



SAMHÄLLSBYGGNADSBOLAGET
I NORDEN AB (PUBL)

JANUARY-DECEMBER 2022

Q4

Summary of period

The year

The year in brief

- Rental income increased by 26 percent to SEK 7,447m (5,930).
- The operating surplus increased by 21 percent to SEK 4,881m (4,047).
- Cash flow from operating activities before changes in working capital was SEK 3,485m (2,459).
- Profit before tax decreased to SEK -10,548m (29,294), of which:
 - Profit from property management is included in the amount of SEK 2,391m (3,286). The profit from property management includes costs for early repayment of loans and other items affecting comparability of SEK 304m (-241).
 - Changes in the values of properties are included in the amount of SEK -4,571m (21,360).
 - Profit from associated companies/joint ventures is included in the amount of SEK -1,866m (2,814). Impairment of SEK -551m was recognized in the shareholding in JM.
 - Changes in the values of financial instruments are included in the amount of SEK -1,560m (2,487).
- Profit for the year was SEK -9,811m (25,601) after the deduction of deferred tax of SEK 1,032m (-3,446) and current tax of SEK -294m (-247), corresponding to earnings per Class A and B ordinary share of SEK -7.23 (17.17) before dilution.
- The value of the property portfolio amounted to SEK 135.6bn (149.3).
- The long-term net asset value (EPRA NRV) was SEK 45,579m (64,516), corresponding to SEK 31.34 (44.46) per share.

- The Board of Directors proposes a dividend of SEK 1.44 (1.32) per series A and B share and a dividend of SEK 2 (2) per series D ordinary share. SBB wants to make it possible for shareholders to choose whether the dividend on Class A and B ordinary shares, as well as on Class D shares, should be reinvested in Class B shares (according to a so-called DRIP - Dividend Reinvestment Plan) or paid out in cash.

Significant events during the fourth quarter

- At the end of October, SBB was given a "Prime" ESG rating by ISS ESG, indicating the quality of SBB's performance in social and environmental areas. Furthermore, all of SBB's bonds now qualify as "responsible investments".
- During November, SBB issued a voluntary repurchase offer for outstanding hybrid instruments and senior bonds, with the result that SBB repurchased a total EUR 631m of the nominal capital amount outstanding. The total purchase consideration (excluding accrued interest) for the repurchase was EUR 501m.
- On 21 November, Kåpan Pension exercised its option to acquire SBB's holding in Svenska Myndighetsbyggnader AB, thereby now holding 100 percent of the shares. In connection with the acquisition, the name of the company was changed to Kåpan Fastigheter.
- At the end of November, SBB sold 49 percent of its portfolio of education properties to Brookfield (one of the world's largest investors in infrastructure) for SEK 9.2 billion with additional purchase considerations of up to SEK 1.2 billion through cash payment. Since closing will not take place until 2023, the transaction has not affected the closing balances.

- In December, Scope Ratings confirmed SBB's rating as Stable, with it previously having been Negative.
- SBB completed the compulsory redemption of outstanding shares in Amasten AB (publ) in December.

Distribution of Neobo

SBB distributed the shares in Neobo Fastighets AB (publ) (formerly Amasten Fastighets AB) to SBB's A and B shareholders on 30 December 2022. After the balance sheet date, the company was listed on Nasdaq First North Premier. First trading day was 10 February 2023. The dividend has affected the group's equity with a total of SEK -9.1bn, of which SEK -3.2bn is capital gains via the result. See page 10 for more information.

Significant events following the end of the quarter

- In mid-January, SBB completed an initial transfer to Brookfield of a portfolio in social infrastructure and education, whereupon SBB received a cash payment of SEK 6.6 billion.
- From more than 15,000 companies covered by Sustainalytics globally, SBB has been named as an ESG Regional Top Rated company in 2023.
- SBB received Nordnet's "Great Saver Prize 2023" in the "Investor Communications of the Year" category. The purpose of the award is to recognize and encourage successful listed companies.
- In January, shares were acquired from TRS, reducing the cash collateral liability by about SEK 2 bn.

SEK 135.6 bn

Property value
31 December 2022

SEK 7,447 bn

Rental income
January-December 2022

SEK -9,811 bn

Profit for the period
January-December 2022

SEK 3,485 bn

Cash flow from operating activities
January-December 2022

SEK -7.23 /share

Earnings per share
31 December 2022

2.12%

Average interest rate
31 December 2022

SBB key ratios

	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Property-related key ratios				
Market value of properties, SEKm	135,616	149,335	135,616	149,335
Number of properties	2,050	2,241	2,050	2,241
Number of m ² , thousands	4,627	5,425	4,627	5,425
Surplus ratio, %	66	68	60	64
Yield, %	4.1	3.8	4.1	3.8
Economic letting ratio, %	95.3	94.1	95.3	94.1
Average contract length of social infrastructure properties, years	10	11	10	11
Financial key ratios				
Rental income, SEKm	7,447	5,930	1,850	1,695
Net operating income, SEKm	4,881	4,047	1,105	1,082
Profit for the period, SEKm	-9,881	25,601	-7,949	12,305
Cash flow from operating activities before changes in working capital, SEKm	3,485	2,459	812	713
Equity excluding non-controlling interests, SEKm	44,321	62,148	44,321	62,148
Return on equity, %	-13	38	-11	16
Loan-to-value ratio, %	49	40	49	40
Secured loan-to-value ratio, %	20	12	20	12
Equity/assets ratio, %	38	43	38	43
Adjusted equity/assets ratio, %	42	47	42	47
Non-pledged quota, multiple	2.81	2.78	2.81	2.78
Interest-coverage ratio, multiple	3.9	5.5	-	-
Share-related key ratios				
Actual net asset value (EPRA NTA), SEKm	39,665	57,354	39,665	57,354
Actual net asset value (EPRA NTA), SEK/share	27.28	39.52	27.28	39.52
Actual net asset value (EPRA NTA) after dilution, SEK/share	27.27	39.52	27.27	39.52
Long-term net asset value (EPRA NRV), SEKm	45,579	64,516	45,579	64,516
Long-term net asset value (EPRA NRV), SEK/share	31.34	44.46	31.34	44.46
Long-term net asset value (EPRA NRV) after dilution, SEK/share	31.34	44.45	31.34	44.45
EPRA Earnings (Profit from property management after tax paid), SEKm	471	2,251	-56	845
EPRA earnings (EPS), SEK/share	0.32	1.63	-0.04	0.58
EPRA earnings after dilution (EPS diluted), SEK/share	0.32	1.62	-0.04	0.58
EPRA Vacancy rate	4.7	5.9	4.7	5.9
Earnings per Class A and B ordinary share, SEK	-7.23	17.17	-5.58	8.30
Earnings per Class D ordinary share, SEK	2.00	2.00	0.50	0.50
Average number of Class A and B ordinary shares	1,453,854,227	1,379,982,887	1,454,141,898	1,451,141,898
Average number of Class D ordinary shares	193,865,905	191,331,014	193,865,905	193,865,905
Number of Class A and B ordinary shares	1,454,141,898	1,451,141,898	1,454,141,898	1,451,141,898
Number of Class D ordinary shares	193,865,905	193,865,905	193,865,905	193,865,905

