



Samhällsbyggnadsbolaget



SAMHÄLLSBYGGNADSBOLAGET
I NORDEN AB (PUBL)

JANUARY-JUNE 2022

Q2

Summary of period

First halfyear

The period in brief

- Rental income increased by 34 percent to SEK 3,709m (2,776).
- The operating surplus increased by 30 percent to SEK 2,443m (1,877).
- Cashflow from operating activities before changes in working capital was SEK 1,789m (1,139).
- Profit before tax decreased to SEK 860m (10,059), of which:
 - Profit from property management is included in the amount of SEK 1,299m (1,442). The profit from property management includes costs for early repayment of loans and other items affecting comparability of SEK -33m (-197).
 - Changes in the values of properties are included in the amount of SEK 1,526m (7,404).
 - Changes in the values of financial instruments are included in the amount of SEK -1,785m (1,221).
- Profit for the period was SEK 218m (9,293) after the deduction of deferred tax of SEK -357m (-661) and current tax of SEK -284m (-105), corresponding to earnings per Class A and B ordinary share of SEK -0.12 (5.94) before dilution.
- The value of the property portfolio amounted to SEK 157.4bn (149.3).
- Long-term net asset value (EPRA NRV) was SEK 62,115m (64,516), corresponding to SEK 42.72 (44.46) per share.

Significant events during the second quarter

- During the quarter, SBB sold properties totalling SEK 6.7bn as a result of its strategy of reducing the company's borrowing.
- In June, SBB issued its first unsecured Schuldschein financing in Euro amounting to EUR 43m. The financing was priced at a three-year interest rate of Euribor plus 145 basis points and a five-year interest rate of Euribor plus 170 basis points.
- SBB received a top ESG rating from Sustainalytics in the annual rating update. SBB's ESG risk is classified as low (10.7 on a scale from 0 to 50 where the limit for negligible is at 10) and risk management is considered to be strong.
- In June, SBB sold its owner loan in Svenska Myndighetsbyggnader Holding AB for SEK 1,465m to Kåpan Tjänstepensionsförening. The amount corresponds to 93.91 percent of the nominal value. Furthermore, the parties have agreed that the ambition is for Kåpan Tjänstepensionsförening to acquire SBB's share in the joint venture by 31 December this year.
- In June, Fitch Ratings confirmed SBB's investment grade rating BBB-. Fitch confirms its rating with a positive outlook.
- SBB has offered 300 young people summer jobs in SBB.

Significant events following the end of the quarter

- SBB sold 25 percent of the shares in Solon Eiendom Holding AS, which in turn owns Solon Eiendom AS, to OBOS. Until the sale, Solon Eiendom Holding AS was a jointly owned company between SBB and OBOS.
- In July, S&P confirmed SBB's investment grade rating BBB- and revised the outlook to negative.
- On 8th July, SBB divested 23 properties in Finspång Municipality at an agreed property value of SEK 1,350m before deduction of deferred tax, which is in line with book value. The buyer was Gladheim Fastigheter AB.
- SBB has, on 13th July, successfully priced its inaugural US Private Placement ("USPP") transaction with US-based purchasers. The social USPP was executed in two fixed rate senior unsecured tranches with a maturity of five and ten years, respectively. The new USPP was priced with a spread to maturity of Treasuries plus 325 bps and Treasuries plus 350 bps, respectively.

SEK 157.4bn

Property value
30 June 2022

SEK 3,709m

Rental income
January-June 2022

SEK 218m

Profit for the period
January-June 2022

SEK 1,789m

Cash flow from operating activities
January-June 2022

SEK -0.12/SHARE

Earnings per share
30 June 2022

1.46%

Average interest rate
30 June 2022

SBB key ratios

	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Property-related key ratios					
Market value of properties, SEKm	157,400	116,845	157,400	116,845	149,335
Number of properties	2,537	1,902	2,537	1,902	2,241
Number of sq.m., thousands	5,502	4,943	5,502	4,943	5,425
Surplus ratio, %	66	68	69	70	68
Yield, %	3.8	4.1	3.8	4.1	3.8
Economic letting ratio, %	95.1	93.9	95.1	93.9	94.1
Average contract length of community service properties, years	11	9	11	9	11
Financial key ratios					
Rental income, SEKm	3,709	2,776	1,878	1,451	5,930
Net operating income, SEKm	2,443	1,877	1,290	1,019	4,047
Profit for the period, SEKm	218	9,293	-2,721	6,558	25,601
Cash flow from operating activities before changes in working capital, SEKm	1,789	1,139	1,045	750	2,459
Equity excluding non-controlling interest, SEKm	59,323	43,768	59,323	43,768	62,148
Return on equity, %	0.3	16.2	neg	10.9	38.0
Loan-to-value ratio, %	46	37	46	37	40
Secured loan-to-value ratio, %	19	9	19	9	12
Equity ratio, %	40	41	40	41	43
Adjusted equity ratio, %	45	44	45	44	47
Non-pledged quota, multiple	2.91	2.71	2.91	2.71	2.78
Interest-coverage ratio, multiple	5.6	4.8	-	-	5.5
Equity-related key ratios					
Current net asset value (EPRA NTA), SEKm	54,251	35,566	54,251	35,566	57,354
Current net asset value (EPRA NTA), SEK/share	37.31	25.08	37.31	25.08	39.52
Current net asset value (EPRA NTA) after dilution, SEK/share	37.30	25.08	37.30	25.08	39.52
Long-term net asset value (EPRA NRV), SEKm	62,115	43,729	62,115	43,729	64,516
Long-term net asset value (EPRA NRV), SEK/share	42.72	30.83	42.72	30.83	44.46
Long-term net asset value (EPRA NRV) after dilution, SEK/share	42.70	30.83	42.70	30.83	44.45
EPRA Earnings, SEKm	459	699	-472	360	2,251
EPRA earnings (EPS), SEK/share	0.32	0.53	-0.32	0.27	1.63
EPRA Earnings after dilution (EPS diluted), SEK/share	0.31	0.53	-0.32	0.27	1.62
EPRA Vacancy Rate	4.9	6.1	4.9	6.1	5.9
Earnings per Class A and B ordinary share, SEK	-0.12	5.94	-1.99	4.05	17.17
Earnings per ordinary D share, SEK	1.00	1.00	0.50	0.50	2.00
Average number of ordinary class A and B shares	1,453,561,788	1,329,972,631	1,454,141,898	1,330,457,517	1,379,982,887
Average number of ordinary D shares	193,865,905	188,754,109	193,865,905	193,557,118	191,331,014
Number of ordinary class A and B shares	1,454,141,898	1,418,221,851	1,454,141,898	1,418,221,851	1,451,141,898
Number of ordinary D shares	193,865,905	193,865,905	193,865,905	193,865,905	193,865,905

See all definitions and calculations on pages 43-47.

Samhällsbyggnadsbolaget i Norden

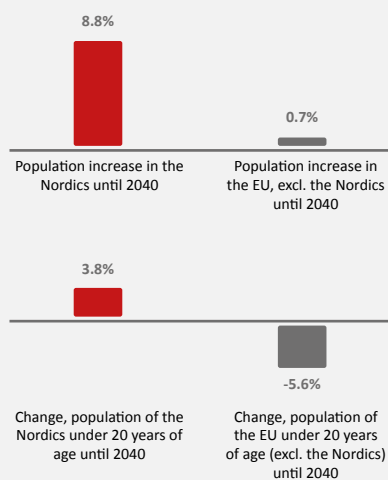
Ilija Batljan founded SBB in March 2016 with the vision of building the best European property company for social infrastructure. The company's strategy is to own, manage and develop community service properties and rent-regulated residential over the long term. The company also aims to actively conduct 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 letting ratio and long lease contracts. Rental income consists of secure, long-term flows, primarily from Nordic central governments/municipalities/county councils and from rent-regulated residential in Sweden. Of the company's income, 98 percent derives from community service properties in the Nordics and Swedish rent-regulated residential properties – 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	2,395	33
Building rights for future rental apartments	78	1
Total, Residential	2,473	34
Elderly care	813	11
LSS	429	6
Building rights for future publicly funded residential	0	0
Total, Publicly funded residential	1,242	17
Education	2,096	29
<i>Preschool</i>	862	12
<i>Compulsory/Upper-secondary school</i>	888	12
<i>University</i>	346	5
Hospitals and health centres	460	6
Central government infrastructure and town halls	410	6
Public offices	306	4
Other	0	0
Building rights for future community service properties	168	2
Total, Community service properties	3,440	47
Total, Social infrastructure	7,154	98
Other	137	2
Total	7,291	100

Driving factors

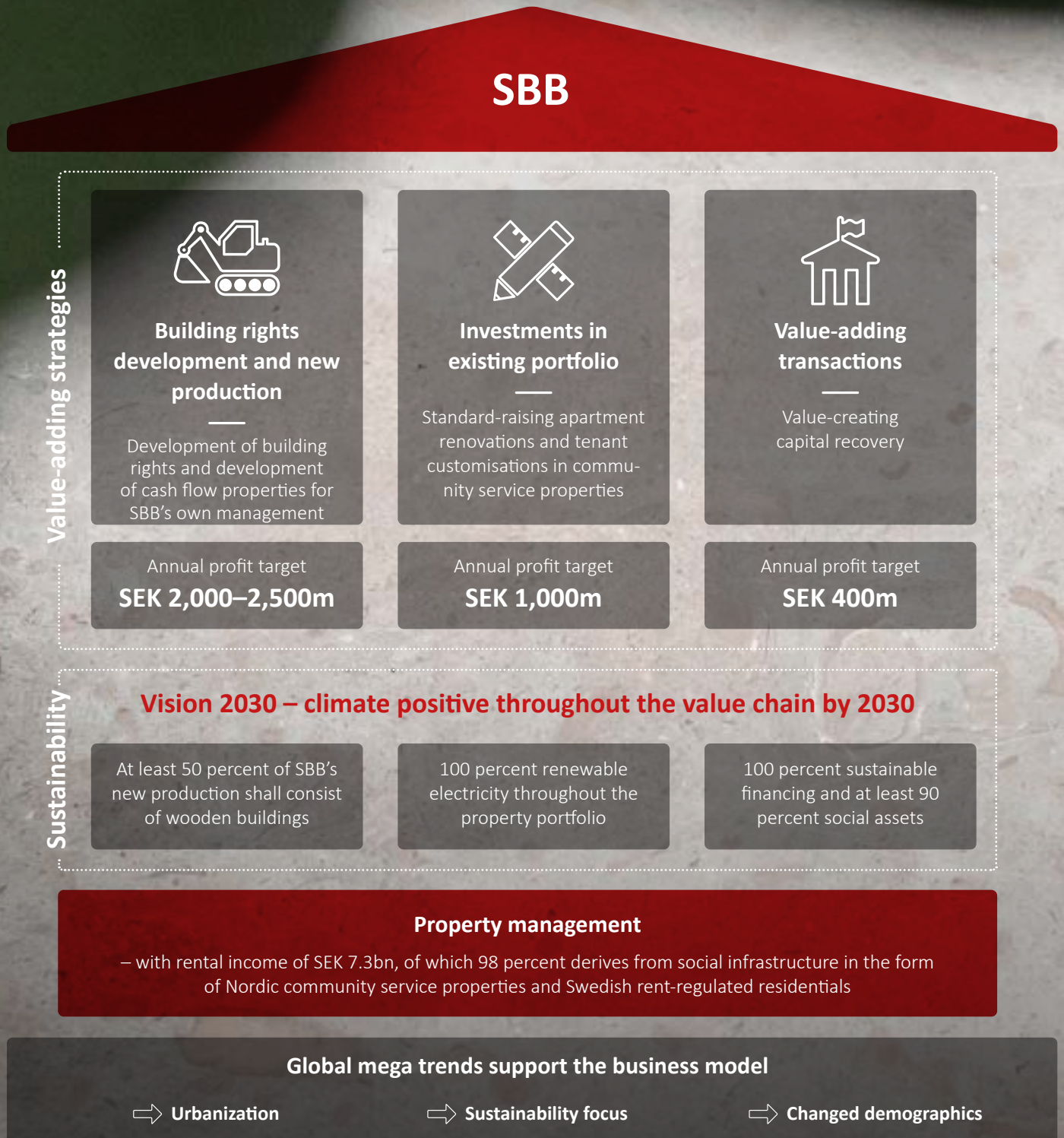


Driving factors

	Why a low risk asset?	Driving force
Rental apartments	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 residentials Q4, 2021 (SEK/m²): 23,234</p> <p>Cost new construction of residentials, incl. land (SEK/m²): 42,870</p>
Education	Preschools, primary schools, upper secondary schools and universities in the Nordics are publicly funded.	<p>Change, population of the Nordics under 20 years of age until 2040: 3.8%</p> <p>Change, population of the EU under 20 years of age (excluding the Nordics) until 2040: -5.6%</p>
Elderly care	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>
LSS	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/m²): 28,114</p> <p>Cost new construction of residentials, incl. land (SEK/m²): 42,870</p>
Hospitals & health care centres	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>
Police and judiciary	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>
Central government infrastructure, town halls and public offices	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

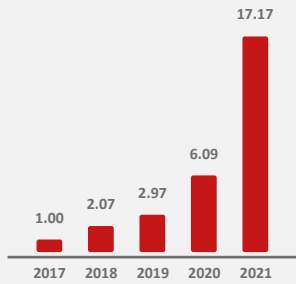
The business model builds on managing the world's most secure assets and complementing this with three value-adding strategies with the potential to generate value within Building rights development and new production, Investments in existing portfolios and value-generating transactions. Through its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



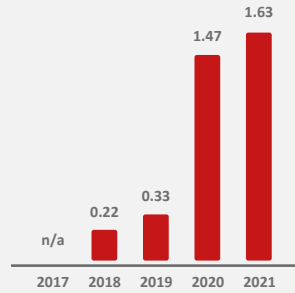
Focus on delivery

- Earnings per ordinary Class A and B 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 (negative/positive outlook) and BBB (stable outlook) from Scope.

