

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

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

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



1) Excl. NOI from finalised projects

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