commissioned a further analysis of the climate impact of wooden construction. The purpose of the analysis was to take inventory of and report the climate impacts of industrially produced apartment buildings in wood, as well as finding possible improvement measures to reduce the climate impact. The study shows that the climate impact of the building system is very low compared with other building systems, and if the storage of biogenic carbon is included, the building system is climate positive. SBB currently has buildings of this type in production in four projects, and more are underway.

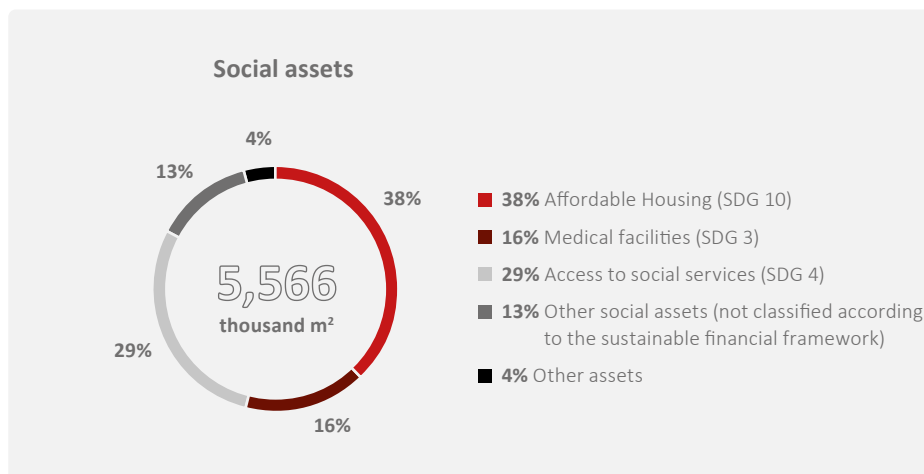
In Region South, SBB has implemented a new sanitation agreement for approximately 250 environmental waste sorting rooms. In connection with the implementation, all waste sorting rooms were inventoried regarding container sizes and signage. This has made it possible to reduce the number of containers on site in waste sorting rooms. New signs with clear instructions have been installed in all waste sorting rooms. In connection with new containers being introduced, full sorting has also been introduced in all waste sorting rooms, including for sorting of batteries and light bulbs. At the larger properties, meetings have been held with residents at which members of personnel have demonstrated how to sort correctly. The new agreement allows SBB to monitor the sanitation volumes and CO<sub>2</sub> savings per month. The agreement will now be implemented at more properties.

SBB's LHL hospital in Gardermoen, Norway has been certified in accordance with Breeam In Use Outstanding, which is the highest classification that can be achieved. This is the highest classification achieved in health for Breeam In Use. An additional certification of the GC Health Center in Gardermoen, Norway is currently in progress and start-ups are planned for two more properties.

Amasten has new production projects in progress to build additional rent-regulated residentials in Örnsköldsvik, Luleå, Eskilstuna, Falun and Gävle. All of these projects are being built within the framework for Miljöbyggnad Silver certification and have solar cells, IMD, charging posts and FTX ventilation. During the month of February, solar cells were installed in Örnsköldsvik. In the Kronandalen area in Luleå, 49 rental apartments are being built with sustainability in focus, with, for example, a car pool, recycling centre, proximity to green areas and natural methods for delaying and regulating storm water. Ground was also broken for 206 rent-regulated residentials in Eskilstuna.

Amasten continues to expand the infrastructure for charging posts for electric vehicles. Last year, 93 charging posts were installed for electric cars and a further 79 are planned in connection with new construction projects, with installation having commenced in Örnsköldsvik and Luleå.

Several projects involving solar cells, heat pumps, additional insulation, and connecting properties are underway in all of SBB's markets. A summary is presented in table format above.



In the first quarter, 304 apartment renovations were completed, a further 217 apartments are currently undergoing renovation, and leases on 291 apartments have been terminated for planned renovation, starting during the next three-month period. Asbestos analyses are carried out in all apartments undergoing renovation. About 70 percent of the apartments that are renovated contain asbestos and these are decontaminated by authorized personnel. The waste is deposited at a landfill site before renovation commences.

#### Social sustainability

Social sustainability is an important part of our promise to build a better society. The increasing differences in health and living conditions between different social groups and residential areas is one of the major challenges currently facing Sweden. The property sector has a great impact and thus considerable potential to contribute solutions for increased cohesion, confidence in the future, health and trust. We see it as crucial that our business and industry understand and can meet social challenges today.

#### Development in the first quarter of 2022

As of 31 March 2022, SBB owned 5,326 sqm (including rental apartments, elderly care units, LSS and building rights for future rental apartments), contributing to social sustainability. The various asset classes have been judged by the independent Institutional Shareholder Services (ISS) to make a significant contribution to the UN Global Goals for Sustainable Development (SDGs) numbers 3, 4 and 10.

The housing for seniors, Hydran, received the "customer crystal" award in the category of new production. Tenants at Hydran have afforded it the highest rating in Aktiv Bo's survey of tenants. Hydran has been developed by SBB's wholly owned subsidiary Sveafastigheter and has generous common areas both indoors and outdoors, as well as several initiatives for wellness and well-being, such as exercise,

midsummer celebrations and Christmas baking. Hydran is a property with housing for seniors where at least one member of the household needs to be 65+. Hydran is located on Öster Mälarstrand in Västerås, a short distance from Sveafastigheter's Neptun, which is Sweden's first large-scale "plusenergihus" (positive energy house). Hydran has also been built with positive energy solutions.

Among other things, energy for the building is generated by solar cells on the roof, excess heat is saved and energy losses have been halved by, for example, co-insulating the hot water supply with the hot water circulation.

SBB has made a shop available in Gallerian in Boden for a tenant from Ukraine, enabling the tenant to help people fleeing from the war in Ukraine. Due to the global situation, the SBB Group is in dialogue with the Swedish Migration Board about how SBB can help provide housing for Ukrainian refugees.

Amasten has initiated a national collaboration with the Stadsmissionen charity, through a three-year agreement for SEK 3m. The additional funds will be focused on housing issues and homelessness, one of Stadsmissionen's four areas of operations.