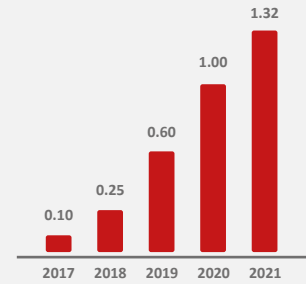
Earnings per Class A and B ordinary share, SEK



EPRA earnings (EPS), SEK/share



Dividend per Class A and B ordinary share, SEK

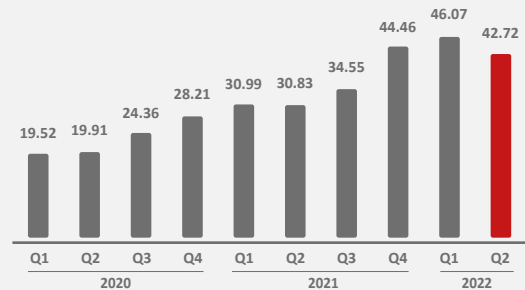


Growth potential

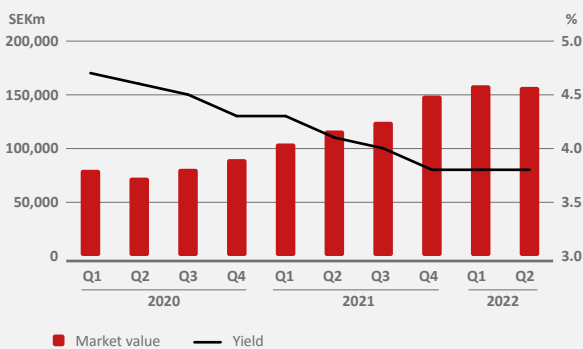
Europe's leading property developer
(number of apartments)



EPRA NRV - per Class 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 owns properties that are needed 365 days, 24 hours a day. Our secure cash flows from property management of social infrastructure are inflation-hedged and are based on an 11-year average contract length for our community service properties in the Nordic region and stable rent regulated Swedish tenancies with low rents. During the second quarter, our operating net landed at SEK 1,290 million. Net operating income during the first half of 2022 increased from SEK 1,877 million to SEK 2,443 million, an increase of 30 percent. We also deliver a very strong interest coverage ratio of 5.6 times. Cash flow from operating activities before changes in working capital in the first half of 2022 increased from SEK 1,139 million to SEK 1,789 million, an increase of 57 percent. Our adjusted property management result adjusted for non-cash flow exchange rate changes, non-recurring costs and changes in value and tax in the JV business was 2,139 for the first half of the year and 1,024 for the second quarter.

It is no secret that our holdings in listed assets have decreased in value and that the entire market is worried about higher construction and financing costs, which in turn affects our building rights and project operations. In addition, the Swedish housing market is increasingly described in crisis terms. Although we believe that Swedish rent regulated residential are among the world's safest assets, we must in such a situation do what is necessary to strengthen our balance sheet. We have been clear that we will carry out sales for at least a net SEK 10 billion during April-December 2022. We will continue to sell assets until we have received a BBB rating. We have secure inflation-hedged assets, knowledgeable and motivated employees and we must ensure that we deliver a secure balance sheet.

Inflation-secured rental income - strong increase in rental income during the first half of the year, exceeds base inflation by 1.3 percent

SBB's rental income is linked to the CPI and thus hedged by inflation. The relatively high inflation in the Nordic region means a stronger growth of the company's rental income for 2022 and above all a strong rental growth in 2023. Given SBB's active work with property management and property development, our internal goal is that our average annual increase in rental income in comparable holdings exceed the CPI by 100 basis points. We have exceeded the target every year since the company was started and the average outcome of the 12-month rolling for the past three years is on average about 1.2 percent above the CPI. During the first half of 2022, we have exceeded this. Rental income in comparable portfolio (like for like) increased by 4.1 percent during the first quarter, corresponding to 1.3 percent above base inflation. The increase in



operating net in comparable portfolio (like for like) was, despite a relatively cold first half year, a strong 3.5 percent. SBB is a safe asset even in times of high inflation. The almost automatic indexing delivers a strong increase in income every year. Inflation was 7.2 percent in Sweden and 7.0 percent in Finland in May.

Inflation in June was 8.2 percent in Denmark and 6.3 percent in Norway. All other things being equal, this means that if inflation remains constant at these levels our revenues could increase by SEK 400-500 million next year.

Sales with a focus on a stronger balance sheet

We have sold properties with a property value of SEK 9.5 billion. This can be compared with a book value for corresponding properties of SEK 9.3 billion. The net amount after deduction of deferred tax was SEK 9.2 billion. Our property values are marginally affected despite the crisis and inflation-adjusted rental income clearly dampens any changes in yields. Our properties are needed and that is also why they are so liquid.

Property sales April-July 2022	SEKm
Total property value	9,503
Deduction for deferred tax	-326
Net after deduction of deferred tax	9,177
Booked value	9,275

SBB intends to systematically reduce the proportion of JV operations through divestments of JV and the divestments of financial investments in order to strengthen the balance sheet, increase transparency and focus on core operations.

Currency effects

Amortizing short-term debt and focusing on extending both fixed interest and capital tied up is an important priority. This is also why, during a volatile market, we have chosen not to use our cash to fully hedge our long-term currency exposure. Just for the reader to understand the proportions. Change in value as a result of the change in the Euro exchange rate since the balance sheet date for Q2 against yesterday's exchange rate corresponds to an unrealized positive change in value of SEK 300 million, ie almost half of the reported unrealized exchange rate difference.

Fixed interest is an insurance premium for times like these

SBB had an average interest rate of 1.46 percent at the end of the first half of the year. 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. Simply put, we have paid a premium to let inflation do the work. At the end of Q2, our fixed interest rate was 3.2 years. This means that it takes some time

before higher interest rates have an effect on SBB's earnings and thus have time to be offset by inflation-adjusted rental income. We will thus be able to continue to deliver a strong interest coverage ratio.

Sustainability

SBB aims to be climate-positive throughout the entire value chain by 2030. The prioritised work in sustainability has yielded results in the form of an improved ESG risk rating. During the quarter, Sustainalytics assessed SBB's ESG risk as very low (10.7, the limit for negligible risk is 10) and the risk management is considered to be strong. SBB is thus at the top among comparable companies based on market capitalisation.

SBB runs the largest certification project ever according to Miljöbyggnad iDrift. A number of different property types will be certified, including schools, housing and community service properties around the country. The hope is that the project will be a positive example for other players with large property holdings. The certification is developed specifically to effectively adjust and sustainability adjust large, existing volumes of properties.

SBB has also initiated an extensive project together with Smartvatten in order to measure and analyse water use by the minute and will thus be able to quickly and automatically detect leakage and abnormal water use.

Several projects involving solar cells, heat pumps, additional insulation and the smart connection of properties are underway in all of SBB's markets. The situation in Europe's energy market makes the importance of running projects to reduce energy use and add new capacity for renewable electricity production even clearer. Energy is now a matter of both the environment, the economy and security. SBB's analysis is that climate change will require a sharp reduction in energy use in all property types. This is included as an obvious part of the climate risk analysis at property level that SBB conducts every year. SBB's ongoing energy project has a total potential to reduce the need for supplied energy by more than 8 percent. And we will not stay there.

SBB has a strong focus on children and young people in its sustainability work. During the summer of 2022, 300 young people will work at SBB in the summer - for every permanent employee in the administration, a young summer worker

” A strong delivery regarding net operating income and cash flows shows that we are on the right path to becoming even stronger tomorrow than today.

will also be employed. Working in the summer provides an opportunity to grow as a person, take responsibility and have new relationships both in working life and privately. In April, the Annual General Meeting decided to donate SEK 50 million to the UNHCR's work in Ukraine in accordance with the Board's proposal. The donation will enable people fleeing the war in Ukraine to be afforded shelter, protection, security, integrity, comfort and health.

Prospects

SBB has good cooperation with the leading Nordic banks. The latest bank loan we entered into was in early July. At the same time, SBB will always be a player in the bond market. Our bond maturity over the next 12 months is approximately SEK 3.7 billion and the first SEK 0.5 billion has already been redeemed. These bond maturities can be paid off with existing liquidity. This week, SBB announced its first USD 100 million 5 and 10 year unsecured US Private Placement ("USPP"). Together with the Schuldschein financing issued by SBB in June, the USPP transaction is a further step in the company's efforts to diversify its sources of financing and demonstrates strong continued access to the global capital markets. Diversification and access to different capital markets and different sources of financing are central to being best prepared for a world with significantly changed liquidity in the capital markets.

This was a quarter in a time marked by market unrest and war in our immediate vicinity. At the same time, we managed to deliver a strong operating net and secure cash flows, where cash flows from operating activities

before changes in working capital in the first half of 2022 increased by 57 percent. SBB has full focus on its core business of delivering needed social infrastructure. We must also be humble in the face of the fact that the world changed on 24 February this year. We cannot do much about it. However, what we can always influence is to always be prepared to learn from our mistakes and work to get a little better every day. A strong delivery regarding operating net and cash flows shows that we are on the right path to becoming even stronger tomorrow than today. We can assure our shareholders and our credit investors that we will do everything necessary to get a better rating. Given the measures taken and planned, we also find no reason to reconsider our current dividend decision.

Ilija Batljan, Founder and CEO

Consolidated income statement

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Rental income	3,709	2,776	1,878	1,451	5,930
Operating costs	-804	-552	-349	-249	-1,114
Maintenance	-175	-141	-90	-78	-322
Property administration	-218	-145	-115	-72	-317
Property tax	-69	-61	-34	-33	-130
Net operating income	2,443	1,877	1,290	1,019	4,047
Central administration	-277	-200	-213	-137	-290
Acquisition, restructuring and other costs affecting comparability	-30	-29	-17	-26	-86
Profit from associated companies/joint ventures	358	398	-76	154	2,814
- of which profit from property management	397	149	83	-98	410
- of which value changes	88	336	-106	336	3,095
- of which tax	-127	-87	-53	-84	-691
Profit before financial items	2,494	2,046	984	1,010	6,485
Profit from financial items					
Interest income and similar items	157	157	94	109	274
Interest expenses and similar items	-605	-507	-293	-269	-1,011
Expenses for redeemed loans in advance	-3	-168	-	-128	-155
Translation gains/losses	-732	-74	-925	111	118
Leasing costs	-12	-11	-7	-5	-21
Profit from property management	1,299	1,442	-147	827	5,690
Changes in value, property	1,526	7,404	-836	5,071	21,360
Dissolution of goodwill after property sales	-192	-8	-192	-14	-252
Results, production of residentials	12	-	7	-	9
Changes in the value of financial instruments	-1,785	1,221	-1,444	1,058	2,487
Profit before tax	860	10,059	-2,612	6,942	29,294
Tax for the year	-284	-105	-152	-13	-247
Deferred tax	-549	-669	-148	-385	-3,698
Dissolution of deferred tax goodwill	192	8	192	14	252
PROFIT FOR THE PERIOD	218	9,293	-2,721	6,558	25,601
<i>Profit for the period attributable to:</i>					
Parent Company shareholders (incl. hybrid bonds)	258	8,451	-2,668	5,726	24,583
Non-controlling interest	-40	842	-53	832	1,018
PROFIT FOR THE PERIOD	218	9,293	-2,721	6,558	25,601
Earnings per ordinary Class A and B shares before dilution	-0.12	5.94	-1.99	4.05	17.17
Earnings per ordinary Class A and B shares after dilution	-0.12	5.94	-1.99	4.05	17.03
Profit per ordinary D share	1.00	1.00	0.50	0.50	2.00

Consolidated statement of comprehensive income

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Profit for the period	218	9,293	-2,721	6,558	25,601
Share of comprehensive income in associated companies/joint ventures	46	-	31	-	6
Translation gains/losses	-107	726	-1,003	-554	1,120
COMPREHENSIVE INCOME FOR THE PERIOD	157	10,019	-3,693	6,004	26,727
<i>Comprehensive income for the period attributable to:</i>					
Parent Company shareholders (incl. hybrid bonds)	197	9,177	-3,640	5,172	25,709
Non-controlling interest	-40	842	-53	832	1,018
COMPREHENSIVE INCOME FOR THE PERIOD	157	10,019	-3,693	6,004	26,727

Comments on the consolidated income statement

Net operating income

Rental income during the period amounted to SEK 3,709m (2,776) and for the quarter SEK 1,878m (1,451). In a comparable portfolio, rental income increased by 4.1 percent compared with the corresponding period in the preceding year. Of the rental income, SEK 2,370m pertained to community service properties, SEK 1,208m to residentials, and SEK 131m to other properties. The economic letting ratio at the end of the period was 95.1 percent (93.9). The average contract length for community service properties was 11 years (9). Property expenses during the period amounted to SEK -1,266m (-899) and for the quarter SEK -588m (-432). They mainly consist of tax-related costs, operating and maintenance costs, as well as management administration. In a comparable portfolio, expenses increased by 5.4 percent compared with the corresponding period in the preceding year and most of the increase is related to tariff-based expenses. In a comparable portfolio, net operating income increased by 3.5 percent.

Profit from property management

In total, the period's costs for central administration amounted to SEK -277m (-200) and for the quarter SEK -213m (-137). The central administration costs include costs for business development, transactions, property development and financial management. The quarter's costs include bonus for employees amounting to SEK 120m (76). Profit from associated companies and joint ventures was SEK 358m (398) for the period and SEK -76m (-154) for the quarter. The profit is largely attributable to Svenska Myndighetsbyggnader Holding AB and JM AB (publ), which contributed SEK 382m and SEK 196m, respectively, to consolidated profit for the period and SEK 196m respectively SEK 71m for the quarter. See further information on page 50.

Net financial items for the period amounted to SEK -1,195m (-604) and for the quarter SEK -1,131m (-182). 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 related to restructuring in an amount of SEK -30m (-29) for the period and SEK -17m (-26) for the quarter. The financial costs include costs affecting comparability for early redemption of expensive loans by SEK -3m (-168) for the period and SEK 0m (128) for the quarter.

Exchange rate differences of SEK -732m (-74) for the period and SEK -925m (111) for the quarter, 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

The value changes for the properties during the period amounted to SEK 1,526m (7,404) of which SEK -12m (263) comprised realized value changes and SEK 1,538m (7,141) comprised unrealized value changes. Our value-add strategies have together contributed half of the value change. This includes project and property development together with apartment renovations where SBB has renovated 571 apartments during the period, made investments in the existing portfolio and produced residentials in Skellefteå, Umeå and Stockholm, among others cities. The remaining part of the change in value for the period is explained by rental development through the external values' higher inflation assumptions for 2022 and 2023, renegotiations of existing leases and newly signed leases that result in higher net operating income. Value changes for financial instruments amounted to SEK -1,785m (1,221). The item mainly comprises unrealized changes in the value of financial investments in shares of SEK -2,065m (857) and is due to negative development of the portfolio's underlying shares.

Profit after tax for the period amounted to SEK 218m (9,293) and SEK -2,721m (6,558) for the quarter. Tax on the profit for the period was SEK -833m (-774), of which SEK -284m (-105) pertained to current tax and SEK -357m (-661) pertained to deferred tax related to properties and tax-loss carryforwards. The relatively high tax is largely due to the fact that unrealized changes in value for financial investments in shares and other securities are not tax deductible.

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 analyse the business, as well as on the data obtained on which to base strategic decisions.

