

THE SOCIAL INFRASTRUCTURE CHAMPION IN EUROPE

27 October, 2022



 **SUSTAINALYTICS**
a Morningstar company

ESG
REGIONAL
TOP RATED



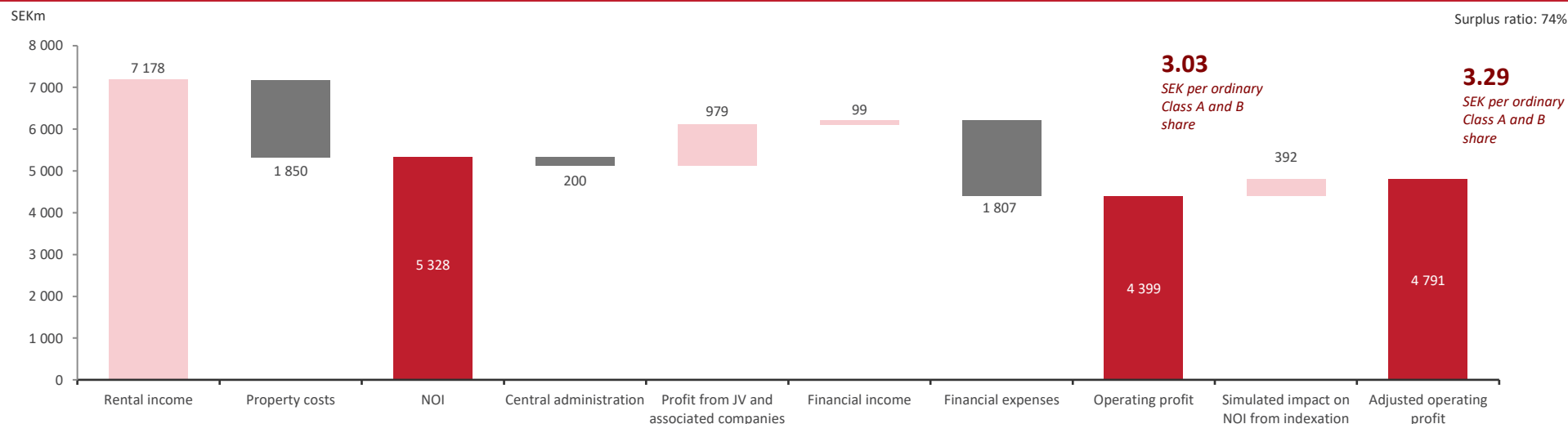
2022



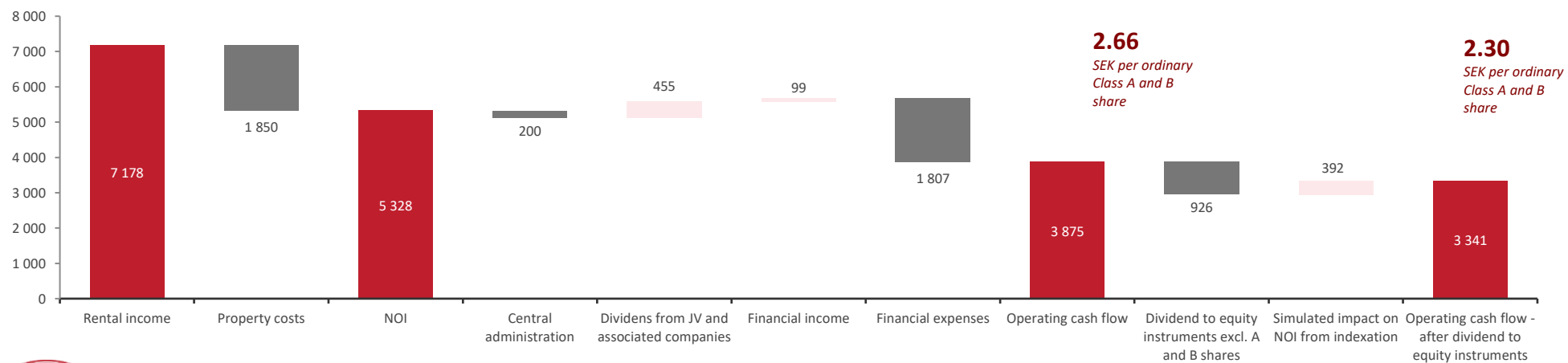
Apx. 2 PERCENT OF THE SWEDISH
POPULATION IS NOW A SHAREHOLDER
IN THE SOCIAL INFRASTRUCTURE
CHAMPION IN EUROPE