See all definitions and calculations on pages 43-47.

Samhällsbyggnadsbolaget i Norden

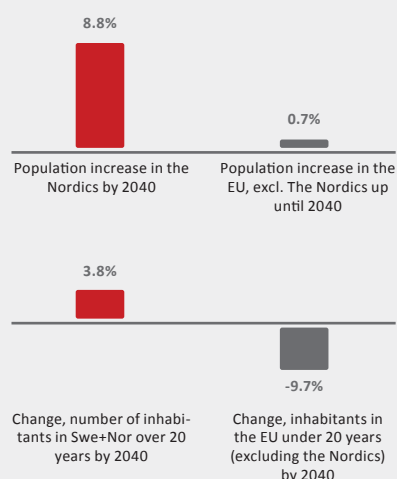
Ilija Batljan founded SBB in March 2016 with the vision of building the best European property company for social infrastructure. The company's strategy is to own, manage and develop community service properties and rent-regulated residentials over the long term. The company also aims to actively conduct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

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

Rental income rolling 12-month

Classification	Rental income, SEKm	Total, %
Rental apartments	1,512	22
Building rights for future rental apartments	47	1
Total residentials	1,558	23
Elderly care units	876	13
LSS	466	7
Total publicly funded housing	1,342	20
Education	2,314	34
Preschool	967	14
Primary school/upper-secondary school	963	14
University	384	6
Hospitals and health centres	486	7
Central government infrastructure and town halls	437	7
Public offices	297	4
Building rights for future community service properties	180	3
Total community service properties	3,714	55
Total social infrastructure	6,614	98
Other	114	2
Total	6,728	100