In Eskilstuna, Amasten has prepared a premises for the Årby Association's meeting place operations. The purpose of the meeting place is to enhance security in the area through various initiatives. Among other things, the association holds courses and invests in various summer vacation activities for all ages that engage the residents in the area.

#### Economic sustainability

Our objective is to achieve good economic growth without incurring negative consequences for the climate and the social environment. SBB continues to invest in sustainable financing by securing green loans, issuing social and green bonds and reducing energy consumption in our green portfolio (linked to the green framework) by 30 percent by 2023.

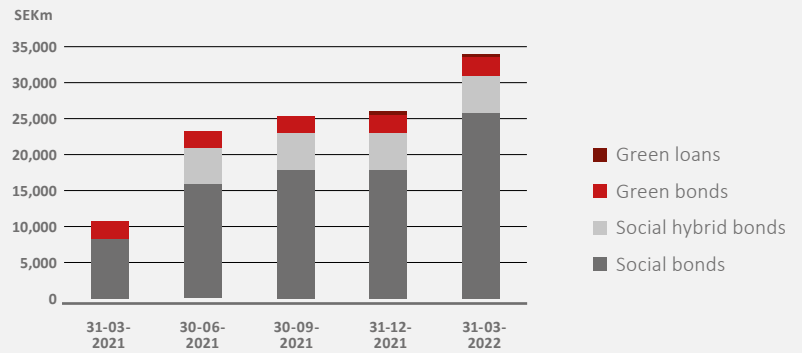
### Development in the first quarter of 2022

SBB has borrowed SEK 1,060m with a 15-year maturity from the Nordic Investment Bank (NIB). This forms part of NIB's loan portfolio aimed at promoting sustainable social development in the Nordic and Baltic countries. The loan will finance Sara Kulturhus, a 26,000 m<sup>2</sup> multifunctional building housing six theatre stages, two art galleries and the city's library, alongside a conference centre, hotel and restaurants. Sara kulturhus (certified in accordance with Miljöbyggnad Guld) has been built with locally purchased wood, which benefits the local forest companies and generates new jobs in the process. The building is almost 80 metres tall and one of the world's tallest wooden buildings.

SBB has issued two social bonds. The first bond of EUR 700m has a maturity of two years. The second bond of SEK 260m has a maturity of three years.

As of 31 March 2022, social bonds, green bonds and green loans made up 28 percent of the total debt portfolio (excluding social hybrid bonds).

### Sustainable financing



# The share

Samhällsbyggnadsbolaget's Class B share (ticker SBB B) and Class D share (ticker SBB D) are traded on Nasdaq Stockholm, Large Cap.

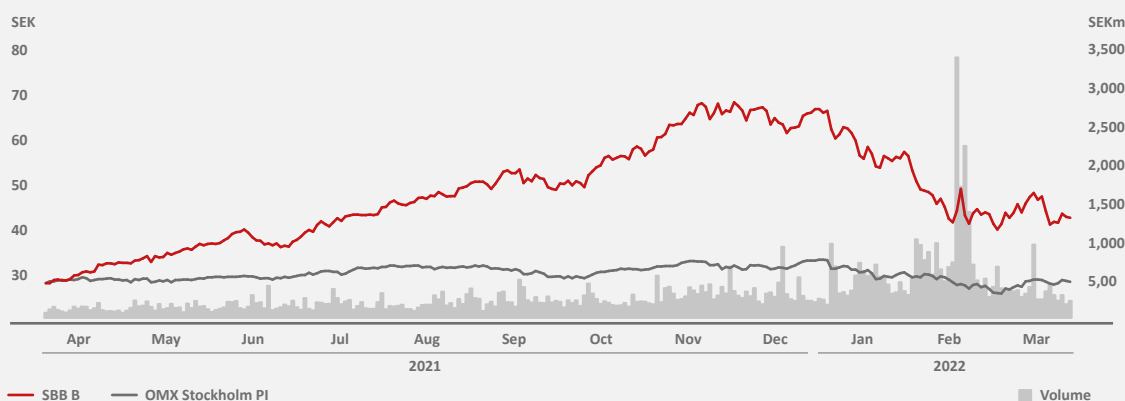
As of 31 March 2022, the number of Class B ordinary shares totalled 1,244,164,407 and the number of Class D ordinary shares totalled 193,865,905. There are also 209,977,491 Class A ordinary shares in the company. Ordinary Class B shares were trading at SEK 42.25, and Class D shares at SEK 27.54 on 31 March 2022. The market capitalization of the Class B ordinary shares (including the value of unlisted Class A ordinary shares at the same price) was SEK 52,566m, and for the Class D ordinary shares, it was SEK 5,339m.

The closing price for series B shares of SEK 42.25, representing a decrease of 36 percent compared with 31 December 2021 (66.42) and an increase of 55 percent compared with 31 March 2021 (27.18). SBB's share is liquid. Over the past 12 months, an average of approximately 6.4m series B shares were traded per day for an average daily value of approximately SEK 306m. SBB works actively with its investor base by participating in roadshows, presentations and events for private and institutional investors.

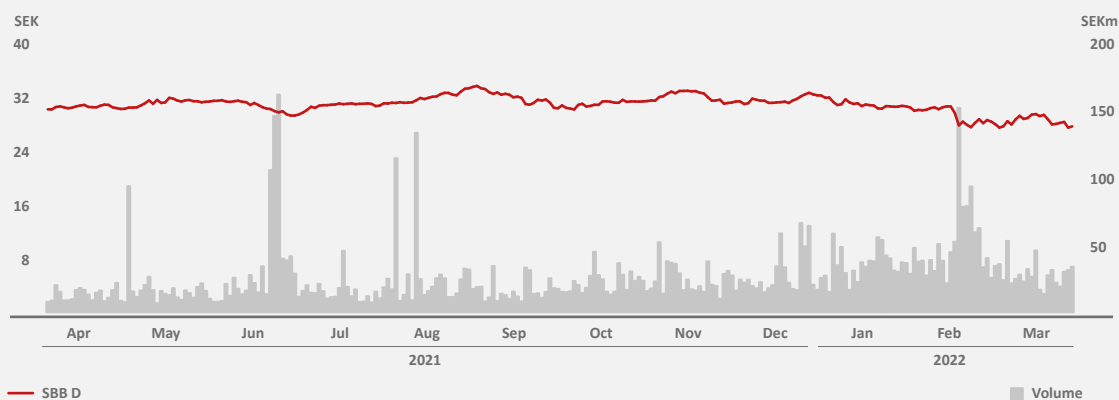
	Share price, SEK	
	31-03-2022	31-03-2021
Class B shares	42.25	27.18
Class D shares	27.54	29.75