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

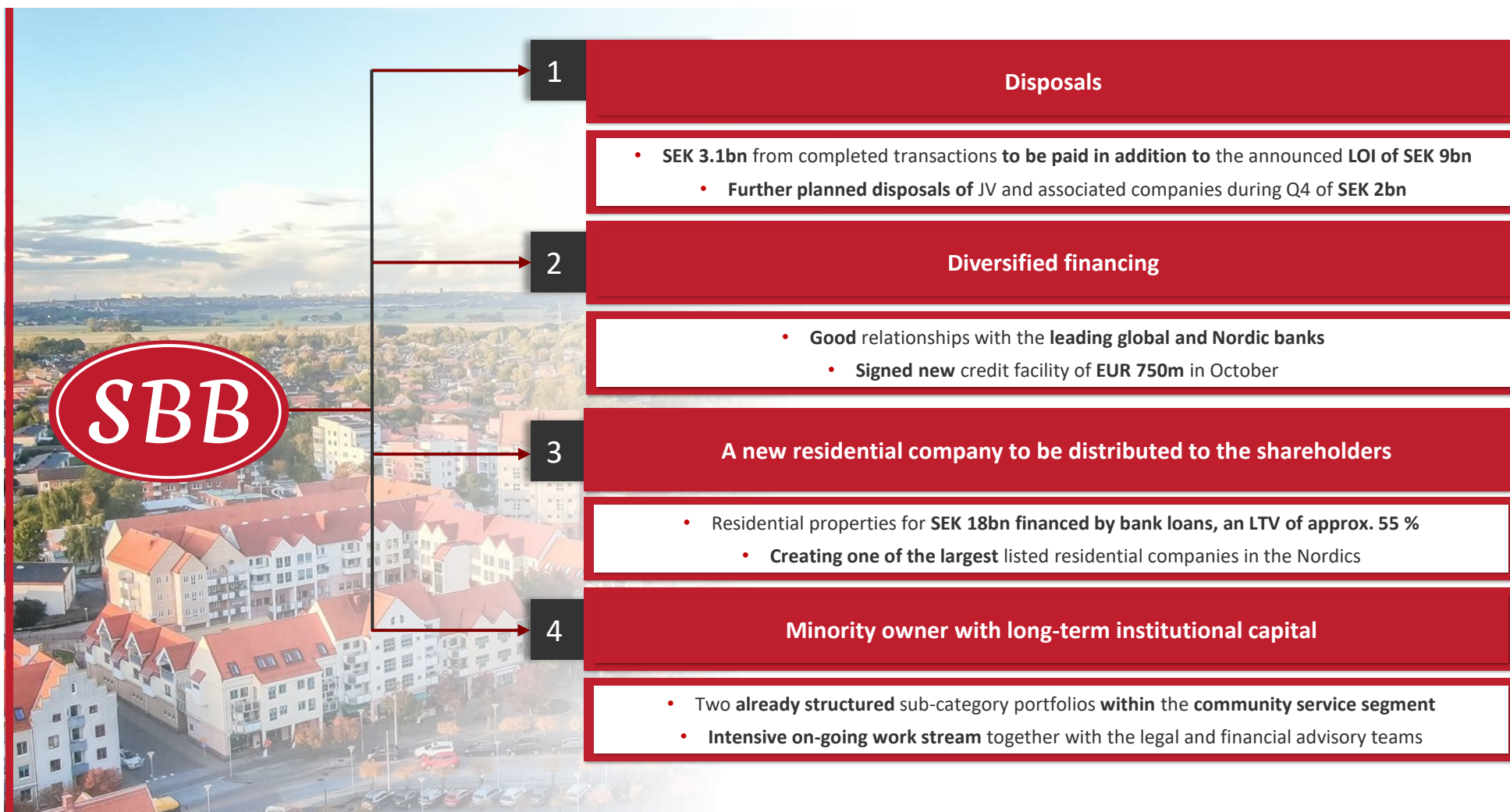
Current earnings capability for the Group for 12 months