Driving factors

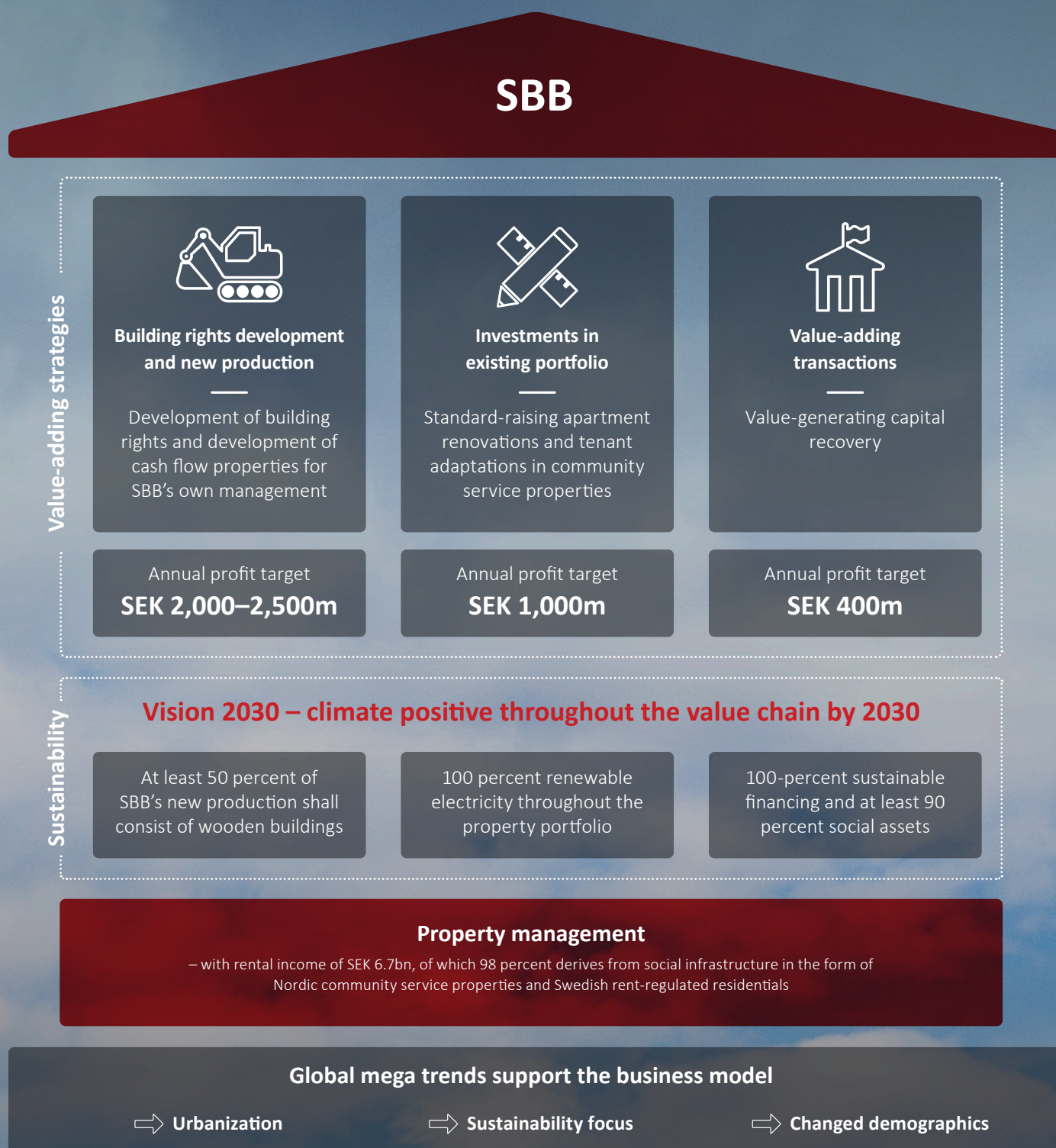


Driving factors

	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.	<div> <div>24,125</div> <div>SBB's average value for residentials, Q4 2022 (SEK/m²)</div> </div> <div> <div>42,870</div> <div>Cost new construction of residentials, incl. land (SEK/m²)</div> </div>
Education	Preschools, primary schools, upper secondary schools and universities in the Nordics are publicly funded.	<div> <div>3.8%</div> <div>Change, number of inhabitants in Swe+Nor over 20 years by 2040</div> </div> <div> <div>-9.7%</div> <div>Change, number of inhabitants in the EU under 20 years (excluding the Nordics) by 2040</div> </div>
Elderly care units	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.	<div> <div>2.1%</div> <div>Share of GDP that public sector spends on elderly care in the Nordics</div> </div> <div> <div>0.4%</div> <div>Share of GDP that public sector spends on elderly care in the EU</div> </div>
LSS	Publicly funded residentials for people with special needs in a housing market characterized by structural shortages.	<div> <div>27,968</div> <div>SBB's average value for LSS properties Q4 2022 (SEK/m²)</div> </div> <div> <div>42,870</div> <div>Cost new construction of residentials, incl. land (SEK/m²)</div> </div>
Hospitals & health care centres	In contrast to other parts of the EU/EEA, health care is predominantly publicly funded in the Nordics.	<div> <div>80.8%</div> <div>Share of public healthcare funding in the Nordics</div> </div> <div> <div>28.2%</div> <div>Share of public healthcare funding in the EU</div> </div>
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.	<div> <div>1.2%</div> <div>Share of GDP spent on the police and judiciary in the Nordics</div> </div> <div> <div>1.8%</div> <div>Share of GDP spent on the police and judiciary in the EU</div> </div>
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.	<div>AAA</div>

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 in building rights development and new production, Investments in existing portfolios and value-generating transactions. Through its business model, SBB generates long-term, sustainable shareholder value through a high risk-adjusted annual return.



Growth potential

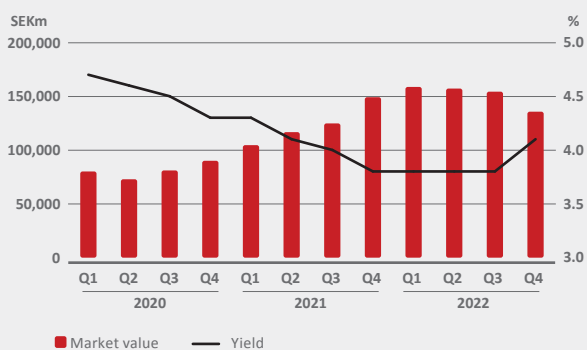
Europe's leading property developer (number of apartments)



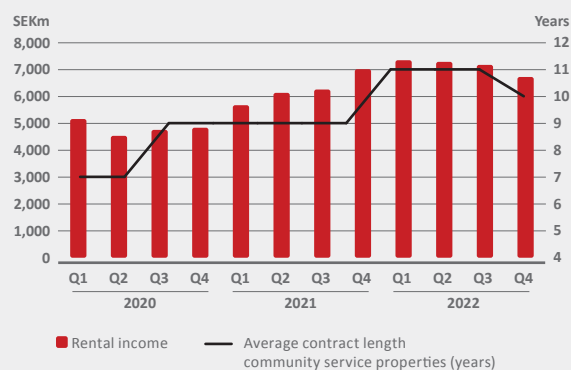
EPRA NRV – per Class A and B share



The value of the properties (SEKm) & yield



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



A message from the CEO

Dear fellow shareholders and credit investors,

Let me start by affirming that our core operations continue to deliver. In 2022, our profit from property management, excluding unrealized exchange rate fluctuations, increased by 38 percent, from SEK 3,168m to SEK 4,382m. Cash flow from operating activities before changes in working capital increased by 42 percent over the year, from SEK 2,459m to SEK 3,485m. These secure and strong cash flows (backed up by an average lease duration of slightly more than ten years) are delivered by a well-diversified portfolio of assets that generate shareholder value at all stages in the economic cycle:

- SBB Educo AB is Europe's largest portfolio of social infrastructure for public education. In November 2022, a 49-percent holding was sold for SEK 9.2bn plus a contingent purchase consideration of SEK 1.2bn to the Brookfield Super-core Infrastructure Fund (one of the world's largest infrastructure funds). Our key debt ratios at the end of the year do not include agreed and committed payments to SBB of SEK 10.5 billion, of which the Brookfield deal is SEK 9.2 billion. These will be reported in the first quarter of 2023.
- Largest listed owner and developer of social infrastructure for elderly care in the Nordics.
- Largest owner of LSS properties in the Nordics (housing for people with special needs). Tenants are directly or indirectly Nordic municipalities.
- Owner of unique buildings, including one of the Nordic region's most modern hospitals, with the highest environmental certification of any building in Oslo, and with a 25-year lease agreement, as well as Sara kulturhus, probably Europe's most sustainable property, with a 49-year lease agreement with the Municipality of Skellefteå.
- One of the largest portfolios of rent-regulated residentials in the Nordics. In December 2022, a third of the portfolio was distributed to holders of Class A and B shares in SBB, and subsequently listed as Neobo Fastigheter AB (publ).
- Holding about 32.6 percent of shares, SBB is the largest shareholder in JM AB (publ), the leading developer of residentials and community service properties in the Nordics.