Period 01-01-2022 – 30-06-2022	Community service properties	Residential properties	Other properties	Total segments	Group items and adjustments	Group total
Rental income	2,370	1,208	131	3,709	-	3,709
Property costs	-593	-615	-58	-1,266	-	-1,266
Net operating income	1,777	593	73	2,443	-	2,443
Central administration					-277	-277
Acquisition and restructuring costs					-30	-30
Profit from associated companies/joint ventures					358	358
Profit before financial items					51	2,494
Interest income and similar items					157	157
Interest expenses and similar items					-1,352	-1,352
Profit from property management					-1,144	1,299
Changes in value of investment properties	1,931	-521	116	1,526	-	1,526
Dissolution of goodwill upon property sale					-192	-192
Profit from development of residentials					12	12
Changes in the value of financial instruments					-1,785	-1,785
Profit before tax					-3,109	860
Tax					-641	-641
Profit for the period	3,709	71	189	3,969	-3,751	218
Investment properties (SEKm)	93,312	56,589	7,499	157,400		
Investments (SEKm)	1,148	1,350	56	2,554		
Value per sq.m. (SEK)	31,067	27,409	17,293	28,608		
Surplus ratio (%)	75%	49%	55%	66%		

Period 01-01-2021 – 30-06-2021	Community service properties	Residential properties	Other properties	Total segments	Group items and adjustments	Group total
Rental income	2,173	444	159	2,776	-	2,776
Property costs	-589	-231	-79	-899	-	-899
Net operating income	1,584	213	80	1,877	-	1,877
Central administration					-200	-200
Acquisition and restructuring costs					-29	-29
Profit from associated companies/joint ventures					398	398
Profit before financial items					169	2,046
Interest income and similar items					157	157
Interest expenses and similar items					-760	-760
Profit from property management					-434	1,442
Changes in value of investment properties	3,005	4,276	123	7,404	-	7,404
Dissolution of goodwill upon property sale					-8	-8
Changes in the value of financial instruments					1,221	1,221
Profit before tax					779	10,059
Tax					-766	-766
Profit for the period	4,589	4,489	203	9,280	13	9,293
Investment properties (SEKm)	81,863	28,020	6,962	116,845		
Investments (SEKm)	781	740	176	1,697		
Value per sq.m. (SEK)	24,862	23,227	15,696	23,641		
Surplus ratio (%)	73%	48%	50%	68%		

Period 01-04-2022 – 30-06-2022	Community service properties	Residential	Other properties	Total segments	Group items and adjustments	Group total
Rental income	1,204	607	67	1,878	-	1,878
Property costs	-278	-283	-27	-588	-	-588
Net operating income	926	324	40	1,290	-	1,290
Central administration					-213	-213
Acquisition and restructuring costs					-17	-17
Profit from associated companies/joint ventures					-76	-76
Profit before financial items					-306	984
Interest income and similar items					94	94
Interest expenses and similar items					-1,225	-1,225
Profit from property management					-1,437	-147
Changes in value of investment properties	274	-1,079	-31	-836	-	-836
Dissolution of goodwill upon property sale					-192	-192
Profit from development of residential					7	7
Changes in the value of financial instruments					-1,444	-1,444
Profit before tax					-3,066	-2,612
Tax					-108	-108
Profit for the period	1,200	-755	9	454	-3,174	-2,721
Investment properties (SEKm)	93,312	56,589	7,499	157,400		
Investments (SEKm)	575	788	37	1,400		
Value per sq.m. (SEK)	31,067	27,409	17,293	28,608		
Surplus ratio (%)	77%	53%	60%	69%		

Period 01-04-2021 – 30-06-2021	Community service properties	Residential	Other properties	Total segments	Group items and adjustments	Group total
Rental income	1,136	221	93	1,451	-	1,451
Property costs	-285	-104	-44	-432	-	-432
Net operating income	852	117	49	1,019	-	1,019
Central administration					-137	-137
Acquisition and restructuring costs					-26	-26
Profit from associated companies/joint ventures					154	154
Profit before financial items					-9	1,010
Interest income and similar items					109	109
Interest expenses and similar items					-292	-292
Profit from property management					-192	827
Changes in value of investment properties	717	4,227	127	5,071	-	5,071
Dissolution of goodwill upon property sale					-14	-14
Changes in the value of financial instruments					1,058	1,058
Profit before tax					852	6,942
Tax					-384	-384
Profit for the period	1,569	4,344	176	6,089	468	6 558
Investment properties (SEKm)	81,863	28,020	6,962	116,845		
Investments (SEKm)	324	437	98	859		
Value per sq.m. (SEK)	24,862	23,227	15,696	23,641		
Surplus ratio (%)	75%	53%	53%	70%		

Consolidated balance sheet

Amounts in SEKm	30-06-2022	30-06-2021	31-12-2021
ASSETS			
Fixed assets			
Intangible assets			
Goodwill	5,874	6,310	6,066
Total intangible assets	5,874	6,310	6,066
Tangible assets			
Investment properties	157,400	116,845	149,335
Land lease agreements	690	594	639
Equipment, machinery and installations	45	47	48
Total tangible assets	158,135	117,486	150,022
Financial fixed assets			
Participations in associated companies/ joint ventures	16,732	7,099	16,373
Receivables from associated companies/ joint ventures	2,751	2,264	3,885
Derivatives	1,217	160	547
Financial fixed assets at fair value	2,671	1,534	4,530
Other long-term receivables	69	286	207
Total financial fixed assets	23,440	11,344	25,542
Total fixed assets	187,449	135,140	181,630
Current assets			
Properties held for sale	174	-	279
Current receivables			
Accounts receivable	95	67	219
Other receivables	2,563	2,318	1,959
Prepaid expenses and accrued income	670	512	540
Total current receivables	3,328	2,897	2,718
Cash and cash equivalents	4,984	11,880	9,837
Cash investments	413	4,189	53
Total cash and cash equivalents and cash investments	5,397	16,069	9,890
Total current assets	8,899	18,966	12,887
TOTAL ASSETS	196,348	154,106	194,517

Comments

Investment properties

The value of the properties amounted to SEK 157.4bn at 30 June 2022. 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 4.31 percent (4.34) has been used in the valuation. The value of the properties includes SEK 3,945m 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 18-20.

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%	7,199 / -7,237
Discount rate	+/- 0.25% units	-6,585 / 7,449
Yield requirements	+/- 0.25% units	- 6,435 / 7,471

Property portfolio change

Opening fair value 01-01-2022	149,335
Acquisitions	9,747
Investments	2,554
Sales	-6,454
Translation differences	680
Unrealized value changes	1,538
Fair value at end of period	157,400

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 at 30 June 2022, participations in associated companies and joint ventures amounted to SEK 16,732m (16,373) and receivables from associated companies and joint ventures amounted to SEK 2,751m (3,885). Some of the companies conduct property development projects, while other companies own investment properties. The largest holdings are comprised of the companies: Svenska Myndighetsbyggnader AB, SBB Kåpan AB, Public Property Invest AS and JM AB (publ). See further information on page 50.

SBB has reviewed the value of its holding in JM and consider it as a long-term holding with good potential to deliver strong dividends to the owners and in a turbulent market be the player that can continue to create conditions for further value creation for shareholders. SBB's holding in JM is a control item that in all situations would require a relatively large premium in the event of divestment. During SBB's holding period, the share price calculated as a volume-weighted share price was SEK 290. Dividends received by SBB during the holding period of 1 year correspond to approximately SEK 20 per share in dividends incl. repurchases. According to SBB's estimate, we expect that over the next 3 years we will receive a total return on our JM investment corresponding to 25 percent including JM's already announced sales of certain commercial properties. We estimate dividends including repurchases at 20.5 percent, corresponding to SEK 63 per share during the three-year period. Overall, we assess that given the conditions above, there is no reason to write down the acquisition value of the JM holding.

Consolidated balance sheet

Amounts in SEKm	30-06-2022	30-06-2021	31-12-2021
EQUITY AND LIABILITIES			
Share capital	165	161	165
Other contributed capital	26,588	24,457	26,371
Reserves	48	431	834
Retained earnings, including comprehensive income for the year	32,521	18,718	34,778
Equity attributable to Parent Company shareholders	59,323	43,768	62,148
Hybrid bond	17,338	17,659	17,295
Other reserves	136	-534	-543
Non-controlling interest	2,222	1,854	4,071
Total equity	79,019	62,749	82,971
Long-term liabilities			
Liabilities to credit institutions	34,260	8,601	21,974
Bond loans	51,790	49,177	51,919
Derivatives	623	140	30
Deferred tax liabilities	10,728	7,662	10,428
Leasing liabilities	690	594	639
Other long-term liabilities	304	2,584	292
Total long-term liabilities	98,395	68,757	85,282
Current liabilities			
Liabilities to credit institutions	1,506	4,707	1,758
Commercial papers	4,377	6,974	11,169
Bond loans	3,693	2,873	1,175
Accounts payable	445	208	181
Current tax liabilities	483	210	418
Liability, cash collateral	2,491	-	5,607
Other liabilities	3,837	5,882	3,923
Accrued expenses and prepaid income	2,102	1,745	2,033
Total current liabilities	18,934	22,599	26,264
TOTAL EQUITY AND LIABILITIES	196,348	154,106	194,517

Comments

Goodwill

The goodwill item of SEK 5,874m (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 is considered to be. For reported goodwill of SEK 1,590m, a corresponding amount is recognized under the item deferred tax.

Cash and cash equivalents and cash investments

Cash and cash equivalents amounted to SEK 4,984m (9,837) and cash investments, comprising shares in listed companies, amounted to SEK 413m (53).

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 and 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 30 June 2022, the deferred tax liability amounted to SEK 10,728m (10,428) and is largely attributable to investment properties and tax-loss carryforwards. As of 30 June 2022, the tax-loss carryforwards amounted to SEK 2.5bn.

Interest-bearing liabilities

Interest-bearing liabilities in the Group amounted to SEK 95,626m (87,995) at the end of the period, of which SEK 35,766m (23,732) pertained to liabilities to credit institutions, SEK 55,483m (53,094) pertained to bond loans and SEK 4,377m (11,169) pertained to commercial paper. See further under the section Financing on page 27.

Consolidated changes in equity

Amounts in SEKm	Equity attributable to Parent Company shareholders						Hybrid bond	Other reserves ¹⁾	Non-controlling interest	Total equity
	Share capital	Other capital contributions	Reserves ¹⁾	Retained earnings	Total					
Opening equity, 01-01-2021	150	24,102	-213	12,826	36,865	15,096	-616	412	51,756	
Profit for the period	-	-	-	8,092	8,092	359	-	842	9,293	
Other comprehensive income	-	-	644	-	644	-	82	-	726	
Comprehensive income for the period	-	-	644	8,092	8,736	359	82	842	10,019	
New share issue	2	416	-	-	418	-	-	-	418	
Issue hybrid bonds	-	-	-	-	-	4,994	-	-	4,994	
Issue warrants	-	58	-	-	58	-	-	-	58	
Acquired hybrid bond	-	-	-	-	-	281	-	-	281	
Redemption of preference shares	-	-15	-	-5	-20	-	-	-	-20	
Redemption of part of hybrid bond	-	-	-	-291	-291	-2,793	-	-	-3,084	
Redemption/conversion of mandatory convertible	9	-107	-	-	-98	-	-	-	-98	
Tax effects equity	-	3	-	-	3	80	-	-	83	
Dividend	-	-	-	-1,788	-1,788	-359	-	-	-2,147	
Acquired minority interests	-	-	-	-	-	-	-	2,019	2,019	
Redeemed minority interests	-	-	-	-115	-115	-	-	-1,418	-1,533	
Total equity 30-06-2021	161	24,457	431	18,718	43,768	17,659	-534	1,854	62,749	
Profit for the period	-	-	-	15,995	15,995	137	-	176	16,308	
Other comprehensive income	-	-	403	6	409	-	-9	-	400	
Comprehensive income for the period	-	-	403	16,001	16,404	137	-9	176	16,708	
New share issue	3	1,916	-	-	1,919	-	-	-	1,919	
Issue hybrid bonds	-	-	-	-	-	-19	-	-	-19	
Acquired hybrid bond	-	-	-	-	-	24	-	-	24	
Redemption of part of hybrid bond	-	-	-	137	137	-317	-	-	-179	
Redemption/conversion of mandatory convertible	-	2	-	-28	-26	-	-	-	-26	
Tax effects equity	-	-4	-	-	-4	-51	-	-	-55	
Dividend	-	-	-	-19	-19	-137	-	-	-156	
Acquired minority interests	-	-	-	-	-	-	-	2,087	2,087	
Redeemed minority interests	-	-	-	-32	-32	-	-	-47	-79	
Closing equity, 31-12-2021	165	26,371	834	34,778	62,148	17,295	-543	4,071	82,971	
Opening equity, 01-01-2022	165	26,371	834	34,778	62,148	17,295	-543	4,071	82,971	
Profit for the period	-	-	-	14	14	244	-	-40	218	
Other comprehensive income	-	-	-786	46	-740	-	679 ²⁾	-	-61	
Comprehensive income for the period	-	-	-786	60	-726	244	679	-40	157	
New share issue	-	210	-	-	210	-	-	-	210	
Issue hybrid bonds	-	-	-	-	-	-10	-	-	-10	
Tax issue costs	-	7	-	-	7	53	-	-	60	
Dividend	-	-	-	-2,308	-2,308	-244	-	-	-2,552	
Redeemed minority interests	-	-	-	-9	-9	-	-	-1,809	-1,818	
Closing equity, 30-06-2022	165	26,588	48	32,521	59,323	17,338	136	2,222	79,019	

1) Reserves consist of hedge accounting and translation differences.

2) The amount refers to translation differences regarding hybrid bonds of SEK 679m (-543) and of which non-controlling interest of SEK -1m (-1).

Comments

As of 30 June 2022, equity amounted to SEK 79,019m (82,971). The equity includes issued hybrid bonds with a book value of SEK 17,338m 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 class B ordinary shares for SEK 210m after issue costs that were used as consideration for the acquisition of Odalen Fastigheter AB. Additional shares in Amasten Fastighets AB (publ) were acquired during the period and reduced equity by SEK 1,793m.

The outstanding preference shares in the Norwegian subsidiary Nye Barcode 121 Bido AS was redeemed during the period and reduced equity by SEK 23m. Translation differences in the translation of net assets in subsidiaries in Norway, Finland and Denmark from local currency to SEK amounted to SEK -107m of the change in equity during the period.

The equity ratio was 40 percent (43), the adjusted equity ratio was 45 percent (47) and the loan-to-value ratio was 46 percent (40).