Current cash earnings for the Group for 12 months



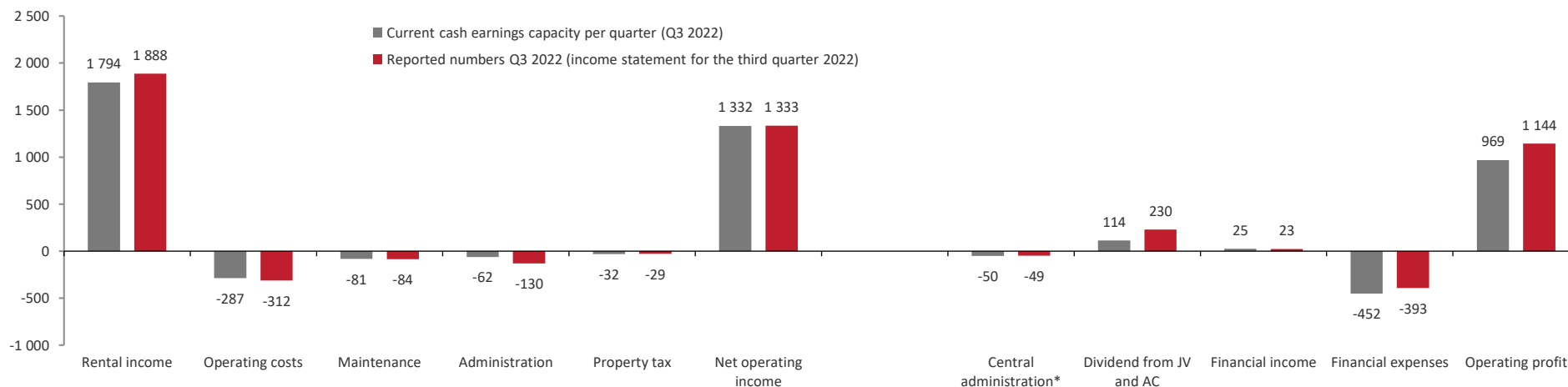
STRATEGIC UPDATE VISUALIZING OUR ABILITY TO ADAPT TO A CHANGED ENVIRONMENT



COMPARISON - EARNINGS CAPACITY AND REPORTED NUMBERS

Key take away's – Consolidated income statement	Earnings capacity Q3			Reported numbers		
	Total	of which cash	of which quarter	Q3	of which cash	
Rental income	7 178m	7 178m	1 794m	1 888m	1 888m	
Operating costs	-1 146m	-1 146m	-287m	-312m	-312m	
Maintenance	-325m	-325m	-81m	-84m	-84m	
Property administration	-250m	-250m	-62m	-130m	-130m	
Property tax	-129m	-129m	-32m	-29m	-29m	
Net operating income	5 328m	5 328m	1 332m	1 333m	1 333m	
Central administration	-200m	-200m	-50m	-115m	-115m	
- adjustment for the donation to UNHCR	-	-	-	-	50m	
- adjustment for other restructuring costs (one-off basis)	-	-	-	-	16m	
Result from JV and associated companies	1 166m	455m	114m	230m	230m	
Financial income	100m	100m	25m	23m	23m	
Financial expenses	-1 807m	-1 807m	-452m	-395m	-393m	
FX derivatives	-	-	-	-679m	-	
Operating profit	4 587m	3 875m	969m	397m	1 144m	

Illustrative comparison of earnings capacity and reported numbers (Q-Q)

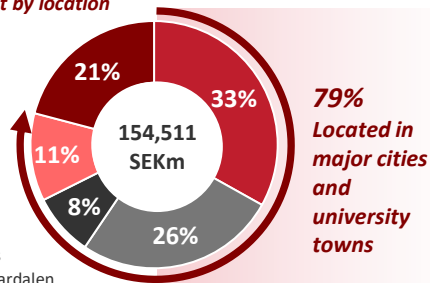


HIGHLIGHTS FOR THIRD QUARTER 2022

- 1 **Ability to adapt:** i) Disposals ii) Diversified financing iii) A new residential company to be distributed to the shareholders iv) Minority owner with long-term institutional capital
- 2 **Focus on core business**
- 3 **Highest net operating income ever - high interest coverage ratio - strong increase in cash flow**
- 4 **80% of the gross debt has a fixed interest rate**
- 5 **We will do everything necessary to strengthen our balance sheet and get a better rating**