The year 2022 was a challenging one in every regard. How else should one summarize a year characterized by rising inflation, sharply rising interest rates and energy prices, a frozen bond market in Sweden and Europe, continuing consequences of an ongoing pandemic, as well as an unimaginable war in Europe, with the horrific Russian invasion of Ukraine. It is times like these that test us all in terms of both resilience and adaptability. Being responsive to change and adapting to changing conditions is SBB's main strength. While it is therefore gratifying that we have been able to deliver, it remains evident that our work is not yet finished. We will

not stop until we have strengthened our credit rating and regained the full confidence of the market. Accordingly, the Board of Directors has decided to prioritize the following points:

1) SBB's Board of Directors has resolved to assess the conditions for IPO of the subsidiary Sveafastigheter. Ahead of the listing, Sveafastigheter will own residential properties and projects through directly owned companies, joint ventures and listed shares for a total of about SEK 15bn. Of this, the net asset value in SBB is equivalent to about SEK 8bn. SBB has recently perceived considerable interest from international investors in Sveafastigheter's platform as a Stockholm focused residential company with strong commitment to issues of sustainability. The transaction would further streamline SBB's operations, focusing them even more clearly on community service properties, while SBB would concentrate its partial shareholdings in a single company. SBB intends to divest around 70 percent of the shares in the company in connection with the listing. In the assessment of the Board of Directors, such focus and specialization will facilitate increased shareholder value. The Board of Directors also believes that using the proceeds to decrease the company's debt, will further strengthen SBB's financial position. SBB holds a highly favourable view of the Stockholm region, and considers remaining a long-term shareholder of Sveafastigheter following its listing. Sveafastigheter combines substantial hidden assets in SBB and a possible listing could make these visible.

2) SBB is currently in discussions regarding the sale of properties for an additional SEK 6bn. Our successful efforts from last year are continuing and SBB intends to prioritize sales with the aim of strengthening the balance sheet and reducing the company's indebtedness.

3) Brookfield Super-core Infrastructure Fund and SBB have agreed to prioritize growth within Europe over the upcoming years. A process has been initiated to develop the strategy for establishing these operations.

4) SBB has built its first solar park, which produces 10 GWH. SBB will continue to invest in renewable energy with the aim of becoming self-sufficient in renewable electricity by 2030.

5) SBB's ownership in JM is a strategic long-term holding that fits well with the company's strategy of owning unique assets.

2022 was a year characterized by a number of priorities that SBB carried out according to plan:

1) Sales: We have stated clearly that we will conduct sales to strengthen our balance sheet. SBB has shown that the company holds very liquid assets and has sold assets for apx. SEK 25bn, in line with their book values, in one of the most challenging markets of our times. Of



the sales that have been completed, SEK 10.5bn remained to be paid (of which SEK 6.6bn was received after the end of the year). In the fourth quarter, we even sold shares in joint ventures for about SEK 2bn.

2) Diversified financing: SBB enjoys a close and long-term relationship with its banks. Negotiations are in progress with three Swedish banks to extend bank loans with a volume of approximately SEK 12bn. At the end of July, SBB implemented its first unsecured US Private Placement ("USPP") of USD 100m with five and ten year maturities. Together with the Schuldschein financing that SBB issued in June, the USPP transaction is a further step in the company's efforts to diversify its funding sources and demonstrates SBB's strength in the global capital market.

3) Neobo Fastigheter AB was distributed to shareholders before the end of the year. Since 10 February this year, Neobo has been listed on Nasdaq First North Growth Market.

4) On 30 November, SBB signed a non-conditional agreement to sell a 49-percent holding in its educational social infrastructure portfolio to Brookfield for SEK 9.2bn with contingent purchase considerations of up to SEK 1.2bn to be paid in cash. SBB perceives considerable demand from infrastructure funds and other long-term institutional investors to both acquire properties from SBB and to co-invest in social infrastructure alongside SBB.

Stable core operations

The core of SBB's operations is its long-term ownership of secure, inflation-protected cash flows from property management of social infrastructure in the Nordic region. SBB also owns stable Swedish rent regulated residentials, for which rent levels are low.

Strong net operating income, high interest coverage ratio and strong increase in cash flow

The core business continued to deliver strong net operating income over the quarter. Our net operating income for the fourth quarter came in at SEK 1,105m. Net operating income over the year increased by 21 percent, from SEK 4,047m to SEK 4,881m. This has contributed to a strong interest coverage ratio corresponding to a multiple of 3.9, despite rising interest rates. Fixed interest is an insurance premium for times like these. SBB had an average interest rate of 2.12 percent at the end of the year. At the end of the fourth quarter, our fixed interest term was 3.2 years (3.6). Given that 78 percent of our borrowings carry fixed interest rates, it will take some time before higher interest rates have an impact on SBB's earnings and there will be time for these to be offset by inflation-adjusted rental income.

Unrealized decreases in property and currency values, as well as extensive unreported overvaluations in the debt portfolio

It is no secret that our holdings in listed assets have decreased in value. Nor are people unaware that the entire market is concerned about higher construction and financing costs, impacting in turn the values of our building rights and project operations. External valuations of all of our properties were conducted in the fourth quarter. The outcome shows a decline in value of SEK 4.6bn. We have also written down our entire goodwill on the segment containing building rights properties. In the second quarter, we pointed out that we prioritize paying down short-term debt and focusing on extending both interest and capital maturities. This is also why we chose not to use our cash balances in a volatile market to fully hedge our non-current currency exposure. Unrealized changes in currency values has no impact on SBB's cash flow. SBB receives sufficient income in EUR to cover its interest payments in that currency. At the same time, the interest rates on SBB's long-term Euro bonds are low, meaning that SBB has major unreported surplus values in its debt portfolio.

Sustainability

SBB's goal is to be climate positive throughout the value chain by 2030. The analyst firm Sustainalytics assesses SBB's ESG risk as very low (at 10.7, with the limit for negligible risk being 10) and the risk management is considered to be strong. SBB has been named as one of the top companies in terms of its ESG performance by Sustainalytics (ESG Regional Top Rated 2023). Sustainalytics monitors and rates more than 15,000 companies globally and presents the best performing companies annually. In the fourth quarter, ISS ESG raised SBB's ESG rating to Prime, meaning that SBB's shares and bonds are classified as a "responsible investment". SBB is pursuing the largest certification project in accordance with Miljöbyggnad iDrift to date. Our newly built solar park is expected to deliver an annual output of about 10 GWh over a normal year. This corresponds to five percent of SBB's total electricity consumption. Another example is the collaboration with Telia which

exchanges the heat generated from cooling its server hall with SBB, providing heating for SBB's properties in the Municipality of Haninge. The properties that will be heated with surplus heat from Telia's local server hall include the Haninge municipal building, the Söderbymalmsskolan school and the Terrassen elderly care unit. For SBB, the energy project entails slightly more than 100,000 m² of property space becoming self-sufficient in heat, corresponding to annual savings of approximately 5,600 MWh.