Consolidated cash flow statement, condensed

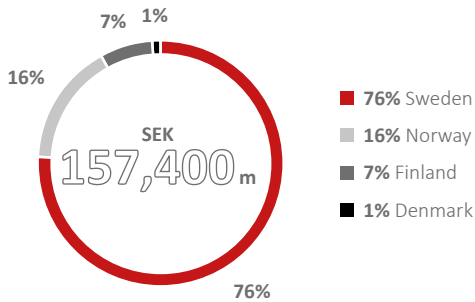
Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021 (restated) ¹⁾	01-04-2022 30-06-2022	01-04-2021 30-06-2021 (restated) ¹⁾	01-01-2021 31-12-2021 (restated) ¹⁾
Operating activities					
Profit from property management	1,299	1,442	-147	827	5,690
<i>Adjustment for non-cash flow items</i>					
Depreciation	2	2	-	-	5
Profit from associated companies/joint ventures	-358	-398	76	-154	-2,814
Dividends from associated companies/joint ventures	292	7	286	7	44
Net interest income	1,195	603	1,131	182	795
Interest paid	-511	-562	-240	-181	-1,285
Interest received	154	149	91	81	271
Paid tax	-284	-105	-152	-13	-247
Cash flow from operating activities before changes in working capital	1,789	1,139	1,045	750	2,459
Cash flow from changes in working capital					
Increase (-)/Decrease (+) of operating receivables	-594	29	-1,125	-1,083	611
Increase (+)/Decrease (-) of operating liabilities	-622	1,645	-1,082	2,144	1,542
Cash flow from operating activities	573	2,813	-1,162	1,811	4,612
Investment activities					
Investments in properties	-2,826	-2,047	-1,483	-1,125	-4,694
Property sales	145	27	67	6	138
Acquisition of Group companies with deduction of acquired cash and cash equivalents	-8,751	-13,188	-2,695	-10,295	-26,883
Divestment of Group companies with deduction of cash and cash equivalents	6,168	6,307	3,992	4,809	17,982
Investments/divestments in equipment, machinery and installations	1	11	9	14	14
Investments/divestments in associated companies/joint ventures	-1,497	-5,270	-1,199	-4,305	-10,706
Change in receivables from associated companies/joint ventures	1,137	-1,434	1,798	-1,339	-3,049
Cash flow from financial assets	1,233	-1,712	725	2,316	-684
Change in other long-term receivables	141	-232	24	7	-54
Cash flow from investing activities	-4,249	-17,538	1,239	-9,912	-27,937
Financing activities					
Issue hybrid bonds	-10	4,994	-1	5,006	4,975
Issue warrants	-	58	-	58	58
Redemption of hybrid bonds	-	-3,378	-	-3,212	-3,533
Redemption of mandatory convertible	-	-98	-	-98	-125
Redemption of preference shares	-	-20	-	-20	-20
Dividend paid	-1,642	-904	-932	-572	-1,846
Redeemed minority interests	-1,818	-1,499	-24	-1,499	-3,811
Borrowings	35,056	29,838	10,706	18,184	61,561
Repayment of loans	-29,741	-17,523	-11,417	-12,215	-42,223
Change in cash collateral	-3,116	-	-2,166	-	5,607
Change in other long-term liabilities	19	1,514	-233	1,965	-1,114
Cash flow from financing activities	-1,252	12,982	-4,067	7,597	19,529
Cash flow for the period	-4,928	-1,743	-3,991	-504	-3,796
Cash and cash equivalents at the beginning of the period	9,837	13,606	8,913	12,415	13,606
Exchange rate change in cash and cash equivalents	75	17	62	-31	27
Cash and cash equivalents at the end of the period	4,984	11,880	4,984	11,880	9,837

1) For further information, see additional information see page 41

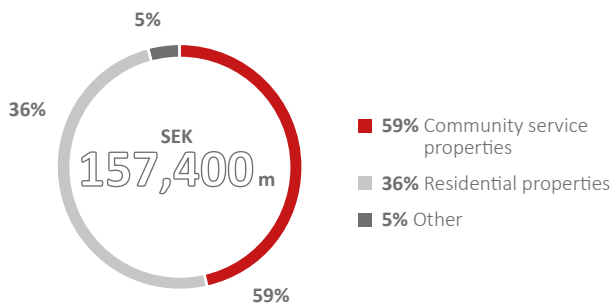
Property portfolio

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.

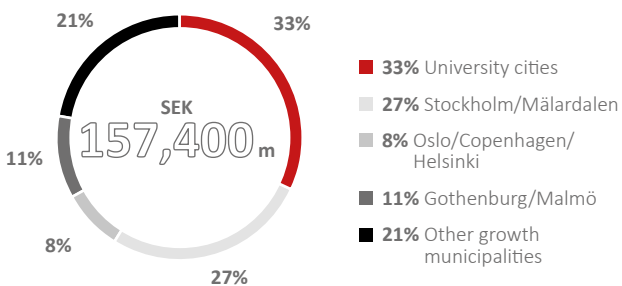
Property value, by country



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



79%

Located in major cities and university regions

98%

Social infrastructure

The community service property portfolio, including publicly funded housing

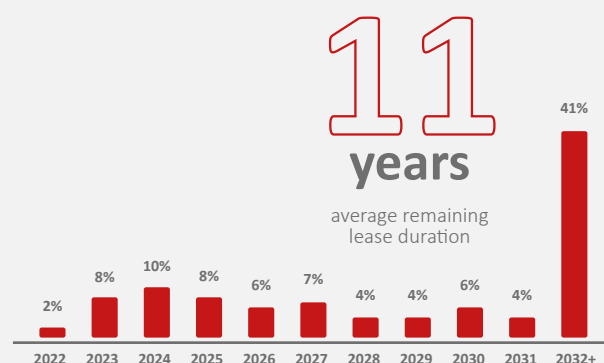
Largest tenants

Tenant	Rental income, rolling 12-month, SEKm	% of total
Læringsverkstedet	294	6.3
Trygge Barnehager AS	267	5.7
Swedish state	223	4.8
Academia	163	3.5
Norwegian state	150	3.2
Attendo	149	3.2
Norwegian National Association for Heart and Lung Diseases	141	3.0
Municipality of Härnösand	125	2.7
Finnish state	123	2.6
Ambea	99	2.1
International English School	96	2.1
Esperi	88	1.9
Municipality of Haninge	83	1.8
Humana	83	1.8
Danish state	66	1.4
Region Västra Götaland	63	1.4
Municipality of Skellefteå	61	1.3
Municipality of Karlskrona	48	1.0
Municipality of Strängnäs	48	1.0
Municipality of Västerås	47	1.0
Total 20 largest tenants	2,416	51.6
Others	2,265	48.4
Total rental income	4,682	100.0

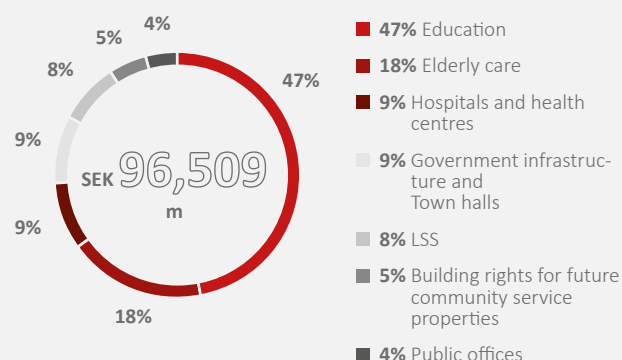
Rental income by area of use

Use	Rental income, rolling 12-month, SEKm	% of total
Education	2,096	44.8
Elderly care	813	17.4
Hospitals and health centres	460	9.8
Central government infrastructure and town halls	410	8.8
LSS	429	9.2
Building rights for future community service properties	168	3.6
Public offices	306	6.5
Offices & other	0	0.0
Total	4,682	100.0

Maturity structure



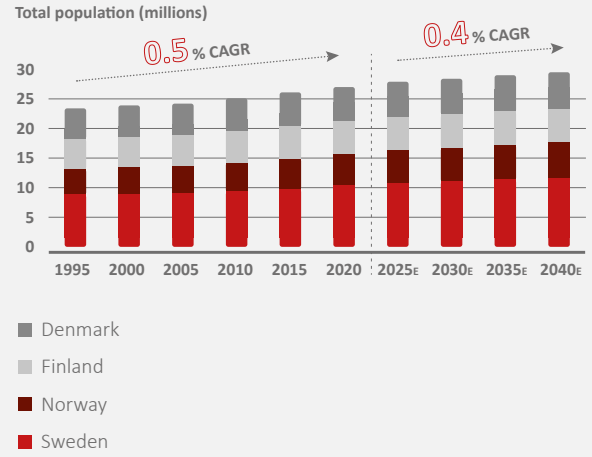
Community service properties, value by area of use



Supply and demand for community service properties

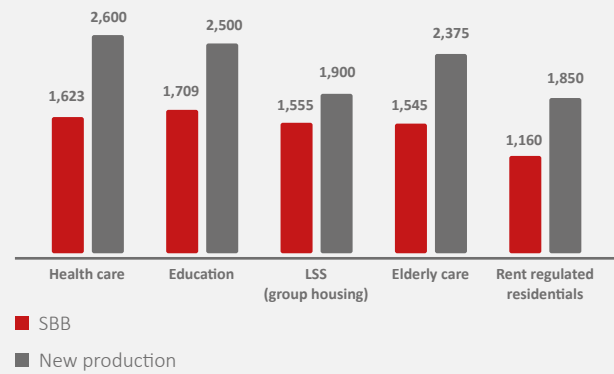
The need for community service properties is very considerable. The graph at the upper-right shows the Nordics' strong demographic trend, which is generating considerable need for social infrastructure. In addition to a considerable need for community service properties, there is also considerable potential for further letting of the existing portfolio. During 2021, leading property adviser Newsec analysed 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 m² for new production, compared with SBB's existing portfolio



Source: Newsec

Three value-adding strategies meet the social infrastructure needs



1. Building rights development and new production

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

Outcome 2022: SEK -398m (quarter), SEK 1,245m (period)



2. Investments in existing portfolio

Profit target of SEK 1,000m annually

Outcome 2022: SEK 97m (quarter), SEK 274m (period)



3. Value-adding transactions

Profit target of SEK 400m annually

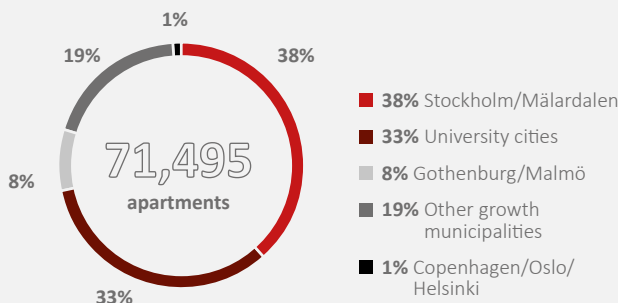
Outcome, transaction volume in 2022: SEK 7.2bn (quarter), SEK 16.4bn (period)

“The sharply rising construction prices combined with the assumption of higher costs in project financing mean that the valuers have adopted a conservative view of the development ahead, which has had a negative impact on profit”



1. Building rights development and new production

Project portfolio by geography



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

Profit potential, building rights development

	SEKm
Value @ SEK 8,000/m ² GFA	26,395
Current value @ SEK 1,440/m ² GFA	4,752
Profit potential	21,642

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
- There shall be a minimum of 5,000 apartments in project development

SBB generates value throughout the value chain



Value-creating activities during the second quarter of 2022

Development of building rights	No. m ² GFA
Progression building rights	88,550

New production	HR - No. of apts.	CS - Number of m ²
Construction starts	60	635
Completed/sold	316	21,470
Land allocation	50	950
Sold building rights	330	-

Portfolio summary (including joint ventures)

4,934 Apartments in on-going production

43,221 m² of community service properties in on-going production

15,291 Apartments in project development

88,550 Progression of building rights (m² GFA)²⁾

1) Profit from building rights development and new production is calculated as the sum of profit from new production and project development (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) Established volume includes progression of building rights in the detailed development planning phase, Request for planning notification, Received planning notice, Consultation, Review, Adoption and Legal force adjusted for sales and acquisitions.

New production portfolio

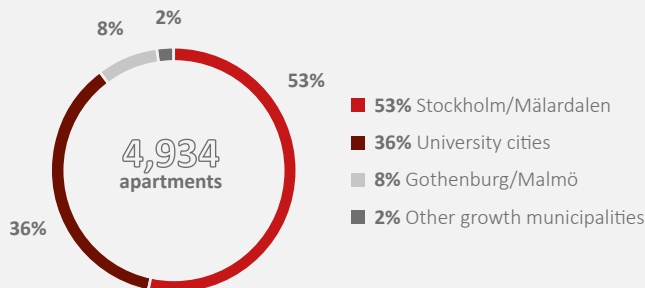
On-going production

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

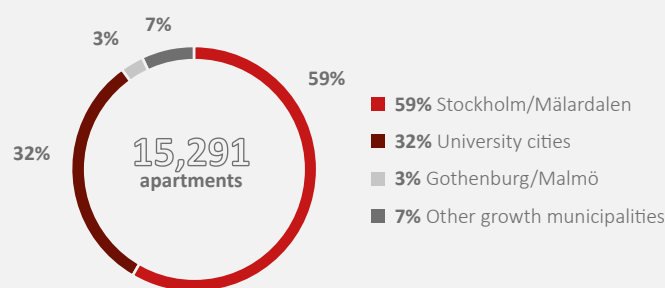
On-going project development

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

Geographical distribution of projects in progress (including JV)



Geographical distribution in project development (including JV)



On-going production

	SBB's share ¹⁾	Apt	m ²	Net operating income (SEKm)	Residential ²⁾ (%)	Community service ²⁾ (%)	Yield on cost (%)
Projects developed by SBB	100%	1,876	125,135	190	75%	25%	5,0%
Acquired projects ³⁾	100%	1,020	50,093	80	99%	1%	4,4%
Joint venture projects (Resi/CSP)	49%	1,888	113,388	205	96%	4%	4,8%
Joint venture projects (Condo)	35%	150	9,274	-	-	-	-
Total	77%	4,934	297,890	475	88%	12%	4,8%
SBB's share of total	100%	3,866	233,729	371	86%	14%	4,8%

On-going project development

	SBB's share ¹⁾	Apt	m ²	Residential ²⁾ (%)	Community service ²⁾ (%)
Projects developed by SBB	100%	9,303	561,618	82%	18%
Acquired projects ³⁾	100%	221	5,680	100%	0%
Joint venture projects (Resi/CSP)	47%	4,192	306,606	73%	27%
Joint venture projects (Condo)	48%	1,575	91,162	-	-
Total	77%	15,291	965,067	79%	21%
SBB's share of total	100%	12,216	753,047	81%	19%

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

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

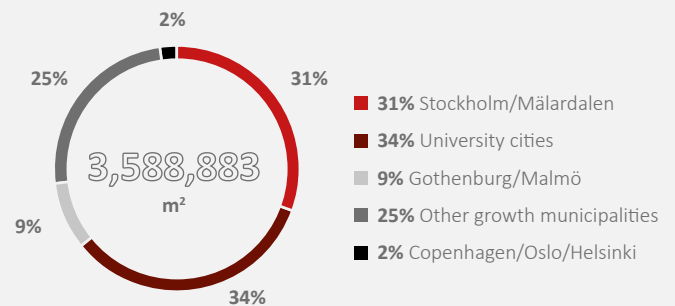
3) Refers to projects where SBB is not responsible for project implementation

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 JV)



Planning phase	Shareholding (%)	Application for planning notification	Planning approval	Assumptions	Legally enforceable	Number GFA	Book value (SEKm)	per sq.m. (SEK)
Phase 1 – Project concepts	100					828,774	673	812
Phase 2 – Ahead of planning approval	100	✓				167,345	209	1,250
Phase 3 – With planning approval	100	✓	✓			1,074,961	1,852	1,723
Phase 4 – Zoning plan having gained legal force	100	✓	✓	✓	✓	940 901	1,210	1,286
Total	100					3,011,981	3,945	1,310
Building rights in joint venture	50					576,502	1,621	2,810
Total	92					3,588,883	5,566	1,551
SBB's share of total	100					3,299,316	4,752	1,440

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 on-going detailed development plans



Skellefteå – Housing

No. of GFA: approx.
40,000

The Municipality of Skellefteå is in a strong phase of growth, with several thousand new jobs to be created in the coming years. This entails a great need for new housing and SBB is an important player in this area, with 341 homes currently in production and four detailed development plans for housing under way.