	Average daily turnover, SEKm	
	Jan-Mar 2022	Jan-Mar 2021
Class B shares	585.7	132.6
Class D shares	38.5	17.8

Series B share price trend, past 12 months



Series D share price trend, past 12 months





## Shareholders

The number of shareholders in SBB increased over the year. At the end of the first quarter of 2022, there were 203,438 known shareholders, corresponding to an increase of 160 percent compared with the corresponding point in 2021.

On 31 March 2022, share capital amounted to SEK 164,800,780.30 at a quotient value of SEK 0.1 per share. At the Annual General Meeting, holders are entitled to one vote per Class A ordinary share and to 0.1 votes per Class B and

D ordinary share. Holders of Class D ordinary shares are entitled to five times the total dividend on Class A and B ordinary shares, although not to more than SEK 2 per share and year.

### Shareholder structure as of 31 March 2022

Shareholders	Class A shares	Class B shares	Class D shares	Share capital, %	Votes, %
Ilija Batljan (private and through company)	109,053,868	23,713,171	530,000	8.1%	31.5%
Arvid Svensson Invest	42,444,700	23,144,429	-	4.0%	12.7%
Dragfast AB	36,163,467	71,950,000	-	6.6%	12.3%
Sven-Olof Johansson	22,315,456	31,984,544	-	3.3%	7.2%
Länsförsäkringar	-	66,413,700	-	4.0%	1.9%
SHB Fonder & Liv	-	54,266,091	2,281,791	3.4%	1.6%
Læringsverkstedet Gruppen AS	-	-	44,197,779	2.7%	1.2%
Vanguard	-	39,798,856	3,905,672	2.7%	1.2%
BlackRock	-	40,916,030	1,409,770	2.6%	1.2%
Avanza Pension	-	28,256,106	10,943,896	2.4%	1.2%
Marjan Dragicevic	-	31,200,000	-	1.9%	0.9%
Futur Pension	-	27,780,512	2,100,819	1.8%	0.8%
Gösta Welandson with companies	-	23,146,364	224,000	1.4%	0.7%
Lennart Schuss	-	20,374,872	190,000	1.2%	0.6%
Columbia Threadneedle	-	11,477,065	480,222	0.7%	0.3%
Other	-	749,742,667	127,601,956	53.2%	24.8%
<b>Total</b>	<b>209,977,491</b>	<b>1,244,164,407</b>	<b>193,865,905</b>	<b>100.00%</b>	<b>100.00%</b>

# Parent Company

## Income statement of Parent Company

Amount in SEK, millions	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
Net sales	-	-	-
Personnel costs	-16	-11	-66
Other operating expenses	-15	-13	-46
Profit from associated companies/joint ventures	532	-	-
<b>Operating profit</b>	<b>501</b>	<b>-24</b>	<b>-112</b>
<b>Profit from financial items</b>			
Profit from participations in Group companies	-	-	-
Interest income and similar items	826	347	2,254
Interest expenses and similar items	-801	-371	-2,069
Translation gains/losses	-108	-145	-167
Changes in value, derivatives	-117	62	798
<b>Profit after financial items</b>	<b>301</b>	<b>-131</b>	<b>704</b>
Appropriations	-	-	340
<b>Profit before tax</b>	<b>301</b>	<b>-131</b>	<b>1,044</b>
Tax	-52	20	-220
<b>PROFIT FOR THE PERIOD</b>	<b>249</b>	<b>-111</b>	<b>824</b>

## Statement of comprehensive income of Parent Company

Amount in SEK, millions	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
Profit for the period	249	-111	824
Other comprehensive income	-	-	-
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>249</b>	<b>-111</b>	<b>824</b>

## 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 financing. The company has 34 employees. The costs, incl. personnel costs during the period, amounted to SEK -31m (-24).

# Parent Company's balance sheet in summary

Amount in SEK, millions	31-03-2022	31-03-2021	31-12-2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Financial fixed assets</b>			
Shares in Group companies	35,561	26,698	33,686
Participations in associated companies/joint ventures	8,399	-	7,844
Receivables from Group companies	35,165	34,519	38,955
Receivables from associated companies/joint ventures	356	1	175
Deferred tax assets	94	229	117
Financial fixed assets at fair value	1,732	3,724	1,520
Derivatives	672	221	533
<b>Total financial fixed asset</b>	<b>81,979</b>	<b>65,392</b>	<b>82,830</b>
<b>Total fixed assets</b>	<b>81,979</b>	<b>65,392</b>	<b>82,830</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Accounts receivable	5	-	1
Other receivables	91	70	43
Prepaid expenses and accrued income	55	45	42
<b>Total current receivables</b>	<b>151</b>	<b>116</b>	<b>86</b>
Cash and cash equivalents	8,046	10,582	8,278
Cash investments	32	-	254
<b>Total current assets</b>	<b>8,229</b>	<b>10,698</b>	<b>8,618</b>
<b>TOTAL ASSETS</b>	<b>90,208</b>	<b>76,090</b>	<b>91,448</b>