SBB supports Mentor and Lärhjälpen (study support) and, in the summer of 2022, we provided 300 summer jobs for young people. Furthermore, in accordance with the resolution of the Annual General Meeting, we have contributed SEK 50m to UNHCR's work in Ukraine. It is our hope that this contribution will make it possible for people fleeing the war in Ukraine to get a roof over their heads, protection, security, integrity, comfort and health.

Property development

SBB is a long-term partner of the public sector in the Nordic region. Project and property development is an important part of SBB's role as a community builder, in which we develop social infrastructure in the form of rent-regulated residentials in Sweden, as well as buildings and premises for socially important functions in the Nordic region. The operations are divided between two principal stages, (i) developing building rights on SBB's own land and, (ii) subsequently producing new community service properties or housing in markets with high demand. The current market situation, with both increasing financing and construction costs, has entailed both authorities and municipalities postponing a number of planned projects, meaning in turn that these projects will have to be implemented at a later date, meaning that it is critical for the operations to be prepared with an attractive portfolio of building rights to meet these needs.

SBB's development of building rights over the year successfully delivered slightly less than 300,000 m² GFA (equivalent to 4,600 apartments) in new zoning plans that had gained legal force. Our zoning plan for Nöthagen in Nyköping – one of Sweden's largest zoning plans including residentials, schools and healthcare, gained legal force in the fourth quarter. Over the year, we sold some 80,000m² GFA, demonstrating the value of continuing to generate building rights in attractive locations in growth areas.

Our current production has a yield to cost of 4.7 percent in new production and 5.1 percent in existing portfolios and we completed 765 apartments and about 80,000 m² of community service properties over the year. In ongoing production, we have a reprocessing rate of 61 percent, with 96 percent of residential production being located in Sweden's university cities, and with 51 percent of residentials having low, investment-support rent levels. The projects currently in progress will be completed in 2023-2025 and will have then added a total SEK 417m to SBB's net operating income. Having said that, I would like to highlight that we have a very strong and competitive project portfolio with low risk of vacancies and with a high repro-

cessing rate and we are certain that our building rights portfolio will be critical in meeting future needs for residentials as well as for community service properties.

Prospects

At the end of 2022, SBB had SEK 4.9bn in cash and cash equivalents and unconditionally signed agreements that provide a liquidity of SEK 10.5bn (SEK 9.2bn of which represented the minority stake sold to Brookfield, SEK 6.6bn of which has already been paid to SBB and used to reduce our debt, the remaining SEK 2.6 billion is expected to be paid out before the end of first quarter 2023). We see the bond markets starting to open up and the pricing of our bonds improving for each day that passes. Our bond maturity over the next 12 months is approximately SEK 3.8bn, with the first SEK 1bn having been repaid on 1 February. However, we expect to secure new financing in the bond market already this year.

Rental income from comparable portfolios (like-for-like) increased by 4.0 percent in 2022, equivalent to 1.2 percentage points above inflation for 2021, on which the rent increases implemented in 2022 were based. Since the company's inception, SBB has reported an average annual increase in rental income in comparable portfolios (like-for-like) by slightly more than 1 percent above base CPI. Rental income from comparable portfolios is expected to increase by about SEK 400m in 2023.

Earnings capacity per Class A and B share comes in at SEK 2.11. Beyond that, income for 2023 increased by SEK 0.19 per Class A and B ordinary share through the completion of new production projects. In summary, income from property management operations amounted to SEK 2.30 per Class A and B share. In addition, SBB conducts successful property development operations that, in 2022 and in early 2023, sold a total 110,000 m² GFA in building rights.

The stable inflation-protected cash flow from SBB's core operations ensures continued strong dividends for our approximately 350,000 shareholders. For the 2023 Annual General Meeting, the Board proposes a dividend of SEK 1.44 per ordinary A and B share, split between 12 monthly dividends. In a similar way currently offered by Brookfield in Canada, SBB will make it possible for shareholders to choose whether the dividend on Class A and B ordinary shares, as well as on Class D shares, should be reinvested in Class B shares (according to a so-called DRIP - Dividend Reinvestment Plan) or paid out in cash. The idea is to make it possible for shareholders, who so desire, to straightforwardly reinvest their dividends into new Class B shares in SBB without incurring any transaction costs. SBB continues to focus fully on its core business of delivering much-needed social infrastructure. In 2022, we have delivered and are working with full confidence to continue delivering a good return to our shareholders and credit investors.

Ilija Batljan, Founder and CEO

Distribution of Neobo

Background

In 2021, SBB acquired a majority shareholding in Amasten Fastighets AB (publ). While primarily comprising residentials, Amasten also conducted residential development operations through the subsidiary group SSM. At that time, Amasten was listed on Nasdaq First North Premier Growth Market. Controlling 90.8 percent of the votes in Amasten, SBB announced a mandatory public tender offer on 20 December 2021. On 19 January 2022, SBB announced that it then held some 97.5 percent of total shares and votes outstanding in Amasten. SBB subsequently requested compulsory redemption of the remaining shares in Amasten, which was completed in December 2022. On 27 October 2022, it was announced that SBB's Board of Directors had resolved to assess the conditions for forming a new, independent company focusing on residential properties, with the intention of distributing this between the holders of Class A and B shares in SBB in accordance with Lex Asea. The Board of Directors' assessment was that the transaction would facilitate increased shareholder value through the streamlining of SBB's operations by generating opportunities for increased organizational efficiency and greater financial flexibility. This would provide even more favourable conditions to benefit from business opportunities in the markets for community service properties and residentials.

An Extraordinary General Meeting on 21 December 2022 resolved to approve the proposal by the Board of Directors to distribute all of the shares in Amasten Fastighets AB (publ). On 23 December 2022, the name of the company was changed to Neobo Fastigheter AB (publ). Following the close of the period, Neobo was listed on the Nasdaq First North Growth Market, with the shares commencing trading on 10 February 2023.