Gothenburg – Housing and education

No. GFA: approx.
13,500

Within the Guldheden district in Gothenburg, within a short distance of both Chalmers University of Technology and Sahlgrenska Hospital, SBB owns a property that houses the Earth Science Centre. On-going detailed development planning work is planned for new housing as well as new office and educational facilities.



Stockholm – Housing

No. GFA: approx. 22,000

In Bromsten, Stockholm, detailed development planning work is under way for two residential blocks with a strong focus on social sustainability by taking advantage of the courtyard environment, which, with its planned greenhouses, encourages social gatherings for both residents and neighbours in the area.

Examples of on-going projects



Altplatsen, Gothenburg – Elderly care and housing

Lease agreement: 20 years
No. of apts: 102
Number of m²: 13,600

An elderly care home with 100 units and an apartment block with 102 apartments with commercial premises on the ground floor. Altplatsen is located in a quiet area close to nature 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 m²: 5,720

An elderly care home with 80 units with the Municipality of Ängelholm as a tenant located in Fridhem, a central extension area in Ängelholm. The accommodation is designed to create a safe and homelike 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 bandyhall – SBB Sports for all

Lease agreement: 25 years
Number of m²: 12,000

The indoor bandy rink is centrally located in Bollnäs in the old railway yard adjacent to the travel centre. The hall is an important part of developing both the industrial area for a new purpose and connecting the area with central Bollnäs. The project is being carried out in close collaboration with the tenant the Municipality of Bollnäs and Bollnäs Bandy.



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 second quarter of 2022, SBB completed

renovations that improve the net operating income from 267 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 1,959m,

as detailed in the table below. Profit for the period was SEK 274m (of which SEK 97m during the quarter), which has been calculated as the difference between changes in value for current projects less investments during the period.

	Investment (SEKm)	Lettable area (m ²)	Net operating income (SEKm)	Yield on cost (%)
Investments in existing portfolio in progress	1,959	95,785	99	5.1



Renovation of the police station in western Helsinki



3. Value-adding transactions

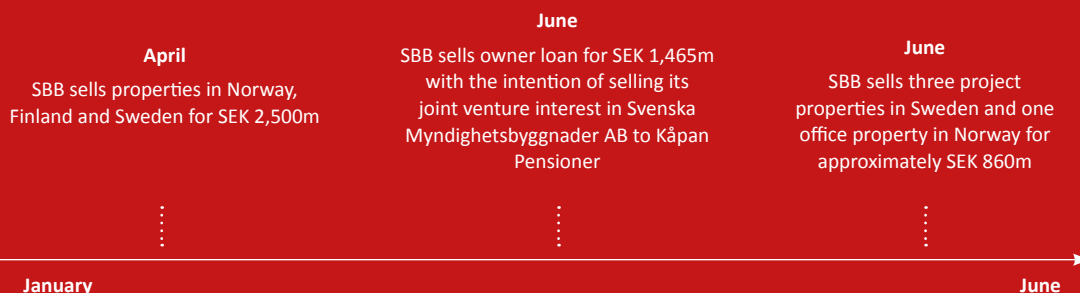
SBB's principal focus is always generating value from the existing portfolio while also building significant shareholder value by recovering capital when fully developed properties and/or non-core properties are sold. SBB continuously assesses the portfolio to identify potential and focus resources on 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 transactions are too small or too large 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 second quarter of 2022, the company conducted property transactions for a total of SEK 7.2bn.

Transactions in the second quarter of 2022



Financing

Financing key ratios

46%

Loan-to-value ratio

1.46%

Average interest

19%

Secured loan-to-value ratio

BBB-

Negative outlook (S&P)

BBB-

Positive outlook (Fitch)

Significant macro events during the second quarter of 2022

The war in Ukraine, which shook the world economy in the first quarter of the year, contributed to concerns that also spilled over into the second quarter of the year. This war has resulted in a shortage of inputs in the food industry, and consequential effects on energy and raw materials markets. Although the macroeconomic statistics began with strong figures at the beginning of the second quarter, the quarter continued with a declining trend in which the economies in both Europe and the US developed weaker than expected. We see that continued disruptions in the supply chains are causing inflation to rise more than both forecasters and central banks expected, and the trend also seems to be more prolonged than previously expected. The international financial market is pins and needles, resulting in a risk aversion. Reduced wealth and increased costs of living are contributing to reduced consumption by households, which is likely to lead to a period of stagflation in 2023. The international development is also affecting Sweden. To date, Swedish industry has been resilient as a result of continued high resource utilization, but in the long term we see a decline in growth as a result of increasingly strained household finances, particularly as interest rates rise. Growth is expected to decline towards the end of the year if households increase their savings. The major issue, however, is when this will begin to affect the central banks and their current rhetoric. The assessment is that people are waiting for clearer signs that the inflation peak has passed, before fiscal policy can come to a rescue.

Interest rate and credit market

At the beginning of the year, investors reduced their risk willingness as a result of the collapse in the international stock market and rising interest rates in the credit bond market. In the second quarter of the year, we saw a continued deterioration in the real economy situation and the pressure on the financial markets increased. This has resulted in rising credit spreads and even more falling exchanges. The rise in long-term bond interest rates has been curbed as a result of increased concern about the economy as central banks continued their tough inflationary rhetoric.

Significant events during the period

In April, holders of SBB's non-green bond of EUR 550m (ISIN: XS1993969515) due in 2025 were offered to participate in a voluntary buyback in which SBB buys bonds back for cash. SBB managed to buy back EUR 25.7m to the so-called "purchase spread" of 175 basis points.

In May, loans of SEK 1,687m were redeemed at a Nordic bank. The loans were linked to the subsidiaries that SBB obtained in connection with the acquisition of Amasten Fastighets AB.

In June, SBB issued its first social unsecured euro Schuldschein financing totaling SEK 43m in two tranches with the maturities of three years EUR 3m and five years EUR 40m, respectively. The financing was priced at a three-year interest rate of Euribor 6m +0.145 percent, and a five-year interest rate of Euribor 6m +0.170 percent, respectively.

At the end of June, SBB sold subordinated owner loans (owner loans to Svenska Myndighetsbyggnader AB (SMB)) for SEK 1,465m to Kåpan Tjänstepensionsförening. The ambition is for Kåpan Tjänstepensionsförening to acquire SBB's share in the joint venture SMB before the end of the year.

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 46 percent (40) and the secured loan-to-value ratio was 19 percent (12). The interest coverage ratio was a multiple of 5.6 (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 95,626m (87,995) of which SEK 35,766m (23,732) pertained to liabilities to credit institutions, SEK 55,483m (53,094) pertained to bond loans and SEK 4,377m (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 keep the low interest rates on its interest-bearing liabilities. At the end of the period, the average interest rate on the interest-bearing liabilities was 1.46 percent (1.11).

SBB's exposure to variable interest rates is 35 percent (26). The average period of fixed interest for all interest-bearing liabilities was 3.2 years (3.6) and the average debt maturity was 4.0 years (4.1).

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 4,984m and liquid investments amounted to approximately SEK 413m. In addition, SBB has SEK 7,2 billion in confirmed credit commitments. In the balance sheet there are receivables of SEK 1,3 billion relating to unconditional sales of properties that will strengthen the liquidity after the end of the period. After the reporting date, additional sales have been signed, which will strengthen liquidity by SEK 3,3 billion.

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 13,619m (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 fair value of the interest-rate derivatives and FX derivatives amounted to SEK 594m (517).

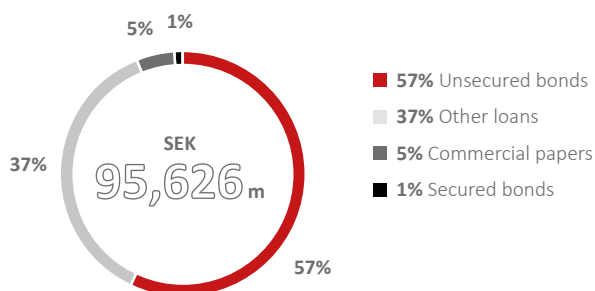
Rating

SBB has an official credit rating from the credit rating agencies Fitch Ratings ("Fitch") and S&P Global Ratings ("S&P"). The rating from S&P is BBB- with a negative outlook and from Fitch BBB- with a positive outlook. 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.

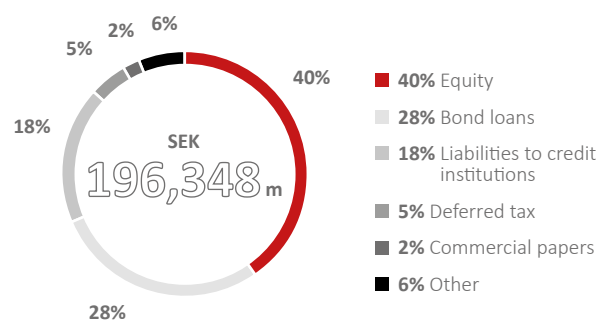
Maturity structure (excluding commercial paper)

Maturity year	Nominal amounts, SEKm	Share, %
< 1 year	5,261	6%
< 2 years	15,115	16%
< 3 years	15,581	17%
< 4 years	8,011	9%
< 5 years	9,974	11%
> 5 years	37,979	41%
Total	91,921	100%

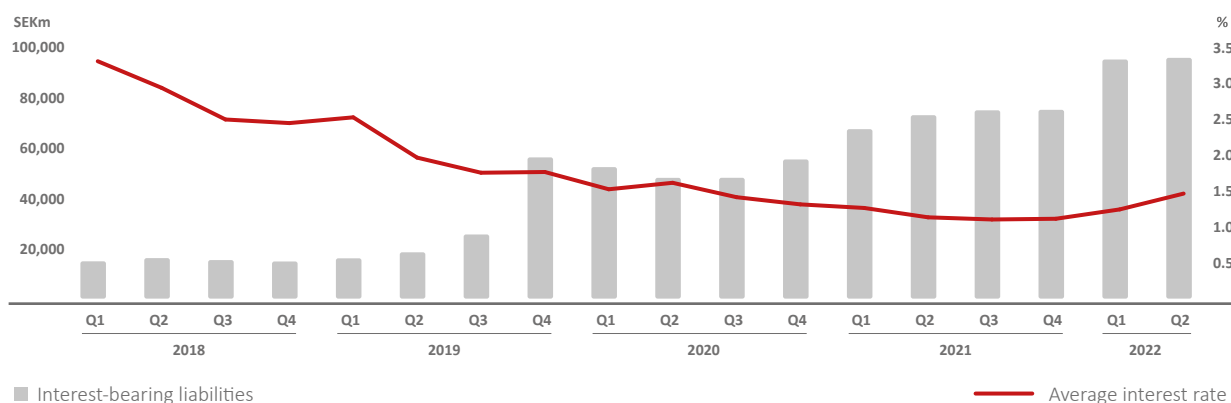
Distribution of interest-bearing liabilities



Capital structure



Development of the Group's average interest rate



Listed bond loans as of 30 June 2022

Term	ISIN	SEKm	Repurchased by SBB	Maturity date	Interest rate	Type
2019-2022	XS2021634675	-500	50	04-07-2022	1.20% + STIBOR	Green
2019-2022	XS2059787049	-600	110	03-10-2022	0.95% + STIBOR	
2019-2023	XS2066041661	-1 000	0	01-02-2023	1.01% + STIBOR	
2019-2023	SE0013042611	-700	387.5	27-03-2023	4.40% + STIBOR	Offentliga Hus, Green
2019-2023	XS2078737306	-975	25	11-05-2023	1.07%	
2019-2023	XS2000538699	-200	75	22-05-2023	1.40% + STIBOR	
2021-2023	XS2208267596	-12	0	24-07-2023	7.00% + STIBOR	
2021-2023	XS2290558282	-1 000	20	26-07-2023	0.80% + STIBOR	Social
2019-2023	XS2050862262	-800	80	06-09-2023	1.15% + STIBOR	Green
2019-2024	SE0012256741	-500	312.5	14-02-2024	3.30% + STIBOR	Green
2019-2024	SE0012313245	-200	147.5	19-02-2024	3.25% + STIBOR	
2020-2024	SE0014965919	-550	228.75	12-04-2024	3.15% + STIBOR	Offentliga Hus, Green
2019-Hybrid	SE0013234531	-575	270	Hybrid	6.85% + STIBOR	Offentliga Hus, Hybrid
2019-2025	XS1997252975	-1 100	359	14-01-2025	1.90% + STIBOR	
2019-Hybrid	SE0013359148	-1 500	0	Hybrid	3.50% + STIBOR	Hybrid
2022-2025	XS2461738770	-260	0	11-04-2025	1.60% + STIBOR	Social
2020-2025	XS2275409824	-200	0	18-12-2025	1.17% + STIBOR	Social
2020-2027	XS2111589219	-600	0	30-01-2027	1.50% + STIBOR	Green

Term	ISIN	EURm	Repurchased by SBB	Maturity date	Interest rate	Type
2022-2024	XS2438632874	-700	0	08-02-2024	0.55% + EURIBOR	Social
2019-2025	XS1993969515	-524.3	3	14-01-2025	1.75%	
2020-Hybrid	XS2010032618	-500	0	Hybrid	2.62%	Hybrid
2020-Hybrid	XS2272358024	-500	0	Hybrid	2.63%	Hybrid
2019-2026	XS2049823680	-500	0	04-09-2026	1.13%	
2021-Hybrid	XS2010028186	-500	0	Hybrid	2.88%	Hybrid, Social
2020-2027	XS2114871945	-750	0	12-08-2027	1.00%	
2020-2028	XS2271332285	-700	0	14-12-2028	0.75%	Social
2021-2029	XS2346224806	-950	0	26-11-2029	1.13%	Social
2020-2040	XS2151934978	-50	0	03-04-2040	2.75%	