Amount in SEK, millions	31-03-2022	31-03-2021	31-12-2021
<b>EQUITY AND LIABILITIES</b>			
<i>Restricted equity</i>			
Share capital	165	152	165
<i>Unrestricted equity</i>			
Share premium fund	43,712	39,755	43,510
Retained earnings	-2,825	-1,222	-3,553
Profit for the year	249	-111	824
<b>Total equity</b>	<b>41,301</b>	<b>38,574</b>	<b>40,946</b>
<b>Untaxed reserves</b>	<b>85</b>	<b>14</b>	<b>85</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	3,474	-	3,497
Bond loans	26,407	28,355	27,202
Derivatives	49	11	30
Other long-term liabilities	-	451	-
<b>Total long-term liabilities</b>	<b>29,930</b>	<b>28,817</b>	<b>30,729</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	4,474	-	-
Bond loans	2,335	2,601	1,204
Commercial papers	6,271	4,914	11,169
Accounts payable	70	15	2
Current tax liabilities	147	8	138
Liability, cash collateral	4,657	-	5,607
Other liabilities	561	706	1,043
Accrued expenses and prepaid income	377	442	525
<b>Total current liabilities</b>	<b>18,892</b>	<b>8,686</b>	<b>19,688</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>90,208</b>	<b>76,090</b>	<b>91,448</b>

## Parent Company changes in equity

Amount in SEK, millions	Share capital	Share premium <sup>1)</sup>	Retained earnings	Total equity
<b>Opening equity, 01-01-2021</b>	<b>150</b>	<b>39,375</b>	<b>-1,105</b>	<b>38,421</b>
Profit for the period	-	-	-111	-111
Other comprehensive income	-	-	-	-
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-111</b>	<b>-111</b>
New share issue	2	380	-	382
Dividend	-	-	-146	-146
Tax effects equity	-	-	28	28
<b>Total equity 31-03-2021</b>	<b>152</b>	<b>39,755</b>	<b>-1,334</b>	<b>38,574</b>
Profit for the period	-	-	935	935
Other comprehensive income	-	-	-	-
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>935</b>	<b>935</b>
New share issue	3	1,952	-	1,955
Issue hybrid bonds	-	4,975	-	4,975
Issue warrants	-	58	-	58
Redemption of preference shares	-	-15	-5	-20
Redemption of part of hybrid bond	-	-3,110	-154	-3,265
Redemption/conversion of mandatory convertible	9	-105	-28	-125
Dividend	-	-	-2,141	-2,141
Tax effects equity	-	-	-4	-4
<b>Closing equity, 31-12-2021</b>	<b>165</b>	<b>43,510</b>	<b>-2,729</b>	<b>40,946</b>
<b>Opening equity, 01-01-2022</b>	<b>165</b>	<b>43,510</b>	<b>-2,729</b>	<b>40,946</b>
Profit for the period	-	-	249	249
Other comprehensive income	-	-	-	-
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>249</b>	<b>249</b>
New share issue	-	210	-	210
Issue hybrid bonds	-	-9	-	-9
Dividend	-	-	-111	-111
Tax effects equity	-	-	12	12
<b>Total equity 31-03-2022</b>	<b>165</b>	<b>43,712</b>	<b>-2,577</b>	<b>41,301</b>

<sup>1)</sup> The entire share premium fund constitutes unrestricted equity

# Cash flow statement of Parent Company in summary

Amount in SEK, millions	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
<b>Operating activities</b>			
Profit after financial items	301	-131	704
Net interest income	200	107	-816
Interest paid	-938	-418	-2,052
Interest received	828	366	2,263
Tax	-4	-2	-5
<b>Cash flow from operating activities before changes in working capital</b>	<b>387</b>	<b>-78</b>	<b>94</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) of operating receivables	-67	133	185
Increase (+)/Decrease (-) of operating liabilities	144	327	-22
<b>Cash flow from operating activities</b>	<b>464</b>	<b>383</b>	<b>257</b>
<b>Investment activities</b>			
Investment in subsidiaries	-1,665	-	-6,090
Investments in associated companies/joint ventures	-555	-	-7,844
Receivables from Group companies	3,790	-475	-3,471
Change in receivables from associated companies	-181	647	473
Change in financial assets	-197	-2,981	-525
Change in other long-term receivables	-	-	-
<b>Cash flow from investing activities</b>	<b>1,192</b>	<b>-2,809</b>	<b>-17,458</b>
<b>Financing activities</b>			
New share issue	-	382	-
Issue hybrid bonds	-9	-	4,975
Issue mandatory convertible bonds	-	-	-125
Issue warrants	-	-	58
Redemption of hybrid bonds	-	-	-3,263
Redemption of preference shares	-	-	-20
Group contributions received	-	-	411
Dividend paid	-710	-332	-1,846
Loans secured/loan repayments	-219	-29	7,152
Change in cash collateral	-950	-	5,607
Change in other long-term liabilities	-	-	-457
<b>Cash flow from financing activities</b>	<b>-1,888</b>	<b>22</b>	<b>12,493</b>
<b>Cash flow for the period</b>	<b>-232</b>	<b>-2,404</b>	<b>-4,708</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>8,278</b>	<b>12,986</b>	<b>12,986</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>8,046</b>	<b>10,582</b>	<b>8,278</b>



# I 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**

This interim report was prepared in accordance with IAS 34 Interim Reporting. 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.

## **RESTATED OPENING BALANCE 01-01-2021**

Information on the restated opening balance per 2021-01-01 can be found in Note 30 in the recent annual report.

## **SIGNIFICANT ASSESSMENTS**

An evaluation has been made of the acquisition of Sara Kulturhus in Skellefteå based on the criteria in the sales & leaseback rules. The assessment has been made that a transaction has taken place and that an operational leasing agreement exists.

The Board of Directors and the CEO provide their assurance that the interim report provides a fair overview operations, position and results of the Parent Company and the Group and describes significant risks and uncertainties that affect the Parent Company and the companies included in the Group.

Stockholm, 27 April 2022

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 interim report has not been subject to review by the company's auditors.

Ilija Batljan, CEO, [ilija@sbbnorden.se](mailto:ilija@sbbnorden.se)

This information is such that Samhällsbyggnadsbolaget i Norden AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted by the below contact persons for publication on 27 April 2022 at 8:00 a.m. CET.