Property portfolio¹⁾

As of 30 September 2022, Neobo held 267 properties with a combined market value of SEK 16.3bn.

In connection with the distribution of the shares, the property portfolio was restructured with Neobo acquiring properties valued at a combined SEK 5.2bn from other subsidiary groups within SBB and selling properties valued at SEK 5.8bn to SBB. All acquisitions and sales were conducted at market value.

On the date of distribution, Neobo held 268 properties with a combined value of SEK 15,756m. Of these, 168 properties were located in southern Sweden, comprising 5,560 apartments with a total area of 452,000 m² and a rental value of SEK 536m, as well as 100 properties located in northern Sweden, comprising 2,821 apartments with a total area of 262,000 m² and a rental value of SEK 370m.

Strategy¹⁾

Neobo's strategy entails long-term ownership, managing and improving residentials with inflation-protected cash flows, generating a positive return over time. The company nurtures the role of rent regulated residentials role by offering attractive living environments and thereby contributing to sustainable societal development. Neobo works actively with sustainability, striving to reduce its climate footprint and offering cost-efficient and sustainable residentials.

Neobo conducts long-term property management with a local presence and works continuously to sustainably refine its property portfolio thereby improving the properties' net operating income. Neobo also has energy saving projects in progress and is conducting renovations of its existing property portfolio. Continuous efforts are also in progress to optimize energy consumption and to review maintenance costs and tariff-based expenses.

It is Neobo's strategy to operate in towns/cities and regions with favourable macro trends. Initially, Neobo will focus on its existing property portfolio, although it may also respond to attractive business opportunities as they arise in both current and new geographical areas.

Financial targets¹⁾

Neobo's financial targets are:

- The return on equity shall exceed 10 percent over time
- The loan-to-value ratio must not exceed 65 percent of the properties' market value
- The equity/assets ratio shall exceed 30 percent
- The interest-coverage ratio shall exceed a multiple of 1.5

Effects on SBB's reporting

On distributing Neobo, SBB reports a capital loss of SEK 3,202m in the consolidated income statement, corresponding to the difference between Neobo's fair value and the consolidated value of Neobo's net assets at the time of distribution. Fair value has been determined by applying discount to net asset value of 35 percent on Neobo's net assets. The distribution has subsequently been reported as a reduction of SEK 5,946m in the SBB Group's retained earnings. See page 17 for more information. The total reduction in the SBB Group's equity attributable to the distribution was SEK 9,148m. See page 17 for more information.

As a result of the deconsolidation of the properties that, on the date of distribution, were held by Neobo, the value of the SBB Group's property portfolio decreased by SEK 16,066m. See page 15 for more information. In connection with the restructuring and distribution of Neobo, credits for SEK 7.5bn were reallocated to Neobo, as were interest rate swaps for SEK 393m.

The distribution resulted in a reduction of SEK 10,369m in the retained earnings of the Parent Company, corresponding to the book value, in the Parent Company, of the shares distributed.

1) Company description prepared in connection with the listing of the shares in Neobo Fastigheter AB (publ), pages 16-17.



Consolidated income statement

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Rental income	7,447	5,930	1,850	1,695
Operating costs	-1,567	-1,114	-451	-347
Maintenance	-393	-322	-134	-110
Property administration	-465	-317	-117	-122
Property tax	-141	-130	-43	-34
Net operating income	4,881	4,047	1,105	1,082
Central administration	-433	-290	-113	-52
Acquisition, restructuring and other items affecting comparability	-120	-86	-24	-46
Results from associated companies/joint ventures	-1,866	2,814	-1,378	2,229
– of which profit from property management	941	410	314	196
– of which value changes	-1,970	3,098	-1,502	2,627
– of which write-downs	-747	-3	-247	-3
– of which tax	-90	-691	57	-591
Profit before financial items	2,462	6,485	-410	3,213
Profit from financial items				
Interest income and similar items	239	274	59	67
Interest expenses and similar items	-1,526	-1,011	-528	-268
Expenses for redeemed loans in advance	424	-155	429	16
Translation gains/losses	-1,991	118	-580	231
Leasing costs	-24	-21	-6	-6
Total profit from financial items	-2,878	-795	-626	40
Results including changes in value and tax in associated companies/joint ventures ¹⁾	-416	5,690	-1,036	3,253
– of which profit from property management ¹⁾	2,391	3,286	656	1,220
– of which profit from property management, excl. translation gains/losses ¹⁾	4,382	3,168	1,236	989
Changes in value, property	-4,571	21,360	-3,590	9,378
Realization result from dividend from Neobo	-3,202	-	-3,202	-
Dissolution of goodwill after property sales	-387	-252	-195	-243
Write-down goodwill	-395	-	-395	-
Results, production of residentials	-17	9	-19	9
Changes in the value of financial instruments	-1 560	2,487	-405	1,151
Profit before tax	-10,548	29,294	-8,842	13,548
Tax for the year	-294	-247	-80	-87
Deferred tax	645	-3,698	779	-1,399
Dissolution of deferred tax goodwill	387	252	195	243
PROFIT FOR THE PERIOD	-9,811	25,601	-7,949	12,305
<i>Profit for the period attributable to:</i>				
Parent Company shareholders (incl. hybrid bonds)	-9,634	24,583	-7,904	12,280
Non-controlling interest	-177	1,018	-45	25
PROFIT FOR THE PERIOD	-9,811	25,601	-7,949	12,305
Earnings per Class A and B ordinary share before dilution	-7.23	17.17	-5.58	8.30
Earnings per Class A and B ordinary share after dilution	-7.23	17.03	-5.58	8.20
Earnings per Class D ordinary share, SEK	2.00	2.00	0.50	0.50

1) New total line and new definitions. For further information, see Definitions on page 43-44.