Term	ISIN	NOKm	Repurchased by SBB	Maturity date	Interest rate	Type
2020-2023	XS2124186508	-400	0	24-02-2023	0.72% + NIBOR	
2020-2023	XS2203994517	-200	0	14-07-2023	1.50% + NIBOR	
2019-2024	XS2085870728	-1 000	0	28-11-2024	3.12%	
2020-2025	XS2194790429	-800	0	26-06-2025	1.99% + NIBOR	
2020-2025	XS2223676201	-700	0	27-08-2025	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

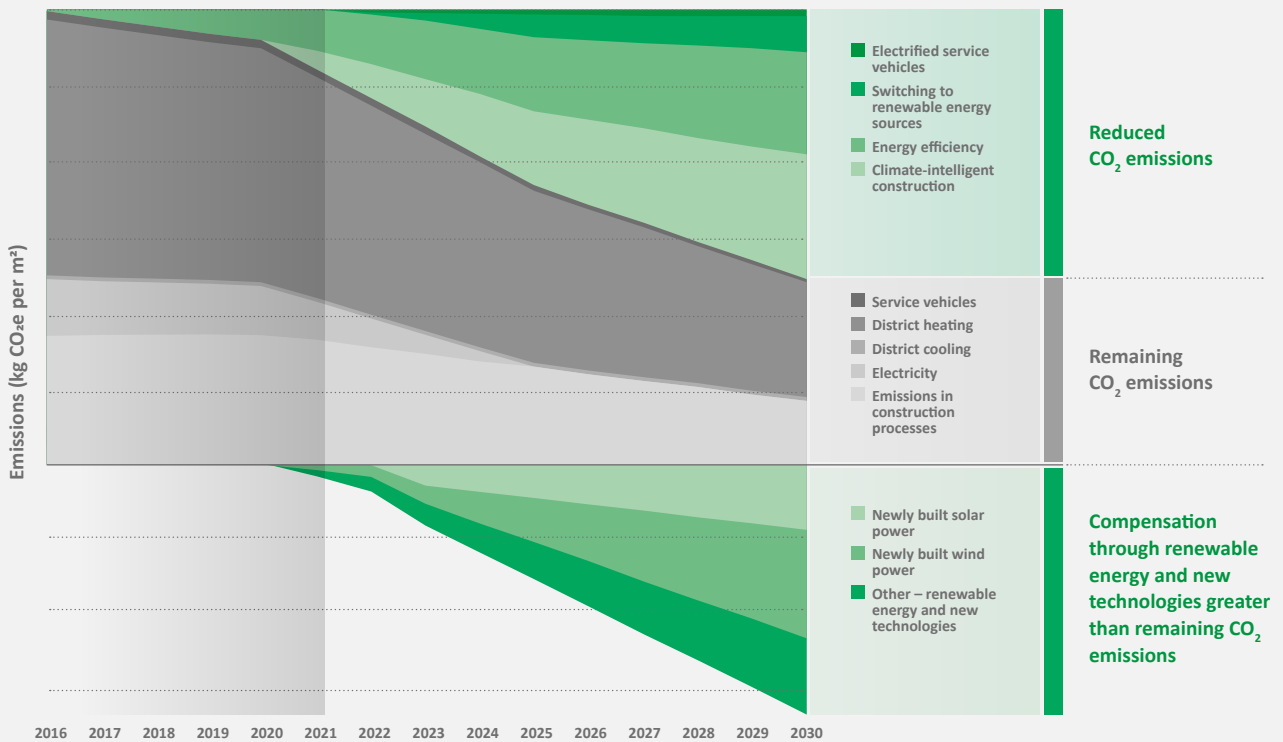
Accelerated energy-efficiency improvements and replacement of heating systems. Renewable electricity throughout the property portfolio. Build-out of solar power, charging posts and wind power commences. Half of all new construction is in wood.

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.

SBB's goal is 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.

SBB's Vision 2030 describes these overarching goals and visions in terms of sustainability and includes sub-targets in terms of 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/>

The persistent work in the area of sustainability has produced results in the form of an improved ESG risk rating. During the quarter, the analyst firm Sustainalytics assessed SBB's ESG risk as very low (10.7, the limit for negligible risk is at 10) and the risk management is considered to be strong. SBB thus tops the list of comparable companies based on market capitalization. In addition, during the quarter, SBB completed reporting in accordance with GRESB, CDP and S&P Corporate Sustainability Assessment and awaits an updated rating from them.

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 throughout the value chain by 2030.

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 second quarter of 2022

SBB is pursuing the largest certification project ever according to Miljöbyggnad iDrift. The first phase of the project was to get to know the certification system and bring the management procedures in line for a successful certification. In the second half of 2022, the project will enter its second phase, where certification of larger volumes will commence. A number of different property types will be certified, including schools, housing and community service buildings around the country. The hope is that the project will be

Currently in project development, Q2 2022

	Number/number of m ²	Number of wooden buildings	Proportion of wooden buildings	Number certified	Proportion certified	Proportion of solar cells	Proportion of geothermal heat
Number of projects	20	7	35%	11	55%	80%	50%
Number of m ²	125,100	28,000	22%	87,400	70%	74%	50%

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	-	1.9%
Solar cell systems (CS)	8	2	746,000	95,000	0.2%
Solar cell systems (RE)	13	-	2,208,000	-	0.4%
Heat pumps (CS)	8	3	8,269,000	526,000	1.7%
Heat pumps (RE)	15	-	4,965,000	-	1.0%
Other energy-saving projects*	153	19	14,357,000	1,230,000	3.0%

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

The number of apartment renovations is reported in the section on investments in the existing portfolio.

a positive example for other actors with large property portfolios. The certification has been designed and developed specifically to efficiently reshuffle and adapt large, existing volumes to sustainability. Through the quality stamp a certification in Miljöbyggnad iDrift provides, property owners can, in addition to contributing to the climate transformation, increase the value of their properties and more easily attract tenants.

SBB has initiated an extensive project together with Smartvatten in order to measure and analyse water usage at the minute level and thus be able to quickly and automatically detect leakage and abnormal water usage.

Several projects involving solar cells, heat pumps, additional insulation, and connecting properties are under way in all of SBB's markets. A summary is presented in table format on page 33. The situation in Europe's energy market makes it even clearer how import it is to run projects to reduce energy consumption and provide new capacity for renewable electricity production. Energy is now a matter of the environment, economy and security. SBB's analysis is that the climate transformation will require greatly reduced energy consumption in all property types. This is an integral part of the climate risk analysis at the property level that SBB conducts every year. Strategies and measures to manage these risks, and opportunities, have already been implemented. SBB's energy projects have the combined potential to reduce the need for energy input by more than eight percent.

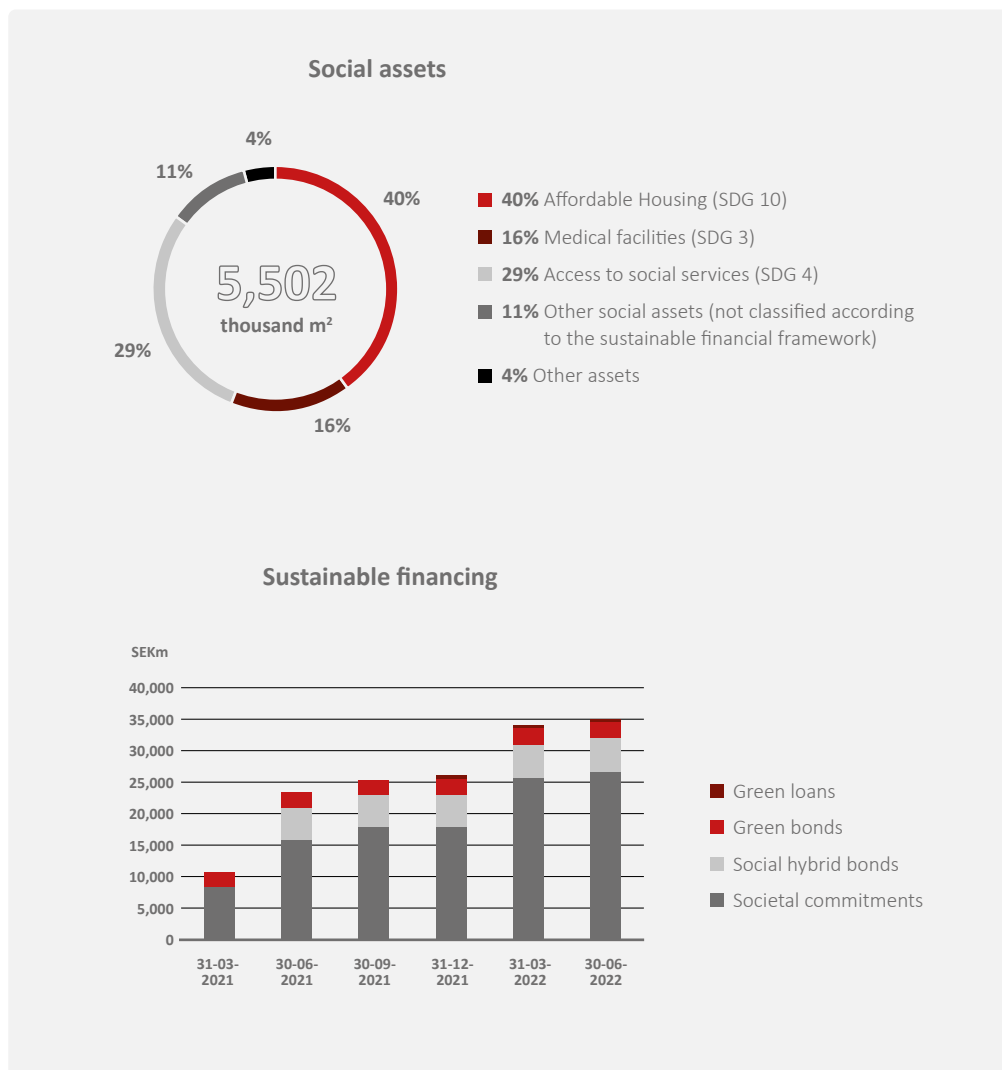
Social sustainability

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 second quarter of 2022

As of 30 June 2022, SBB owned 5,301,000 m² that contributes to social sustainability (including rental housing, nursing homes, LSS and building rights for future rental housing). 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.

SBB has a strong focus on children and young people in its sustainability work. In the summer of 2022, 300 young people will be working at SBB – for every permanent employee in property management, a young summer worker will also be employed. Summer jobs provide opportuni-



ties to grow as a person, take responsibility and form new relationships both in working life and privately.

In April, the Annual General Meeting resolved to approve a grant of SEK 50m to UNHCR's work in Ukraine in accordance with the Board's proposal. The contribution will enable people fleeing the war in Ukraine to get a roof over their heads, protection, security, integrity, comfort and health.

SBB is part of collaborations with other property owners, the police, locally established companies and municipalities to increase security and prevent and prevent crime. In one collaboration, funding is provided together with other actors for security guards who can intervene in the event of disturbance within a limited area. In another collaboration, an action plan has been developed, which includes improved lighting, park maintenance, widening of important foot-paths and bicycle paths, commuter buses, etc. Each area has unique conditions and challenges.

Collaboration to increase security and well-being together with stakeholders is pursued in many locations in SBB's markets.

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 second quarter of 2022

As of 30 June 2022, social bonds, green bonds and green loans made up 28 percent of the total debt portfolio (excluding social hybrid bonds).

The share

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

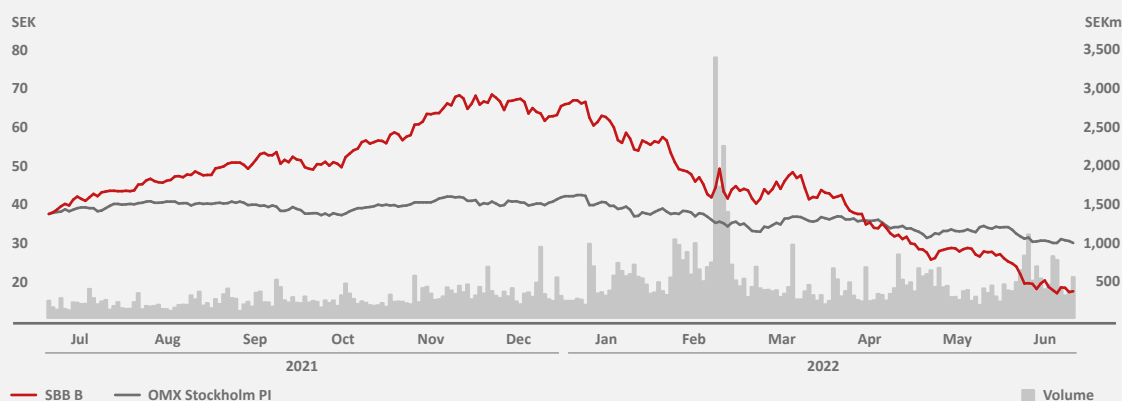
As of 30 June 2022, the number of Class B ordinary shares totalled 1,244,164,407 and the number of Class D ordinary shares totalled 193,865,905. In addition, the company had 209,977,491 Class A ordinary shares. The price of the Class B ordinary share was SEK 17.035 and of Class D was SEK 15.59 at 30 June 2020. The market capitalization of the Class B shares (including the value of unlisted Class A ordinary shares at the same price) was SEK 24,771m, and for the Class D shares, it was SEK 3,022m.

The closing price for Class B shares of SEK 17.035 represents a decrease of 74 percent compared with 31 December 2021 (66.42) and of 52 percent compared with 30 June 2021 (35.86). SBB's share is liquid and has been part of OMXS30 since 1 July 2022. Over the past 12 months, an average of approximately 9.5m Class B shares were traded per day for an average daily value of approximately SEK 375m. SBB works actively with its investor base by participating in roadshows, presentations and events for private and institutional investors.

