



S&P affirms SBB's investment grade rating BBB- with negative outlook – the Brookfield transaction should have a positive impact

S&P Global Ratings ("S&P") has today affirmed Samhällsbyggnadsbolaget i Norden AB (publ) ("SBB")'s investment grade rating BBB- with negative outlook. A few comments from the S&P rating:

- We believe the transaction, if it materializes as expected, should have a positive impact on SBB's leverage ratios and liquidity position, since the company will use the cash proceeds to repay debt over the next 12-24 months.
- Yet we are mindful of current challenging conditions in the real estate markets and SBB's elevated leverage as of third-quarter 2022, despite all transactions announced by the company in recent months prior to this announcement.
- The negative outlook indicates that we could lower the ratings within 12 months if SBB fails to achieve its leverage targets, causing our adjusted debt-to-debt-plus equity ratio to remain at 60 percent or higher or EBITDA interest coverage to fall below 2.4x for a prolonged period.
- We continue to incorporate a one-notch downward adjustment from the BBB anchor rating, given SBB's elevated asset rotation, which has resulted in some volatility of its credit metrics in recent months and adds complexity to the overall corporate structure.

For further information, please contact:

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Samhällsbyggnadsbolaget i Norden AB (publ) (SBB) is the Nordic region's leading property company in social infrastructure. The Company's strategy is to long term own and manage social infrastructure properties in the Nordics and rent regulated residential properties in Sweden, and to actively work with property development. Through SBB's commitment and engagement in community participation and social responsibility, municipalities and other stakeholders find the Company an attractive long-term partner. The Company's series B shares (ticker SBB B) and D shares (ticker SBB D) are listed on Nasdaq Stockholm, Large Cap. Further information about SBB is available at www.sbbnorden.se.