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# Definitions

## Financial definitions

### **Actual net asset value (EPRA NTA), 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 goodwill and interest rate derivatives and the addition of a stamp duty for properties in Finland and the deduction of estimated actual deferred tax of 5.15 percent, with the exception of residentials with an estimated deduction of 0 percent.  
*The key ratio 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 ratio shows SBB's return on equity during the period.*

### **Loan-to-value ratio, %**

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

### **Non-pledged quota, multiple**

Non-pledged assets in relation to net unsecured debt. *The key ratio 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 after dividends to preference shareholders and holders of D shares and profit from property management attributable to minority interests, with deductions for changes in property values less tax related to associated companies and joint ventures, as well as interest on hybrid bonds and costs for premature redemption of loans less estimated current tax attributable to 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 ratio 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 ratio 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 ratio 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 ratio is used to illustrate SBB's financial stability.*

### **Tied-up capital, year**

Remaining maturity of interest-bearing liabilities.  
*The key ratio 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 ordinary shares, excluding equity related to preference and series D shares, non-controlling interests and the hybrid bond, with the reversal of a recognized deferred tax liability, goodwill attributable to deferred tax and derivatives and the addition of stamp duty for properties in Finland.  
*The key ratio provides an adjusted and complementary measure of the size of equity calculated in a manner consistent with listed property companies.*

### **Net debt, SEK**

Liabilities to credit institutions, bond loans and commercial papers less cash and cash equivalents.

### **Earnings per Class A and B ordinary share, SEK**

Net profit for the period after dividend to preference shareholders and holders of D shares and earnings attributable to minority interests and interest on hybrid bonds in relation to the average number of series A and B ordinary shares for the period.

### **Interest-coverage ratio, multiple**

Profit from property management (past 12 months) less changes in value of properties minus tax related to associated companies and joint ventures after return of net financial items in relation to net interest excluding costs for early repayment of loans and leasing costs.  
*The key ratio is used to illustrate financial risk.*

### **Equity/assets ratio, %**

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

### **Secured loan-to-value ratio, %**

Secured liabilities as a percentage of the total assets.  
*The key ratio is used to illustrate SBB's financial stability.*

## Property-related definitions

### **Number of properties**

Number of properties at the end of the period

### **Number m<sup>2</sup>**

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

### **GFA**

Gross floor area

### **Yield, %**

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

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

### **Net operating income, SEK**

Rental income less property costs.

### **Economic letting ratio, %**

Rental income as a percentage of rental value

*The key ratio is used to facilitate the assessment of rental income in relation to the total value of potential lettable area.*

### **EPRA Vacancy rate, %**

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

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

### **Average contract length of social infrastructure properties, years**

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

*The key ratio aims to illustrate SBB's rental risk.*

### **Rental income, SEK**

Charges for the period with deductions for rental losses.

### **Rental value, SEK**

Refers to contracted rent plus the assessed rent on vacant space.

### **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 ratio shows how much of the rental income remains after direct property costs.*

# Calculation of alternative performance measures

## Return on equity

Amount in SEKm	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
Profit for the period	2,939	2,735	25,601
OB equity	82,971	51,756	51,756
CB equity	85,123	57,508	82,971
<b>Average equity</b>	<b>84,047</b>	<b>54,632</b>	<b>67,364</b>
<b>Return on equity</b>	<b>3%</b>	<b>5%</b>	<b>38%</b>

## Loan-to-value ratio

Amount in SEKm	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
Liabilities to credit institutions	35,759	16,185	23,732
Bond loans	52,936	45,747	53,094
Commercial papers	6,271	4,914	11,169
Cash and cash equivalents/cash investments	-9,681	-18,407	-9,890
<b>Net debt</b>	<b>85,285</b>	<b>48,439</b>	<b>78,105</b>
Balance sheet total	203,420	136,898	194,517
<b>Loan-to-value ratio</b>	<b>42%</b>	<b>35%</b>	<b>40%</b>

## Yield

Amount in SEKm	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
Net operating income in accordance with earnings capacity	5,427	4,105	5,130
Investment properties	158,919	104,736	149,335
Building rights and projects in progress	-15,601	-8,707	-14,062
<b>Property value excluding building rights</b>	<b>143,318</b>	<b>96,029</b>	<b>135,273</b>
<b>Yield</b>	<b>3.8%</b>	<b>4.3%</b>	<b>3.8%</b>

## Non-pledged quota

Amount in SEKm	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
Intangible assets	6,066	6,325	6,066
Non-pledged properties	125,734	77,229	115,644
Land lease agreements	680	596	639
Equipment, machinery and installations	54	26	48
Deferred tax assets	1,145	1,500	1,198
Financial fixed assets, excluding derivatives	24,810	4,618	24,995
Cash investments	768	5,992	53
Accounts receivable and other receivables	1,614	1,597	2,178
Derivatives	752	223	547
<b>Non-pledged assets</b>	<b>161,623</b>	<b>98,106</b>	<b>151,368</b>
Unsecured loans	59,207	50,196	64,263
Cash and cash equivalents	-8,913	-12,415	-9,837
<b>Net unsecured senior debt</b>	<b>50,294</b>	<b>37,781</b>	<b>54,426</b>
<b>Non-pledged quota</b>	<b>3.21</b>	<b>2.60</b>	<b>2.78</b>

## Economic letting ratio

Amount in SEKm	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
Rental income in accordance with earnings capacity	7,339	5,677	7,017
Rental value in accordance with earnings capacity	7,779	6,062	7,456
<b>Economic letting ratio</b>	<b>94.3%</b>	<b>93.6%</b>	<b>94.1%</b>



## EPRA earnings

Amount in SEKm	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
Profit from property management	1,446	615	5,690
Profit attributable to preference shares	-	-1	-2
Profit attributable to Series D shares	-97	-96	-388
Profit attributable to hybrid bond	-120	-117	-496
Profit attributable to minority interest	-15	-10	-18
Adjustments for associated companies/joint ventures	-154	-	-2,443
Expenses for redeemed loans in advance	3	40	155
Paid tax	-132	-92	-247
<b>Profit from property management after tax paid</b>	<b>931</b>	<b>339</b>	<b>2,251</b>
Average number of series A and B ordinary shares	1,452,975,231	1,329,482,358	1,379,982,887
<b>Earnings per series A and B ordinary share</b>	<b>0.64</b>	<b>0.25</b>	<b>1.63</b>
Average number of series A and B ordinary shares after dilution	1,465,034,737	1,433,193,481	1,391,161,963
<b>Earnings per series A and B ordinary share after dilution</b>	<b>0.64</b>	<b>0.24</b>	<b>1.62</b>