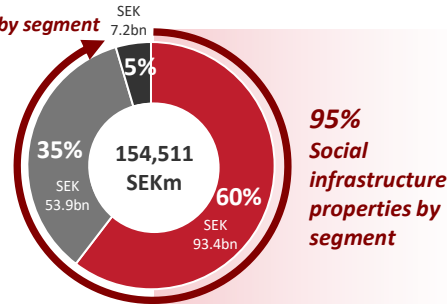
Property portfolio overview

Split by location



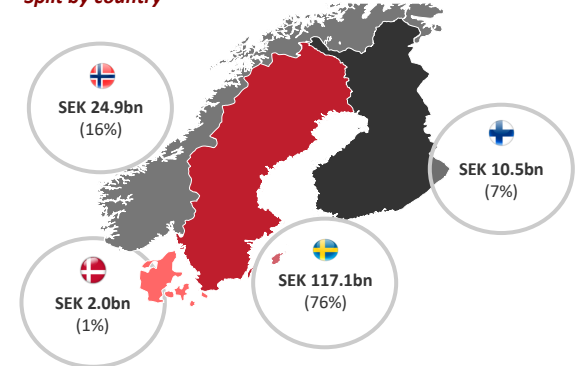
- University cities
- Stockholm/Mälardalen
- Oslo/Copenhagen/Helsinki
- Gothenburg/Malmö
- Other growth cities

Split by segment



- Community service properties
- Residentials
- Other

Split by country



BBB- (Negative) S&P Global Ratings Latest review: 08-Jul-2022	BBB- (Positive) FitchRatings Latest review: 09-Jun-2022	BBB (Stable) SCOPE Scope Ratings Latest review: 15-Nov-2021
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4.1% Initial yield 2023E ¹	11 years WAULT	99% Social infrastructure
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KEY RATIOS FOR THE THIRD QUARTER 2022

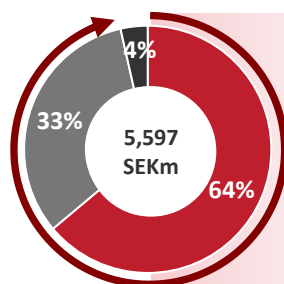
Key take away's – Consolidated income statement	Q3 2022	Q3 2021	Difference
Rental income for the quarter	1,888m	1,459m	+29%
Net operating income	1,333m	1,089m	+22%
Cash flow from operating activities before changes in working capital	884m	608m	+45%
Profit from property management	397m	873m	-55%
Adjusted profit from property management ¹	1,144m	925m	+24%
Profit for the period	-1,587m	4,003m	neg
Key take away's – Financials	Q3 2022	Q4 2021	
Loan-to-value ratio, %	47	40	
Interest-coverage ratio, multiple	4.8x	5.5x	
The average period of fixed interest for all interest-bearing liabilities, years	3.4	3.6	
Average debt maturity, years	4.0	4.1	
Key take away's – Share-related	Q3 2022	Q4 2021	
Long-term net asset value (EPRA NRV)	58,316m	64,516m	
Long-term net asset value (EPRA NRV) per share	40.10	44.46	
Key take away's – Property-related	Q3 2022	Q4 2021	
Market value of properties	154,511m	149,335m	
Surplus ratio, %	71	68	
Initial yield,%	3.8	3.8	
Valuation yield,%	4.37	4.34	
Economic letting ratio, %	95.2	94.1	
Average contract length of social infrastructure properties, years	11	11	

NET OPERATING INCOME

SEKm	Period		Quarter		Full year
	1 Jan 22 – 30 Sept 22	1 Jan 21 – 30 Sept 21	Q3 2022	Q3 2021	2021
Rental income	5,597m	4,235m	1,888m	1,459m	5,930m
Operating costs	-1,116m	-767m	-312m	-215m	-1,114m
Maintenance	-259m	-212m	-84m	-71m	-322m
Property administration	-348m	-195m	-130m	-50m	-317m
Property tax	-98m	-96m	-29m	-35m	-130m
Net operating income	3,776m	2,965m	1,333m	1,088m	4,047m
<i>Surplus ratio</i>	<i>67,5%</i>	<i>70,0%</i>	<i>70,6%</i>	<i>74,6%</i>	<i>68,2%</i>

Rental income for the period

1 Jan 2022 – 30 Sept 2022



96%
*Derived
from social
infrastructure
properties by
segment*

- Community service properties
- Residentials
- Other

Changes in comparable portfolio during the period

- Rental income **increased** by **3.7 percent** compared with the corresponding period in the preceding year
- Net operating income **increased** by **3.1 percent**