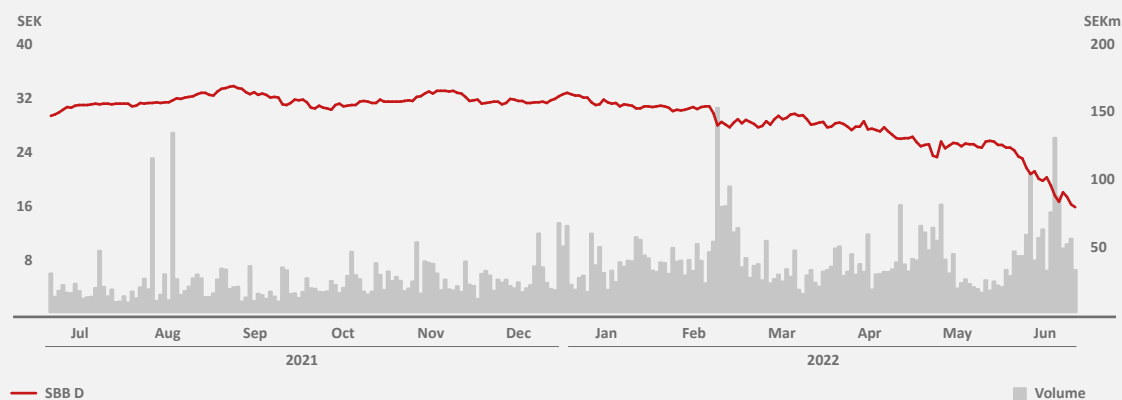
	Share price, SEK	
	30-06-2022	30-06-2021
Class B shares	17.035	35.86
Class D shares	15.59	29.14

	Average daily turnover, SEKm	
	Jan-Jun 2022	Jan-Jun 2021
Class B shares	510.0	137.3
Class D shares	39.9	20.6

Class B share trend, past 12 months



Class D share trend, past 12 months



Shareholders

The number of shareholders in SBB increased over the year. At the end of the second quarter of 2022, there were 238,818 known shareholders, corresponding to an increase of 141 percent compared with the same point in time in 2021.

On 30 June 2022, share capital amounted to SEK 164,800,780.30 at a quotient value of SEK 0.10 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.

The ownership structure as of 30 June 2022

Shareholders	Class A shares	Class B shares	Class D shares	Share capital, %	Votes, %
Ilija Batljan (private and through company)	109,053,868	25,691,920	530,000	8.2%	31.6%
Arvid Svensson Invest	42,444,700	24,199,429	-	4.0%	12.7%
Dragfast AB	36,163,467	57,700,000	-	5.7%	11.9%
Sven-Olof Johansson	22,315,456	32,162,544	-	3.3%	7.2%
Länsförsäkringar	-	76,283,843	762,274	4.7%	2.2%
SHB Fonder & Liv	-	53,283,831	1,343,237	3.3%	1.5%
Læringsverkstedet Gruppen AS	-	43,325,241	1,664,740	2.7%	1.3%
Vanguard	-	-	44,197,779	2.7%	1.2%
BlackRock	-	38,908,688	4,066,523	2.6%	1.2%
Avanza Pension	-	31,261,709	10,887,131	2.6%	1.2%
Marjan Dragicevic	-	30,682,834	2,044,996	2.0%	0.9%
Futur Pension	-	27,600,000	200,000	1.7%	0.8%
Gösta Welandson with companies	-	22,851,252	1,440,666	1.5%	0.7%
Lennart Schuss	-	23,748,807	224,000	1.5%	0.7%
Columbia Threadneedle	-	21,214,860	-	0.7%	0.3%
Other	-	735,249,449	126,504,559	52.3%	24.4%
Total	209,977,491	1,244,164,407	193,865,905	100.0%	100,0%

Parent Company

Income Statement of Parent Company

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Net sales	-	-	-	-	-
Personnel costs	-76	-38	-60	-27	-66
Other operating expenses	-15	-20	-	-7	-46
Profit from associated companies/joint ventures	547	-	15	-	-
Operating profit/loss	456	-58	-45	-34	-112
Profit from financial items					
Profit from participations in Group companies	-	-	-	-	-
Interest income and similar items	1,864	1,178	1,038	831	2,254
Interest expenses and similar items	-1,740	-789	-939	-418	-2,069
Translation gains/losses	-1,203	-27	-1,095	118	-167
Changes in value, derivatives	-99	-95	18	-157	798
Profit after financial items	-722	209	-1,023	340	704
Appropriations	-	-	-	-	340
Profit before tax	-722	209	-1,023	340	1,044
Tax	-98	-37	-46	-57	-220
PROFIT FOR THE PERIOD	-820	172	-1,069	283	824

Statement of comprehensive income of Parent Company

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Profit for the period	-820	172	-1,069	283	824
Other comprehensive income	-	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-820	172	-1,069	283	824

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 36 employees. The costs, incl. personnel costs during the period, amounted to SEK -91m (-58).

Parent Company balance sheet, condensed

Amounts in SEKm	30-06-2022	30-06-2021	31-12-2021
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in Group companies	35,567	27,231	33,686
Participations in associated companies/joint ventures	8,399	4,692	7,844
Receivables from Group companies	-	34,752	38,955
Receivables from associated companies/joint ventures	124	6	175
Deferred tax assets	118	227	117
Financial fixed assets at fair value	1,219	1,499	1,520
Derivatives	1,121	159	533
Total financial fixed asset	46,548	68,565	82,830
Total fixed assets	46,548	68,565	82,830
Current assets			
Current receivables			
Accounts receivable	53	1	1
Other receivables	51,383	58	43
Prepaid expenses and accrued income	46	79	42
Total current receivables	51,482	139	86
Cash and cash equivalents	4,836	9,740	8,278
Cash investments	413	484	254
Total current assets	56,731	10,363	8,618
TOTAL ASSETS	103,279	78,928	91,448

Amounts in SEKm	30-06-2022	30-06-2021	31-12-2021
EQUITY AND LIABILITIES			
<i>Restricted equity</i>			
Share capital	165	161	165
<i>Non-restricted equity</i>			
Share premium fund	43,710	41,928	43,510
Retained earnings	-5,210	-3,457	-3,553
Profit for the year	-820	172	824
Total equity	37,845	38,804	40,946
Untaxed reserves	85	14	85
Long-term liabilities			
Liabilities to credit institutions	9,153	-	3,497
Bond loans	26,227	27,936	27,202
Liabilities to Group companies	16,704	-	-
Derivatives	622	124	30
Other long-term liabilities	-	13	-
Total long-term liabilities	52,706	28,072	30,729
Current liabilities			
Liabilities to credit institutions	160	-	-
Bond loans	3,003	2,455	1,204
Commercial papers	4,377	6,974	11,169
Accounts payable	13	28	2
Current tax liabilities	151	7	138
Liability, cash collateral	2,491	-	5,607
Other liabilities	2,024	2,110	1,043
Accrued expenses and prepaid income	424	463	525
Total current liabilities	12,643	12,038	19,688
TOTAL EQUITY AND LIABILITIES	103,279	78,928	91,448

Parent Company changes in equity

Amounts in SEKm	Share capital	Share premium reserve ¹⁾	Retained earnings	Total equity
Opening equity, 01-01-2021	150	39,375	-1,105	38,421
Profit for the period	-	-	172	172
Other comprehensive income	-	-	-	-
Comprehensive income for the period	-	-	172	172
New share issue	2	416	-	418
Issue hybrid bonds	-	4,994	-	4,994
Issue warrants	-	58	-	58
Redemption of preference shares	-	-15	-5	-20
Redemption of part of hybrid bond	-	-2,793	-291	-3,084
Redemption/conversion of mandatory convertible	9	-107	-	-98
Dividend	-	-	-2,140	-2,140
Tax effects equity	-	-	83	83
Total equity 30-06-2021	161	41,928	-3,286	38,804
Profit for the period	-	-	652	652
Other comprehensive income	-	-	-	-
Comprehensive income for the period	-	-	652	652
New share issue	3	1,916	-	1,919
Issue hybrid bonds	-	-19	-	-19
Redemption of part of hybrid bond	-	-317	137	-181
Redemption/conversion of mandatory convertible	-	2	-28	-27
Dividend	-	-	-147	-147
Tax effects equity	-	-	-59	-59
Closing equity, 31-12-2021	165	43,510	-2,729	40,946
Opening equity, 01-01-2022	165	43,510	-2,729	40,946
Profit for the period	-	-	-820	-820
Other comprehensive income	-	-	-	-
Comprehensive income for the period	-	-	-820	-820
New share issue	-	210	-	210
Issue hybrid bonds	-	-10	-	-10
Dividend	-	-	-2,541	-2,541
Tax effects equity	-	-	60	60
Closing equity, 30-06-2022	165	43,710	-6,030	37,845

¹⁾ The entire share premium reserve constitutes non-restricted equity

Parent Company cash flow statement, condensed

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Operating activities					
Profit after financial items	-722	209	-1,023	340	704
Net interest income	1,178	-267	978	-374	-816
Interest paid	-1,870	-836	-932	-418	-2,052
Interest received	1,870	1,197	1,042	831	2,263
Tax	-34	-2	-30	-	-5
Cash flow from operating activities before changes in working capital	422	302	35	379	94
Cash flow from changes in working capital					
Increase (-)/Decrease (+) of operating receivables	-51,394	110	-51,327	-23	185
Increase (+)/Decrease (-) of operating liabilities	122	-253	-22	-580	-22
Cash flow from operating activities	-50,850	159	-51,314	-225	257
Investing activities					
Investments in subsidiaries	-1,671	-533	-6	-533	-6,090
Investments in associated companies/joint ventures	-555	-4,691	-	-4,691	-7,844
Receivables arising from Group companies	-	-709	-3,790	-234	-3,471
Changes in receivables from associated companies	51	642	232	-5	473
Change in financial assets	47	-1,064	244	1,917	-525
Change in other long-term receivables	-	2	-	2	-
Cash flow from investing activities	-2,128	-6,353	-3,320	-3,544	-17,458
Financing activities					
New share issue	-	418	-	36	-
Issue hybrid bonds	-10	4,994	-1	4,994	4,975
Issue mandatory convertible bonds	-	-98	-	-98	-125
Issue warrants	-	58	-	58	58
Redemption of hybrid bonds	-	-3,084	-	-3,084	-3,263
Redemption of preference shares	-	-20	-	-20	-20
Group contributions received	-	-	-	-	411
Dividend paid	-1 642	-904	-932	-572	-1 846
Borrowings from Group Companies	55,659	-	55,659	-	-
Borrowings	8,447	15,258	742	14,664	13,178
Repayment of loans	-9,802	-13,674	-1,878	-13,051	-6,026
Change in cash collateral	-3,116	-	-2,166	-	5,607
Changes in other long-term liabilities	-	-	-	-	-457
Cash flow from financing activities	49,536	2,948	51,424	2,927	12,493
Cash flow for the period	-3,442	-3,246	-3,210	-846	-4,708
Cash and cash equivalents at the beginning of the period	8,278	12,986	8,045	10,582	12,986
Cash and cash equivalents at the end of the period	4,836	9,740	4,836	9,740	8,278

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. For the Group and the Parent Company, the same accounting principles and calculation bases have been applied as in the latest annual report unless otherwise stated.

Adjustment of opening balance at 01-01-2021

Information on the adjustment of the opening balance at 01-01-2021 is presented in Note 30 in the latest annual report.

Significant assessments

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

Cash flow statement

The cashflow statement is prepared in accordance with the indirect method as per IAS 7. This means that the result is adjusted with transactions that did not involve incoming or outgoing payments and for income and expenses attributable to the investment and/or financing activities.

If cash outflows, as redemption of debt in an acquired subsidiary, constitutes as part of the investment cost for the company then the cash outflow will be a part of the cash flow from

investing activities. If redemption of debt in the subsidiary is not an integrated part of the investment cost or is done on a voluntary basis the cash outflow will be a part of the cash flow from financing activities.

In order to aid key stakeholders, SBB has published a cashflow analysis provided on a net basis, with regards to acquisitions that are completed via a corporate structure (separate legal entity for the property).

The previous presentation format of the cash flow statements showed gross changes in properties and indebtedness, representing the actual change to different balance sheet items. The amendment entails changes to individual line items in the cash flow statement, but the actual cash flows for each period are of course unchanged.

Further the dividends from associated companies/joint ventures are now a part of cash flow from operating activities instead of cash flow from investing activities.

Amounts in SEKm	2021-01-01 – 2021-06-30			2021-04-01 – 2021-06-30			2021-01-01 – 2021-12-31		
	Previous	Restated	Difference	Previous	Restated	Difference	Previous	Restated	Difference
Cash flow from operating activities	3,418	2,813	-605	2,138	1,811	-327	4,620	4,612	-8
Cash flow from investing activities	-25,336	-17,538	7,807	-11,079	-9,912	1,182	-47,962	-27,937	20,025
Cash flow from financing activities	20,175	12,982	-7,202	8,437	7,597	-855	39,546	19,529	-20,017
Cash flow for the period	-1,743	-1,743	0	-504	-504	0	-3,796	-3,796	0

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, 14 July 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

This information is such that Samhällsbyggnadsbolaget i Norden AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted by the below contact persons for publication on 14 July 2022 at 8:00 a.m. CET.

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

Definitions

Financial definitions

Actual net asset value (EPRA NTA), SEK

Equity attributable to the ordinary share, excluding equity associated with preference and D shares, non-controlling interests and hybrid bonds with reversal of goodwill and interest rate derivatives and addition of stamp tax for properties in Finland and less assessed actual deferred tax of 5.15 percent with the exception of housing that has an estimated deduction of 0 percent.

This 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.

This key ratio is used to illustrate SBB's financial risk.

Non-pledged quota, multiple

Non-pledged assets in relation to net unsecured debt.

This 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 expenses for early repayment 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.

This 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.

This key ratio is used to illustrate SBB's financial risk.

Adjusted equity ratio, %

Reported equity including owner loans and convertibles, with reversal of reported deferred tax liability as a percentage of total assets.

This key ratio is used to illustrate SBB's financial stability.

Tied-up capital, year

Remaining maturity of interest-bearing liabilities.

This 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 Class 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 addition of stamp tax for Finnish properties.

This 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 holders of D shares and profit attributable to minority shares and interest on hybrid bonds in relation to the average number of ordinary A and B 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 reversal of net financial items in relation to net interest excluding costs for early redemption of loans and leasing costs.

This key ratio is used to illustrate SBB's financial risk.

Equity ratio, %

Reported equity as a percentage of total assets.

This key ratio is used to illustrate SBB's financial stability.

Secured loan-to-value ratio, %

Secured liabilities as a percentage of the total assets.

This 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 of m²

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.