## Adjusted equity/assets ratio

Amount in SEKm	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
Equity	85,123	57,508	82,971
Deferred tax excl. deferred tax attr. to goodwill	9,186	5,502	8,647
<b>Total</b>	<b>94,309</b>	<b>63,010</b>	<b>91,618</b>
Balance sheet total	203,420	136,898	194,517
<b>Adjusted equity/assets ratio</b>	<b>46%</b>	<b>46%</b>	<b>47%</b>

## Earnings per series A and B ordinary share

Amount in SEKm	01-01-2022 31-03-2022	01-01-2021 31-03-2021	01-01-2021 31-12-2021
Profit for the period	2,939	2,735	25,601
Profit attributable to preference shares	-	-1	-2
Profit attributable to Series D shares	-97	-96	-388
Profit attributable to hybrid bond	-120	-117	-496
Profit attributable to minority interest	-13	-10	-1,018
<b>Profit attributable to series A and B ordinary shares</b>	<b>2,709</b>	<b>2,511</b>	<b>23,697</b>
Average No. series A and B ordinary shares <sup>1)</sup>	1,452,975,231	1,433,193,481	1,379,982,887
<b>Earnings per series A and B ordinary share</b>	<b>1.86</b>	<b>1.75</b>	<b>17.17</b>
Average number of series A and B ordinary shares after dilution	1,465,034,737	1,433,193,481	1,391,161,963
<b>Earnings per series A and B ordinary share after dilution</b>	<b>1.85</b>	<b>1.75</b>	<b>17.03</b>

1) Incl. effect of additional shares from mandatory convertible.

## Interest coverage ratio

Amount in SEKm	01-04-2021 31-03-2022	01-04-2020 31-03-2021	01-01-2021 31-12-2021
Profit from property management (rolling 12-month)	6,521	2,770	5,690
Adjustments for associated companies/joint ventures	-2,597	-	-2,443
<b>Profit from property management (rolling 12-month)</b>	<b>3,924</b>	<b>2,770</b>	<b>3,247</b>
<i>Reversal of net financial items</i>			
Interest income and similar items	-289	-186	-274
Interest expenses and sim. items (rolling 12-month)	1,085	919	1,011
Costs for early redemption of loans (rolling 12-month)	118	124	155
Translation gains/losses (rolling 12-month)	-496	-103	-118
Land lease expenses (rolling 12-month)	20	26	21
<b>Total reversal of net financial items</b>	<b>438</b>	<b>780</b>	<b>795</b>
<b>Profit from property management (rolling 12-month) excl. net financial items</b>	<b>4,362</b>	<b>3,550</b>	<b>4,042</b>
Net interest income			
Interest income and similar items	289	186	274
Interest expenses and sim. items (rolling 12-month)	-1,085	-919	-1,011
<b>Total net interest</b>	<b>-796</b>	<b>-733</b>	<b>-737</b>
<b>Interest-coverage ratio (multiple)</b>	<b>5.5</b>	<b>4.8</b>	<b>5.5</b>

## Equity/assets ratio

<b>Amount in SEKm</b>	<b>01-01-2022 31-03-2022</b>	<b>01-01-2021 31-03-2021</b>	<b>01-01-2021 31-12-2021</b>
Equity	85,123	57,508	82,971
Balance sheet total	203,420	136,898	194,517
<b>Equity/assets ratio</b>	<b>42%</b>	<b>42%</b>	<b>43%</b>

## Equity ratio

<b>Amount in SEKm</b>	<b>01-01-2022 31-03-2022</b>	<b>01-01-2021 31-03-2021</b>	<b>01-01-2021 31-12-2021</b>
<i>Equity excluding non-controlling interests</i>			
Equity	85,123	57,508	82,971
Hybrid bonds	-16,756	-14,721	-16,750
Non-controlling interest	-2,298	-1,484	-4,073
<b>Equity excluding non-controlling interests</b>	<b>66,069</b>	<b>41,303</b>	<b>62,148</b>
Preference share capital	-	-15	-
Series D share capital	-5,964	-5,912	-5,964
Reversal of derivatives	-703	-182	-517
Goodwill attributable to deferred tax	-1,781	-2,044	-1,781
Other goodwill	-4,285	-4,281	-4,285
Reversal of liability portion of mandatory convertible	-	451	-
Stamp duty Finnish properties	206	151	202
Reversal of deferred tax	10,967	7,449	10,428
Deduction of deferred tax	-3,143	-2,978	-2,877
<b>Actual net asset value (EPRA NTA)</b>	<b>61,366</b>	<b>33,942</b>	<b>57,354</b>
Actual net asset value (EPRA NTA), SEK/share	42.20	25.53	39.52
Actual net asset value (EPRA NTA), SEK/share (diluted)	42.20	23.68	39.52
Reversal of other goodwill	4,285	4,281	4,285
Reversal of deferred tax deduction	3,143	2,978	2,877
<b>Long-term net asset value (EPRA NRV)</b>	<b>68,794</b>	<b>41,201</b>	<b>64,516</b>
Long-term net asset value (EPRA NRV), SEK/share	47.31	30.99	44.46
Long-term net asset value (EPRA NRV), SEK/share (diluted)	47.30	28.75	44.45
Number of series A and B ordinary shares	1,454,141,898	1,329,482,358	1,451,141,898
Number of series A and B ordinary shares after dilution	1,454,331,941	1,433,193,481	1,451,410,953

## Secured loan-to-value ratio

<b>Amount in SEKm</b>	<b>01-01-2022 31-03-2022</b>	<b>01-01-2021 31-03-2021</b>	<b>01-01-2021 31-12-2021</b>
Liabilities to credit institutions	35,759	16,186	23,732
Secured bond loans	-	465	-
<b>Total secured loans</b>	<b>35,759</b>	<b>16,650</b>	<b>23,732</b>
Balance sheet total	203,420	136,898	194,517
<b>Secured loan-to-value ratio</b>	<b>18%</b>	<b>12%</b>	<b>12%</b>

## Surplus ratio

<b>Amount in SEKm</b>	<b>01-01-2022 31-03-2022</b>	<b>01-01-2021 31-03-2021</b>	<b>01-01-2021 31-12-2021</b>
Net operating income	1,153	858	4,047
Rental income	1,831	1,325	5,930
<b>Surplus ratio</b>	<b>63%</b>	<b>65%</b>	<b>68%</b>

# 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 2022. 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 impact on earnings of unrealized and realized changes in the value of the properties being consolidated.