Consolidated statement of comprehensive income

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Profit for the period	-9,811	25,601	-7,949	12,305
Share of comprehensive income in associated companies/joint ventures	169	6	99	10
Translation gains/losses	427	1,120	252	329
COMPREHENSIVE INCOME FOR THE PERIOD	-9,215	26,727	-7,598	12,644
<i>Comprehensive income for the period attributable to:</i>				
Parent Company shareholders (incl. hybrid bonds)	-9,038	25,709	-7,552	12,619
Non-controlling interest	-177	1,018	-46	25
COMPREHENSIVE INCOME FOR THE PERIOD	-9,215	26,727	-7,598	12,644

Comments on the consolidated income statement

Net operating income

Rental income during the period amounted to SEK 7,447m (5,930) and for the quarter to SEK 1,850 (1,695). In a comparable portfolio, rental income increased by 4.0 percent compared with the corresponding period in the preceding year. Of the rental income, SEK 4,743m pertained to community service properties, SEK 2,432m to residentials, and SEK 272m to other properties. The economic occupancy rate at the end of the period was 95.3 percent (94.1). The average contract length for community service properties was 10 years (11).

Property costs during the period amounted to SEK -2,566m (1,883) and for the quarter to SEK -745m (-613). These mainly comprised tax-related costs, operating and maintenance costs, as well as property administration. In a comparable portfolio, costs increased by 8.1 percent compared with the corresponding period in the preceding year, with the increase largely being attributable to higher electricity prices and increased maintenance. Net operating income in comparable portfolios increased by 2.3 percent.

Profit from property management

In total, the period's costs for central administration amounted to SEK -433m (-290) for the period and SEK -113m (-52) for the quarter. Central administration costs include costs for business development, transactions, property development and financial management. Profit from associated companies and joint ventures was SEK -1,866m (2,814) for the period and SEK -1,378m (2,229) for the quarter. The result is for the most part attributable to JM AB (publ), Svenska Myndighetsbyggnader Holding AB and Public Property Invest AS, which contributes SEK 125m, SEK -626m respectively SEK -336m to the group's result for the period and SEK 254m, SEK -847m and SEK -189m for the quarter, respectively. The period's changes in value of holdings in associated companies and joint ventures amounts to SEK -1,970m (3,098) and for the quarter SEK -1,502m (2,627). Of these, Public Property Invest AS constitutes SEK -522m and SBB Kåpan Bostad AB SEK -322m for the period and SEK -255m and SEK -183m for the quarter. Write-downs for the period on shares in associated companies/joint ventures amount to SEK -747m (-3) and for the quarter SEK -247m (-3). Of these, JM AB (publ) makes up -551 (-) for the period and -51 (-) for the quarter.

Finance net

Net financial items amounted to SEK -2,878m (-795) for the period and to SEK -626m (40) for the quarter. The financial costs include interest for external financing, as well as other financial costs, such as accrued arrangement fees and exchange rate differences.

Financial costs included costs affecting comparability in the form of costs for the early redemption of loans in the amount of SEK 424m (-155) for the period and of SEK 429m (16) for the quarter. Exchange rate

differences of SEK -1,991m (118) for the period and of SEK -580m (231) for the quarter, were reported that were 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.

Item affecting comparability

SBB's items affecting comparability amounted to SEK -120m (86) for the period and to SEK -24m (46) for the quarter. It consists of acquisitions costs of SEK -46m and restructuring costs of SEK -8m. Other mainly consist of a distribution of SEK 50m to UNHCR to support its work in war-torn Ukraine in accordance with the annual general meeting decision.

Changes in value and tax

Changes in the value of properties over the period amounted to SEK -4,571m (21,360), of which SEK -155m (740) were realized changes in value and SEK -4,416m (20,620) were unrealized changes in value. In the change of value, general rent increases through higher actual inflation results than what was adopted for 2022, renegotiations of existing agreements as well as newly signed agreements created higher operating net, which contributed positively to the unrealized value change. The negative value change is explained by increased yield requirements. Profit for the period included a realization loss amounting to SEK -3,202m relating to the distribution of Neobo, see page 10.

During the period, goodwill was written down by SEK -395m (-), in the segment Other, containing building rights properties.

Value changes for financial instruments amounted to SEK -1,560m (2,487). The item comprises unrealized changes in value for financial investments in shares of SEK -2,219m (2) and is attributable to the negative price trend for the shares in the portfolio, as well as changes in value regarding interest derivatives of SEK 1,236m (2,486). In addition, the item included unrealized change in value amounting to SEK -577m (-) regarding a guarantee linked to a transaction.

Profit after tax for the period amounted to SEK -9,811m (25,601), while profit for the quarter amounted to SEK -7,949m (12,305). Tax on the profit for the period was SEK 738m (-3,693), of which SEK -294m (-247) pertained to current tax and SEK 1,032m (-3,446) pertained to deferred tax related to properties and tax-loss carryforwards. Dissolutions of deferred tax on goodwill amounted to SEK 387m (252).

Segment reporting

Segment reporting

For reporting and follow-up, SBB has been divided into three segments: Residential, Community service and Other/Property Development. The division is based on the differences in the nature of the segments and on

the reporting the management obtains to follow up and analyze the business, as well as on the data obtained on which to base strategic decisions.

Period 01-01-2022 – 31-12-2022	Community service properties	Residentials	Other properties	Total segment	Group-wide items and eliminations	Group total
Rental income	4,743	2,432	272	7,447	-	7,447
Property costs	-1,206	-1,252	-109	-2,566	-	-2,566
Net operating income	3,537	1,181	163	4,881	-	4,881
Central administration	-	-	-	-	-433	-433
Acquisition and restructuring costs	-	-	-	-	-120	-120
Results from associated companies/joint ventures	-	-	-	-	-1,866	-1,866
Profit before financial items	3,537	1,181	163	4,881	-2,419	2,462
Interest income and similar items	-	-	-	-	239	239
Interest expenses and similar items	-	-	-	-	-3,117	-3,117
Profit incl. ch. in value/tax in associated companies/joint ventures	3,537	1,181	163	4,881	-5,297	-416
Changes in value of investment properties	-714	-3,558	-299	-4,571	-	-4,571
Realization result from dividend from Neobo	-	-3,202	-	-3,202	-	-3,202
Resolution of goodwill on property sales	-	-	-	-	-387	-387
Write-down goodwill	-	-	-	-	-395	-395
Profit from development of residentials	-	-	-	-	-17	-17
Changes in the value of financial instruments	-	-	-	-	-1,560	-1,560
Profit before tax	2,823	-5,579	-136	-2,892	-7,656	-10,548
Tax	-	-	-	-	738	738
Profit for the period	2,823	-5,579	-136	-2,892	-6,918	-9,811
Investment properties (SEKm)	91,739	37,530	6,346	135,616	-	135,616
Investments (SEKm)	2,125	2,555	166	4,846	-	4,846
Value per m ² (SEK)	30,750	29,330	17,415	29,307	-	29,307
Surplus ratio (%)	75%	49%	60%	66%	-	66%