This 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

This key figure 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 community service properties, years

Remaining contract value in relation to annual rent for community service 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

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Profit for the period	218	9,293	-2,721	6,558	25,601
Opening Equity	82,971	51,756	85,123	57,508	51,756
Closing Equity	79,019	62,749	79,019	62,749	82,971
Average equity	80,995	57,253	82,071	60,129	67,364
Return on equity	0.3%	16.2%	neg	10.9%	38.0%

Loan-to-value ratio

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Liabilities to credit institutions	35,766	13,308	35,766	13,308	23,732
Bond loans	55,483	52,050	55,483	52,050	53,094
Commercial papers	4,377	6,974	4,377	6,974	11,169
Cash and cash equivalents/cash investments	-5,397	-16,069	-5,397	-16,069	-9,890
Net debt	90,229	56,263	90,229	56,263	78,105
Balance sheet total	196,348	154,106	196,348	154,106	194,517
Loan-to-value ratio	46%	37%	46%	37%	40%

Yield

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Net operating income according to earnings capacity	5,397	4,405	5,397	4,405	5,130
Investment properties	157,400	116,845	157,400	116,845	149,335
Building rights and ongoing projects	-15,836	-9,263	-15,836	-9,263	-14,062
Property value excl. building rights	141,564	107,582	141,564	107,582	135,273
Yield	3.8%	4.1%	3.8%	4.1%	3.8%

Non-pledged quota

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Intangible assets	5,874	6,310	5,874	6,310	6,066
Non-pledged properties	123,265	100,161	123,265	100,161	115,644
Land lease agreements	690	594	690	594	639
Equipment, machinery and installations	45	47	45	47	48
Deferred tax assets	1,096	1,597	1,096	1,597	1,198
Financial fixed assets, excluding derivatives	22,223	11,184	22,223	11,184	24,995
Cash investments	413	4,189	413	4,189	53
Accounts receivable and other receivables	2,658	2,385	2,658	2,385	2,178
Derivatives	1,217	160	1,217	160	547
Non-pledged assets	157,481	126,627	157,481	126,627	151,368
Unsecured loans	59,112	58,559	59,112	58,559	64,263
Cash and cash equivalents	-4,984	-11,880	-4,984	-11,880	-9,837
Net unsecured senior debt	54,128	46,679	54,128	46,679	54,426
Non-pledged quota	2.91	2.71	2.91	2.71	2.78

Economic letting ratio

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Rental income in current earnings capacity	7,291	6,137	7,291	6,137	7,017
Rental value in current earnings capacity	7,669	6,534	7,669	6,534	7,456
Economic letting ratio	95.1%	93.9%	95.1%	93.9%	94.1%

EPRA Earnings

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Profit from property management	1,299	1,442	-147	827	5,690
Net profit attributable to preference shares	-	-1	-	-	-2
Net profit attributable to ordinary class D shares	-194	-194	-97	-98	-388
Net profit attributable to hybrid bonds	-244	-359	-124	-235	-496
Net profit attributable to non-controlling interest	-51	-3	-36	-	-18
Adjustments for associated companies/joint ventures	-70	-249	84	-249	-2,443
Expenses for loans redeemed in advance	3	168	-	128	155
Paid tax	-284	-105	-152	-13	-247
Profit from property management after taxes paid	459	699	-472	360	2,251
Average number of ordinary class A and B shares	1,453,561,788	1,329,972,631	1,454,141,898	1,330,457,517	1,379,982,887
Earnings per class A and B ordinary share	0.32	0.53	-0.32	0.27	1.63
Average number of Class A and B ordinary shares after dilution	1,459,472,994	1,329,972,631	1,454,141,898	1,330,823,018	1,391,161,963
Earnings per ordinary Class A and B shares after dilution	0.31	0.53	-0.32	0.27	1.62

Adjusted equity ratio

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Equity	79,019	62,749	79,019	62,749	82,971
Deferred tax excl. deferred tax related to goodwill	9,138	5,637	9,138	5,637	8,647
Total	88,157	68,386	88,157	68,386	91,618
Balance sheet total	196,348	154,106	196,348	154,106	194,517
Adjusted equity ratio	45%	44%	45%	44%	47%

Earnings per Class A and B ordinary share

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Profit for the period	218	9,293	-2,721	6,558	25,601
Net profit attributable to preference shares	-	-1	-	-	-2
Net profit attributable to ordinary class D shares	-194	-194	-97	-98	-388
Net profit attributable to hybrid bonds	-244	-359	-124	-235	-496
Net profit attributable to non-controlling interest	40	-842	53	-832	-1,018
Net profit attributable to ordinary class A and B shares	-180	7,897	-2,889	5,393	23,697
Average No. Class A and B ordinary shares ¹⁾	1,453,561,788	1,329,972,631	1,454,141,898	1,330,457,517	1,379,982,887
Earnings per class A and B ordinary share	-0.12	5.94	-1.99	4.05	17.17
Average number of Class A and B ordinary shares after dilution	1,459,472,994	1,329,972,631	1,454,141,898	1,330,823,018	1,391,161,963
Earnings per ordinary Class A and B shares after dilution	-0.12	5.94	-1.99	4.05	17.03

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

Interest coverage ratio

Amounts in SEKm	01-07-2021 30-06-2022	01-07-2020 30-06-2021	01-01-2021 31-12-2021
Profit from property management (rolling 12 months)	5,547	2,952	5,690
Adjustments for associated companies/joint ventures	-2,264	-249	-2,443
Adjusted profit from property management (rolling 12 months)	3,283	2,703	3,247
<i>Reversal of net financial items</i>			
Interest income and similar items	-274	-263	-274
Interest expenses and similar items (rolling 12 months)	1,109	978	1,011
Expenses for redeemed loans in advance (rolling 12 months)	-10	254	155
Exchange rate differences (rolling 12 months)	540	-251	-118
Land lease payments (rolling 12 months)	22	25	21
Total reversal of net financial items	1,386	744	795
Profit from property management (rolling 12 months) excl. net financial items	4,669	3,447	4,042
Net interest income			
Interest income and similar items	274	263	274
Interest expenses and similar items (rolling 12 months)	-1,109	-978	-1,011
Total net interest items	-835	-715	-737
Interest coverage ratio (multiple)	5.6	4.8	5.5

Equity ratio

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Equity	79,019	62,749	79,019	62,749	82,971
Balance sheet total	196,348	154,106	196,348	154,106	194,517
Equity ratio	40%	41%	40%	41%	42%

Equity ratio

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
<i>Equity excluding non-controlling interest</i>					
Equity	79,019	62,749	79,019	62,749	82,971
Hybrid bond	-17,473	-17,125	-17,473	-17,125	-16,750
Non-controlling interest	-2,223	-1,854	-2,223	-1,854	-4,073
Equity excluding non-controlling interest	59,323	43,768	59,323	43,768	62,148
D share capital	-5,964	-5,881	-5,964	-5,881	-5,964
Reversal of derivatives	-594	-21	-594	-21	-517
Goodwill attributable to deferred tax	-1,590	-2,025	-1,590	-2,025	-1,781
Other goodwill	-4,284	-4,285	-4,284	-4,285	-4,285
Reversal of debt component of mandatory convertible bonds	-	13	-	541	-
Stamp tax Finnish properties	212	210	212	210	202
Reversal of deferred taxes	10,728	7,662	10,728	7,662	10,428
Deferred tax deduction	-3,580	-3,878	-3,580	-3,878	-2,877
Current net asset value (EPRA NTA)	54,251	35,566	54,251	35,566	57,354
Current net asset value (EPRA NTA), SEK/share	37.31	25.08	37.31	25.08	39.52
Current net asset value (EPRA NTA), SEK/share (diluted)	37.30	25.08	37.30	25.08	39.52
Reversal of other goodwill	4,284	4,285	4,284	4,285	4,285
Reversal of deduction for deferred taxes	3,580	3,878	3,580	3,878	2,877
Long-term net asset value (EPRA NRV)	62,115	43,729	62,115	43,729	64,516
Long-term net asset value (EPRA NRV), SEK/share	42.72	30.83	42.72	30.83	44.46
Long-term net asset value (EPRA NRV), SEK/share (diluted)	42.70	30.83	42.70	30.83	44.45
Number of ordinary class A and B shares	1,454,141,898	1,418,221,851	1,454,141,898	1,418,221,851	1,451,141,898
Number of ordinary class A and B shares after dilution	1,454,599,069	1,418,221,851	1,454,599,069	1,418,221,851	1,451,410,953

Secured loan-to-value ratio

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Liabilities to credit institutions	35,766	13,308	35,766	13,308	23,732
Secured bond loans	748	465	748	465	-
Total secured loans	36,514	13,773	36,514	13,773	23,732
Balance sheet total	196,348	154,106	196,348	154,106	194,517
Secured loan-to-value ratio	18.6%	8.9%	18.6%	8.9%	12.2%

Surplus ratio

Amounts in SEKm	01-01-2022 30-06-2022	01-01-2021 30-06-2021	01-04-2022 30-06-2022	01-04-2021 30-06-2021	01-01-2021 31-12-2021
Net operating income	2,443	1,877	1,290	1,019	4,047
Rental income	3,709	2,776	1,878	1,451	5,930
Surplus ratio	65.9%	67.6%	68.7%	70.2%	68.2%

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 30 June 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 30 June 2022.
- Operating and maintenance costs are based on budget.
- The property tax is calculated from the properties current tax assessment value as of 30 June 2022.
- Costs 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

Amounts in SEKm	Community service-properties	Residentials	Other	Total	Adjusted
Rental income	4,513	2,395	383	7,291	7,291
Operating costs	-511	-573	-88	-1,172	-1,172
Maintenance	-161	-156	-20	-337	-337
Property administration	-138	-99	-17	-254	-254
Property tax	-58	-50	-23	-131	-131
Net operating income	3,645	1,517	235	5,397	5,397
Central administration				-200	-200
Profit from joint ventures/associated companies ¹⁾				1,166	1,166
Financial income				100	100
Financial costs				-1,402	-1,329 ²⁾
Profit from property management before dividend				5,061	5,134
per Class A and B ordinary share				3.48	3.53
Profit from synergies with Amasten				50	50
Dividend hybrid bonds				-509	-509
Dividend Class D shares				-388	-388
Profit attributable to minority interests				-88	-88
Profit from property management attributable to ordinary shareholders				4,126	4,199
per Class A and B ordinary share				2.84	2.89

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 1.46 percent, which is the weighted average in the debt portfolio as of 30 June 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%	44.8%	50.0%	49.8%	34.7%	31.2%	30.6%	34.8%	-
Profit from property management	74	286	311	18	307	25	18	2,158	30	-
Profit from property management attributable to SBB's shareholding	37	143	139	9	153	9	6	661	10	-

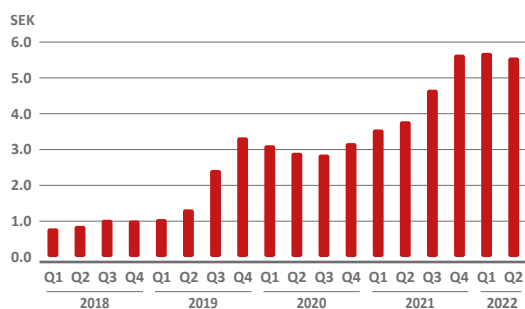
Appendix 2

Current earnings capacity, including value-adding strategies

The Group's earnings capacity, including value-adding strategies

Amounts in SEKm	Total	Adjusted
Profit from property management attributable to ordinary shareholders	4,126	4,199
per Class A and B ordinary share	2.84	2.89
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
Adjusted profit from property management to holders of ordinary shares, including value-adding strategies	8,026	8,099
per Class A and B ordinary share	5.52	5.57

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



See additional information on our value-adding strategies on page 21.

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 15.7bn
Net operating income: SEK 616m
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 10.4bn
Net operating income: SEK 547m
Shareholding: 44.8%

SBB Kåpan AB

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



Property value: SEK 6.2bn
Property value at completion: SEK 8.1bn
Net operating income: SEK 118m
Net operating income on completion: SEK 270.5m
Shareholding: 50%

JM AB

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



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

Heba Fastighets AB

Heba is a long-term and experienced property owner that develops, owns and manages housing 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 14.9bn
Net operating income: SEK 313m
Shareholding: 22%
Dividend SBB 2022: SEK 29m

Solon Eiendom ASA

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



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

Preservium Property AB

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



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

One Publicus Fastighets AB

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



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

Origa Care AB

Origa Care owns 13 care properties in growth regions, primarily in southern Finland. The properties are fully let with an average remaining lease duration of approx. 8 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 1.1bn
Net operating income: SEK 20m
Shareholding: 50%

Property development collaborations with listed companies

Genova - development of housing in Nacka and Lidingö.
No. m² GFA – 70,000 m². SBB's participation – 50%

KlaraBo - a number of jointly owned projects for the development of rental apartments in growth locations.
No. m² GFA – 67,000 m². SBB's participation – 40%

K2A (Västerås) – development of a new police station in Västerås with a 15-year lease.
No. m² GFA – 40,000 m². SBB's participation – 50%

K2A (Uppsala) - development of housing in Uppsala.
No. m² GFA – 25,000 m². SBB's participation – 50%

Titania – development of housing in Haninge and Botkyrka.
No. m² GFA – 25,000 m². SBB's participation – 50%

Oscar Properties – development of housing in Karlskrona.
No. m² GFA – 17,000 m². SBB's participation – 50%

Property development collaborations with unlisted companies

Magnolia - a number of jointly owned projects for the development of properties for social infrastructure with a focus on the Stockholm region.
No. m² GFA – 145,000 m². SBB's participation – 50%

Nyköping Stenbäret – development of a centrally located development property in Nyköping.
No. m² GFA – 100,000 m². SBB's participation – 50%

P&E – development of housing in Kalmar and Växjö.
No. m² GFA – 63,000 m². SBB's participation – 37.5%

Sveaviken – development of housing in the Mälardalen valley.
No. m² GFA – 48,000 m². SBB's participation – 50%

Bokoop – development of cooperative rent regulated residentials throughout Sweden.
No. m² GFA – 36,000 m². SBB's participation – 50%

Källtorp Project Development – development of housing and community properties in the Gothenburg region.
No. m² GFA – 33,000 m². SBB's participation – 50%

Aspelin Ramm (Gardermoen) – development of property adjacent to Gardermoen Airport and Gardermoen Hospital (owned by SBB).
No. m² GFA – 30,000 m². SBB's participation – 65%

Aspelin Ramm (Gothenburg) – development of SKF's former head office in central Gothenburg.
No. m² GFA – 25,000 m². SBB's participation – 50%

Consortium led by Peterson och Hansson – Development of housing in Falkenberg. *No. m² GFA – 18,500 m². SBB's participation – 30%*

Bolivo – projects for the development of secure accommodation throughout Sweden.
No. m² GFA – 17,000 m². SBB's participation – 50%

Idun – development of housing and community service properties in the Mälardalen region.
No. m² GFA – 16,000 m². SBB's participation – 50%

Centria – Development of housing in Täby.
No. m² GFA – 10,000 m². 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	5,061	5,061	5,061	5,061	5,061	5,061
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)	1,731	157	3,305	1,731	157	3,305
D:o %	1.10%	0.10%	2.10%	1.10%	0.10%	2.10%
Current tax, 10%	-506	-506	-506	-506	-506	-506
Profit after tax	8,286	6,712	9,860	8,786	7,212	10,360
Profit SEK/share	5.70	4.62	6.78	6.04	4.96	7.13
Return on long-term net asset value	13.34%	10.81%	15.88%	14.15%	11.61%	16.68%
Profit/share price	33.45%	27.10%	39.81%	35.47%	29.12%	41.83%
P/E	3	4	3	3	3	2



Samhällsbyggnadsbolaget

Upcoming report dates

Interim report Q3 2022

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