PROFIT FROM PROPERTY MANAGEMENT

SEKm	Period		Quarter		Full year
	1 Jan 22 – 30 Sept 22	1 Jan 21 – 30 Sept 21	Q3 2022	Q3 2021	2021
Net operating income	3,776m	2,965m	1,333m	1,088m	4,047m
Central administration	-320m	-238m	-43m	-38m	-290m
Acquisition, restructuring and other costs	-46m	-40m	-66m	-11m	-86m
Profit from associated companies/joint ventures	-488m	585m	-846m	187m	2,814m
- of which profit from property management	627	214	230	65	410
- of which value changes	-968	471	-1,056	135	3,095
- of which tax	-147	-100	-20	-13	-691
Profit before financial items	2,872m	3,272m	378m	1,226m	6,485m
Interest income	180m	207m	23m	50m	274m
Interest expenses	-998m	-743m	-393m	-236m	-1,011m
Translation gains/losses	-1,411m	-113m	-679m	-39m	118m
Other	-23m	-186m	-8m	-7m	-176m
Profit from property management	1 735m	2 066m	397m	873m	3 286m
Profit from property management excl. FX	3 146m	2 179m	1 076m	911m	3 168m

Comment regarding associated companies and JV's

- Profit from associated companies and joint ventures was SEK -488m (585) for the period and SEK -846m (187) for the quarter. This outcome is largely attributable to Svenska Myndighetsbyggnader Holding AB and JM AB (publ), which contributed SEK 342m and SEK -129m respectively to consolidated profit for the period, as well as SEK -40m and SEK -459m respectively for the quarter. The negative result from JM is related to a write-down of the shares in JM of SEK 500m.

PROFIT BEFORE TAX

SEKm	<u>Period</u>		<u>Quarter</u>		<u>Full year</u>
	1 Jan 22 – 30 Sept 22	1 Jan 21 – 30 Sept 21	Q3 2022	Q3 2021	2021
Profit from property management	620m	2,437m	-679m	995m	5,690m
Changes in value, property	-981m	11,982m	-2,507m	4,578m	21,360m
Dissolution of goodwill after property sales	-192m	-9m	-	-1m	-252m
Results, production of residentials	2m	-	-10m	-	9m
Changes in the value of financial instruments	-1,155m	1,336m	630m	115m	2,487m
Profit before tax	-1,706m	15,746m	-2,566m	5,687m	29,294m

Property portfolio change

- External valuations of all of our properties were conducted in the third quarter. The outcome shows a decline in value by SEK 981m, of which residentials accounted for SEK -2,455m, community service properties for SEK 1,355m and other properties SEK 119m. The largest portion pertains to residentials and projects given that the appraisers assume that rents for residentials will rise by significantly less than inflation.

Comments to changes in value of properties

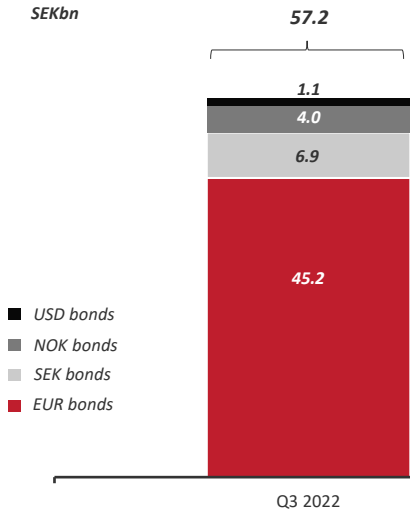
- Changes in the value of properties over the period amounted to SEK -981m (11,982), of which SEK -534m (467) were realized changes in value and SEK -447m (11,515) were unrealized changes in value.

The change in value is explained by higher yield requirements.