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 2022.
- Operating and maintenance costs are based on budget.
- The property tax is calculated from the properties current tax assessment value as of 31 March 2022.
- Cost for central administration is based on the current organization.
- Financial expenses and income are based on contracted interest rates and include interest on external loans.
- The earnings that joint ventures/associated companies contribute to earnings capacity is based on published information, including reports, prospectuses etc.

### Group's earning capacity

Amount in SEKm	Social infrastructure properties	Residential	Other	Total	Adjusted
Rental income	4,615	2,320	404	7,339	7,339
Operating costs	-517	-566	-94	-1,177	-1,177
Maintenance	-162	-153	-21	-336	-336
Property administration	-144	-99	-19	-262	-262
Property tax	-63	-49	-25	-137	-137
<b>Net operating income</b>	<b>3,729</b>	<b>1,454</b>	<b>244</b>	<b>5,427</b>	<b>5,427</b>
Central administration				-200	-200
Profit from joint ventures/associated companies <sup>1)</sup>				1,108	1,108
Financial income				132	132
Financial costs				-1,180	-1,069 <sup>2)</sup>
<b>Profit from property management before dividend</b>				<b>5 286</b>	<b>5 397</b>
per Class A and B ordinary share				3.64	3.71
Profit from synergies with Amasten				50	50
Dividend hybrid bonds				-493	-493
Dividend Class D shares				-388	-388
Profit attributable to minority interests				-88	-88
<b>Profit from property management attributable to ordinary shareholders</b>				<b>4,368</b>	<b>4,479</b>
per Class A and B ordinary share				3.00	3.08

1) See table below.

2) Adjusted for non-long-term surplus liquidity held by the Group at the end of the period with an estimated average interest rate of 1.24 percent, which is the weighted average in the debt portfolio as of 30 March 2022.

### Contributing to earnings capacity

	Joint ventures				Associated companies					Financial investments
	Hemvist	Svenska Myndighets-byggnader AB	Public Property Invest AS	Other joint ventures	Solon Eiendom	Origa Care	Publicus	JM	Preservium Property	Other
Shareholding, SBB	50.0%	50.0%	48.4%	50.0%	49.5%	34.7%	31.9%	27.7%	35.4%	-
Profit from property management	70	209	268	17	307	25	18	2,158	30	-
Profit from property management attributable to SBB's shareholding	35	147	130	8	152	9	6	610	11	-

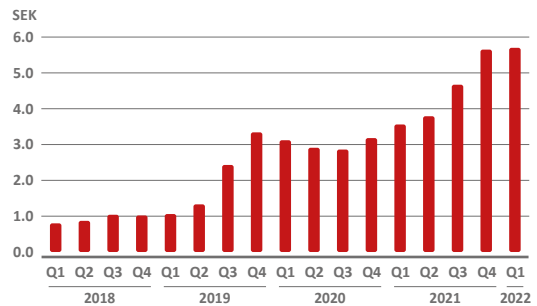
# Appendix 2

## Current earnings capacity, including value-add strategies

### The Group's earnings capacity, including value-add strategies

Amount in SEKm	Total	Adjusted
<b>Profit from property management attributable to ordinary shareholders</b>	<b>4,368</b>	<b>4,479</b>
per Class A and B ordinary share	3.00	3.08
Profit from building rights development and new production	2,500	2,500
Profit from value-generating transactions	400	400
Profit from investments in existing portfolio	1,000	1,000
<b>Adjusted profit from property management to holders of ordinary shares, including value-add strategies</b>	<b>8,268</b>	<b>8,379</b>
per Class A and B ordinary share	5.69	5.76

### Adjusted profit from property management per ordinary A and B share – rolling 12-month



See additional information on our value-add strategies on page 20.

# Appendix 3

## Strategic holdings in joint ventures and associated companies

As part of the company's active portfolio management, SBB invests in joint ventures and associated companies to acquire attractive properties and assets that are not otherwise available on the regular transaction market, to establish additional contact points in the property market and to benefit from strong organizational platforms outside SBB to maintain continued growth in cash flow.

### Svenska Myndighetsbyggnader AB

SMB owns and manages properties for the judiciary, the defence 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 12.4bn  
**Net operating income:** SEK 461m  
**Shareholding:** 50%

### 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 9.1bn  
**Net operating income:** SEK 449m  
**Shareholding:** 48.4%  
**Anticipated dividend SBB 2022:** SEK 85m

### 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 31 March 2022, SBB Kåpan had a property portfolio of 2,692 apartments, of which 1,567 apartments are under production. The remainder of the company is owned by Kåpan Pensioner.



**Property value:** SEK 6.0bn  
**Property value on completion:** SEK 8.2bn  
**Net operating income:** SEK 117m  
**Net operating income on completion:** SEK 270.5m  
**Shareholding:** 50%

### JM AB

JM is one of the Nordics' leading project developers of residentials and residential areas. The company has building rights at its disposal for some 35,600 apartments and some 8,094 homes currently in production.



**Company value<sup>1)</sup>:** SEK 37.1bn  
**Profit before tax 2021:** SEK 2,158m  
**Shareholding:** 27.7%  
**Anticipated dividend SBB 2022:** SEK 260m

1) Market cap + debt

### Heba Fastighets AB

Heba is a long-term and experienced property owner that develops, owns and manages residentials and community service properties in the Stockholm region, Uppsala and the Mälardalen valley. Not classified as an associated company as SBB does not control a sufficient number of votes. SBB does, however, control 22 percent of the capital.