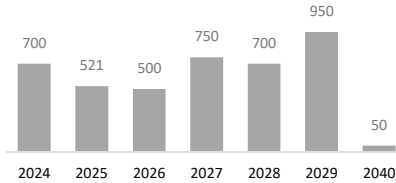
Appraisers	<u>Inflation assumptions</u>		<u>Actual CPI outcome 12m until Sept 2022</u>		<u>Difference</u>
	2022	2023			
Appraiser 1 – Sweden	8.5%	4.0%	10.8%	-2.3%	
Appraiser 2 – Sweden	9.0%	3.0%	10.8%	-1.8%	
Appraiser 3 – Norway	5.5%	2.0%	6.9%	-1.4%	
Appraiser 4 – Finland	4.5%	2.2%	8.1%	-3.6%	
Appraiser 5 – Norway	4.37%	2.9%	6.9%	-2.53%	

DEBT PORTFOLIO

Bond portfolio break down



EUR bonds - maturity profile



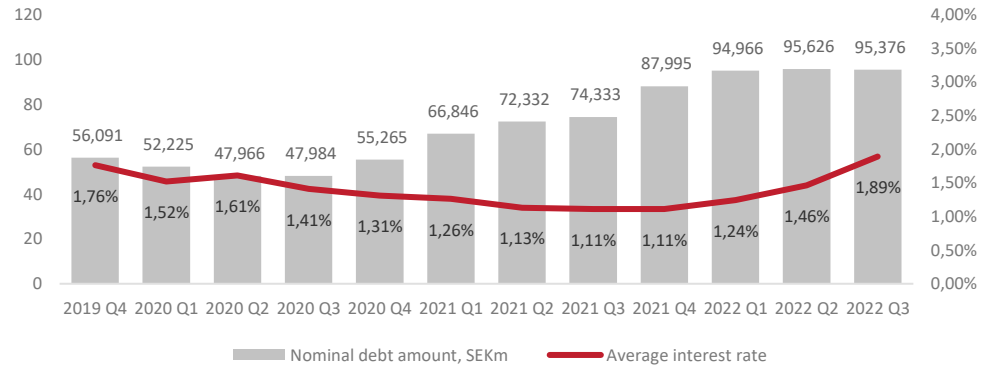
■ Nominal amount, EURm

Our EUR bond portfolio totaling **EUR 4,171m** outstanding debt as per Q3 2022. The debt maturity is **4.7 years** with **1.17%** as an average interest rate – **100% fixed**.

Of this, our bonds maturing after 2025 amounts to **EUR 2,950m** (71% of EUR debt portfolio) with a **fixed coupon rate of 1.04%** as per Q3 2022 and with a maturity of **6.0 years**.

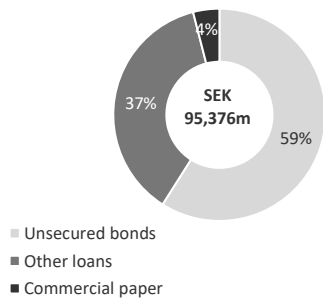
Cost of debt

Weighted average maturity (years)

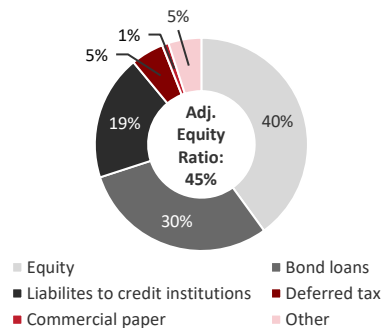


Diversified debt and capital structure

Debt structure

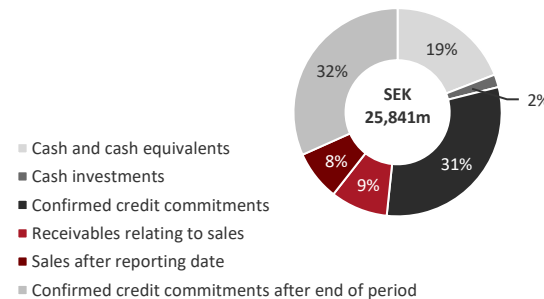


Capital structure

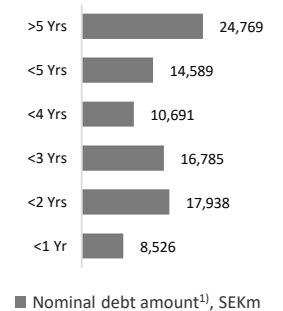


Liquidity and debt maturity profile

Liquidity break down



Maturity profile



TO SUMMARIZE...



THANK YOU!



Samhällsbyggnadsbolaget

APPENDIX - SBB OVERVIEW AND KEY HIGHLIGHTS

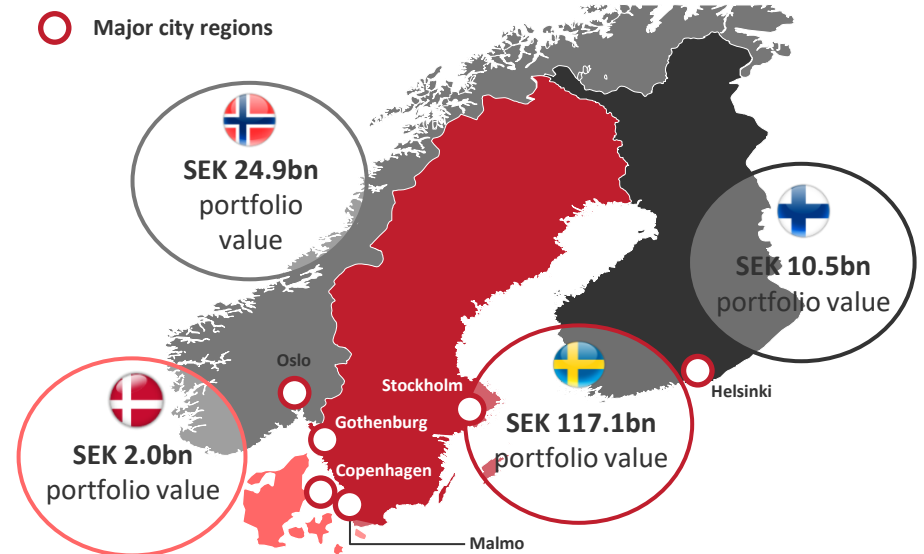
Company snapshot

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

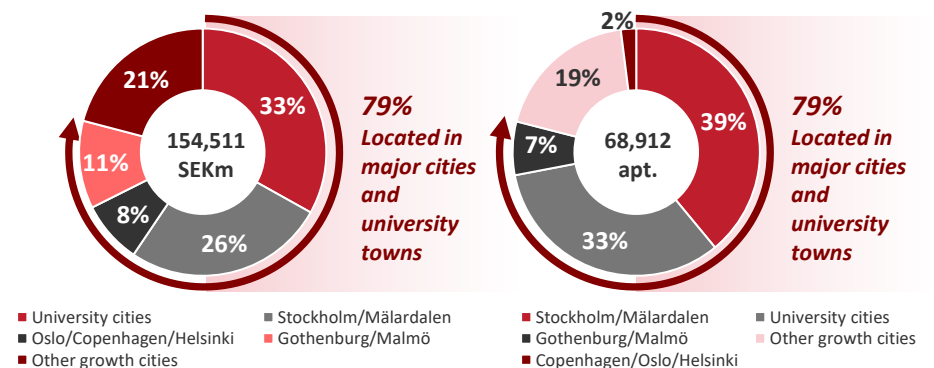
Key figures

SEK 7.2bn <i>passing rent</i>	SEK 153.1bn <i>portfolio book value</i>	11yr WAULT <i>but effectively perpetual</i>	47% <i>net LTV on total assets</i>	BBB- <i>(negative)</i> S&P Global Ratings
	4.1% <i>net initial yield 2023E¹</i>	3.8% <i>net initial yield¹</i>	1.89% <i>average interest rate</i>	BBB- <i>(positive)</i> Fitch Ratings
				BBB <i>(stable)</i> SCOPE

Portfolio book value by country



Portfolio book value and building rights portfolio



APPENDIX - RENTAL INCOME - ORIGINATES FROM “AAA” ASSETS

Income overview by category – rolling 12 months

Category	Rental Income, SEKm	% of Total
Regulated rent residentials	2 299	32
Building rights for regulated rent residentials	75	1
Sum rent regulated residentials	2 374	33
Apartments for elderly care	803	11
Apartments for specialist residential care (LSS)	433	6
Building rights for publicly funded residentials	0	0
Sum publicly funded residentials	1 236	17
Education	2 098	29
Pre school	876	12
Compulsory/Upper secondary school	878	12
University	343	5
Hospitals and health centres	458	6
Government infrastructure and City Halls	405	6
Public offices	334	5
Other	0	0
Building rights for community service	167	2
Sum community service	3 463	48
Sum social infrastructure	7 073	99
Other	105	1
Total	7 178	100

99% of the rental income (rolling 12m) is attributable from **social infrastructure properties** consisting of Swedish rent regulated residentials and community service properties in the Nordics.