**Property value:** SEK 13.5bn  
**Net operating income:** SEK 274m  
**Participation:** 22%  
**Anticipated dividend SBB 2022:** SEK 29m

### Solon Eiendom ASA

JM is one of the Nordics' leading project developers of residentials and residential areas. The company has building rights at its disposal for some 8,300 apartments and some 820 homes currently in production. The remainder of the company is owned by OBOS.



**Company value<sup>1)</sup>:** SEK 8.6bn  
**Profit before tax 2021:** SEK 293m  
**Shareholding:** 49.5%

1) Market cap + debt



## 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:** 35.4%  
**Anticipated dividend SBB 2022:** SEK 11m

## 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:** 32%  
**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 8.4 years.



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

## Other joint ventures and associated companies

In addition to the aforementioned major joint ventures and associated companies, SBB also has a number of smaller collaborations, primarily in the Mälardalen region.



**Property value:** SEK 1.0bn  
**Net operating income:** SEK 19m  
**Shareholding:** 50%

## Property development collaborations with listed companies

**Genoa** – development of residentials in Nacka and Lidingö.  
*No. m<sup>2</sup> GFA – 70,000 m<sup>2</sup>. SBB's participation – 50%*

**KlaraBo** – a number of jointly owned projects for the development of rental apartments in growth locations.  
*No. m<sup>2</sup> GFA – 67,000 m<sup>2</sup>. SBB's participation – 40%*

**K2A (Västerås)** – development of a new police station in Västerås with a 15-year lease.  
*No. m<sup>2</sup> GFA – 40,000 m<sup>2</sup>. SBB's participation – 50%*

**K2A (Uppsala)** – development of residentials in Uppsala.  
*No. m<sup>2</sup> GFA – 25,000 m<sup>2</sup>. SBB's participation – 50%*

**Titania** – development of residentials in Haninge and Botkyrka.  
*No. m<sup>2</sup> GFA – 25,000 m<sup>2</sup>. SBB's participation – 50%*

**Oscar Properties** – development of residentials in Karlskrona.  
*No. m<sup>2</sup> GFA – 17,000 m<sup>2</sup>. SBB's participation – 50%*

## Property development collaborations

**Magnolia** – a number of jointly owned projects for the development of properties for social infrastructure with a focus on the Stockholm region.  
*No. m<sup>2</sup> GFA – 145,000 m<sup>2</sup>. SBB's participation – 50%*

**Nyköping Stenbäret** – Development of a centrally located development property in Nyköping.  
*No. m<sup>2</sup> GFA – 100,000 m<sup>2</sup>. SBB's participation – 50%*

**P&E** – development of residentials in Kalmar and Växjö.  
*No. m<sup>2</sup> GFA – 63,000 m<sup>2</sup>. SBB's participation – 37.5%*

**Sveaviken** – development of residentials in the Mälardalen valley.  
*No. m<sup>2</sup> GFA – 48,000 m<sup>2</sup>. SBB's participation – 50%*

**Bokoop** – Development of cooperative rent regulated residentials throughout Sweden.  
*No. m<sup>2</sup> GFA – 36,000 m<sup>2</sup>. SBB's participation – 50%*

**Källtorp Project Development** – development of residentials and community service properties in the Gothenburg region.  
*No. m<sup>2</sup> GFA – 33,000 m<sup>2</sup>. SBB's participation – 50%*

**Aspelin Ramm (Gardermoen)** – development of property adjacent to Gardermoen Airport and Gardermoen Hospital (owned by SBB).  
*No. m<sup>2</sup> GFA – 30,000 m<sup>2</sup>. SBB's participation – 65%*

**Aspelin Ramm (Gothenburg)** – development of SKF's former head office in central Gothenburg.  
*No. m<sup>2</sup> GFA – 25,000 m<sup>2</sup>. SBB's participation – 50%*

**Bolivo** – projects for the development of secure accommodation throughout Sweden.  
*No. m<sup>2</sup> GFA – 17,000 m<sup>2</sup>. SBB's participation – 50%*

**Idun** – Development of residentials and community service properties in the Mälardalen region.  
*No. m<sup>2</sup> GFA – 16,000 m<sup>2</sup>. SBB's participation – 50%*

**Centria** – Development of residentials in Täby.  
*No. m<sup>2</sup> GFA – 10,000 m<sup>2</sup>. SBB's participation – 50%*

# Appendix 4

## 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 changes in value can vary greatly between years and quarters and lead to volatile results. For a long-term player with a stable cash flow and a well-composed real estate portfolio, the long-term change in value (or in the absence of this, the long-term average inflation rate) can therefore be used to adjust the numerator in the equation. Given our short history, SBB has chosen to use the inflation average for the preceding ten years.

	Profit from recurring revenue streams = SEK 2,000m			Profit from recurring revenue streams = SEK 2,500m		
	Change in value			Change in value		
	-1% unit		+1% unit	-1% unit		+1% unit
Profit from property management rolling 12-month	5,286	5,286	5,286	5,286	5,286	5,286
Profit target, recurring revenue streams	2,000	2,000	2,000	2,500	2,500	2,500
Change in value of property (inflation average 10 years)	1,748	159	3,337	1,748	159	3,337
D:o %	1.10%	0.10%	2.10%	1.10%	0.10%	2.10%
Current tax, 10%	-529	-529	-529	-529	-529	-529
Profit after tax	8,506	6,916	10,095	9,006	7,416	10,595
Profit SEK/share	5.85	4.76	6.94	6.19	5.10	7.29
Return on long-term net asset value	12.36%	10.05%	14.68%	13.09%	10.78%	15.40%
Profit/share price	13.85%	11.26%	16.43%	14.66%	12.07%	17.25%
P/E	7	9	6	7	8	6



Samhällsbyggnadsbolaget

## Upcoming report dates

Interim report Q2 2022 **14-07-2022**

Interim report Q3 2022 **27-10-2022**

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