Sovereign credit risk exposure in community service


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

✓ The cash flows originates from 3 of the world's total of 10 AAA-rated economies with a combined WAULT of 11 years, which creates a highly predictable and uniquely stable income stream as the basis for SBB's future growth.

✓ Strong global mega trends to support the business model:

- Urbanization
- Sustainability focus
- Changed demographics

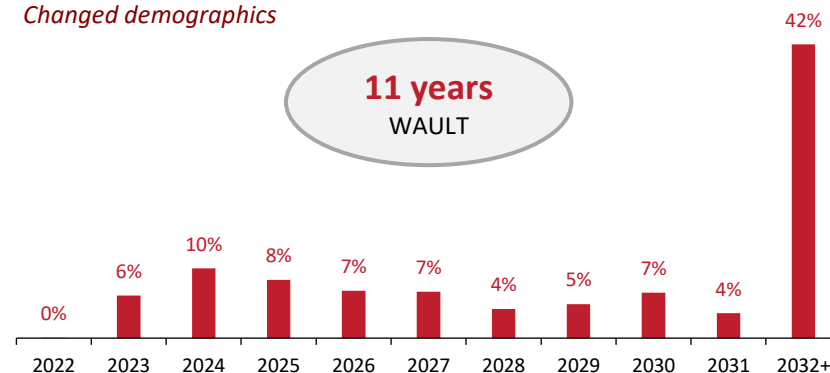
Sovereign credit rating

 S&P Global Ratings **AAA** (Stable)
FitchRatings **AAA** (Stable)
MOODY'S **Aaa** (Stable)

 S&P Global Ratings **AAA** (Stable)
FitchRatings **AAA** (Stable)
MOODY'S **Aaa** (Stable)

 S&P Global Ratings **AA+** (Stable)
FitchRatings **AA+** (Stable)
MOODY'S **Aa1** (Stable)

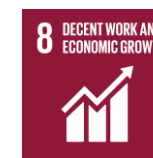
 S&P Global Ratings **AAA** (Stable)
FitchRatings **AAA** (Stable)
MOODY'S **Aaa** (Stable)



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

Vision 2030

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



E Environmental targets

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

S Social targets

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

G Governance and financial targets

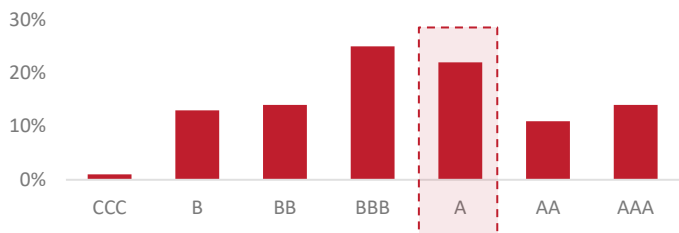
- ✓ Achieve investment grade BBB+ in the short term and A- in the long term
- ✓ 100% sustainable financing
- ✓ SBB to be classified as a green share on Nasdaq Stockholm

APPENDIX - RECOGNITION OF ESG PERFORMANCE

ESG ratings



Upgraded from BB to A



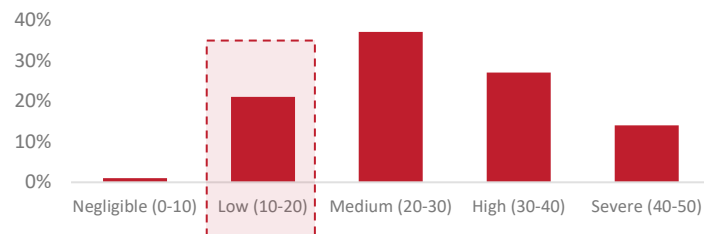
MSCI
ESG RATINGS



CCC B BB BBB **A** AA AAA



Risk reduced by 2.4 to 11.5,
threshold for negligible ESG-Risk is 10.0



Peers (Market cap \$7.6-\$9.6bn)	Exposure	Management	ESG-Risk Rating
1. Samhällsbyggnadsbolaget i Norden AB	27.2 Low	58.5 Strong	11.5 Low
2. Castellum AB	27.9 Low	57.2 Strong	12.2 Low
3. Swiss Prime Site AG	28.9 Low	39.5 Average	17.6 Low



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



Regional Top Rated 2022



ESG REGIONAL TOP RATED



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



Notes: ¹ As of 21st August 2021