Period 01-01-2021 – 31-12-2021	Community service properties	Residentials	Other properties	Total segment	Group-wide items and eliminations	Group total
Rental income	4,467	1,128	335	5,930	-	5,930
Property costs	-1,152	-574	-157	-1,883	-	-1,883
Net operating income	3,315	554	178	4,047	-	4,047
Central administration	-	-	-	-	-290	-290
Acquisition and restructuring costs	-	-	-	-	-86	-86
Results from associated companies/joint ventures	-	-	-	-	2,814	2,814
Profit before financial items	3,315	554	178	4,047	2,438	6,485
Interest income and similar items	-	-	-	-	274	274
Interest expenses and similar items	-	-	-	-	-1,069	-1,069
Profit incl. ch. in value/tax in associated companies/joint ventures	3,315	554	178	4,047	1,643	5,690
Changes in value of investment properties	10,963	9,747	650	21,360	-	21,360
Resolution of goodwill on property sales	-	-	-	-	-252	-252
Results, production of residentials	-	-	-	-	9	9
Changes in the value of financial instruments	-	-	-	-	2,487	2,487
Profit before tax	14,278	10,301	828	25,407	3,887	29,294
Tax	-	-	-	-	-3,693	-3,693
Profit for the period	14,278	10,301	828	25,407	194	25,601
Investment properties (SEKm)	90,057	52,410	6,868	149,335	-	149,335
Investments (SEKm)	2,079	1,652	179	3,910	-	3,910
Value per m ² (SEK)	29,475	26,662	16,981	27,525	-	27,525
Surplus ratio (%)	74%	49%	53%	68%	-	68%

Period 01-10-2022 – 31-12-2022	Community service properties	Residentials	Other properties	Total segment	Group-wide items and eliminations	Group total
Rental income	1,175	605	70	1,850	-	1,850
Property costs	-352	-359	-34	-745	-	-745
Net operating income	823	246	36	1,105	-	1,105
Central administration	-	-	-	-	-113	-113
Acquisition and restructuring costs	-	-	-	-	-24	-24
Results from associated companies/joint ventures	-	-	-	-	-1,378	-1,378
Profit before financial items	823	246	36	1,105	-1,515	-410
Interest income and similar items	-	-	-	-	59	59
Interest expenses and similar items	-	-	-	-	-685	-685
Profit incl. ch. in value/tax in associated companies/joint ventures	823	246	36	1,105	-2,141	-1,036
Changes in value of investment properties	-2,069	-1,103	-418	-3,590	-	-3,590
Realization result from dividend from Neobo	-	-3,202	-	-3,202	-	-3,202
Resolution of goodwill on property sales	-	-	-	-	-195	-195
Write-down goodwill	-	-	-	-	-395	-395
Profit from development of residentials	-	-	-	-	-19	-19
Changes in the value of financial instruments	-	-	-	-	-405	-405
Profit before tax	-1,247	-4,058	-382	-5,687	-3,155	-8,842
Tax	-	-	-	-	894	894
Profit for the period	-1,247	-4,058	-382	-5,687	-2,261	-7,949
Investment properties (SEKm)	91,739	37,530	6,346	135,616	-	135,616
Investments (SEKm)	472	517	65	1,054	-	1,054
Value per m² (SEK)	30,750	29,330	17,415	29,307	-	29,307
Surplus ratio (%)	70%	41%	52%	60%	-	60%

Period 01-10-2021 – 31-12-2021	Community service properties	Residentials	Other properties	Total segment	Group-wide items and eliminations	Group total
Rental income	1,176	429	90	1,695	-	1,695
Property costs	-329	-236	-48	-613	-	-613
Net operating income	847	193	42	1,082	-	1,082
Central administration	-	-	-	-	-52	-52
Acquisition and restructuring costs	-	-	-	-	-46	-46
Results from associated companies/joint ventures	-	-	-	-	2,229	2,229
Profit before financial items	847	193	42	1,082	2,131	3,214
Interest income and similar items	-	-	-	-	67	67
Interest expenses and similar items	-	-	-	-	-28	-28
Profit incl. ch. in value/tax in associated companies/joint ventures	847	193	42	1,082	2,170	3,253
Changes in value of investment properties	6,441	2,545	392	9,378	-	9,378
Resolution of goodwill on property sales	-	-	-	-	-243	-243
Profit from development of residentials	-	-	-	-	9	9
Changes in the value of financial instruments	-	-	-	-	1,151	1,151
Profit before tax	7,288	2,738	434	10,460	3,087	13,548
Tax	-	-	-	-	-1,243	-1,243
Profit for the period	7,288	2,738	434	10,460	1,849	12,305
Investment properties (SEKm)	90,057	52,410	6,868	149,335	-	149,335
Investments (SEKm)	622	580	33	1,235	-	1,235
Value per m² (SEK)	29,475	26,662	16,981	27,525	-	27,525
Surplus ratio (%)	72%	45%	47%	64%	-	64%

Consolidated balance sheet

Amounts in SEKm	31-12-2022	31-12-2021
ASSETS		
Fixed assets		
Intangible assets		
Goodwill	5,283	6,066
Total intangible assets	5,283	6,066
Tangible assets		
Investment properties	135,616	149,335
Land lease agreements	829	639
Equipment, machinery and installations	37	48
Total tangible assets	136,482	150,022
Financial fixed assets		
Participations in associated companies/joint ventures	12,649	16,373
Receivables from associated companies/joint ventures	1,737	3,885
Derivatives	1,696	547
Financial fixed assets at fair value	2,298	4,530
Other long-term receivables	939	207
Total financial fixed assets	19,319	25,542
Total fixed assets	161,084	181,630
Current assets		
Properties held for sale	156	279
Current receivables		
Accounts receivable	106	219
Other receivables	1,434	1,959
Prepaid expenses and accrued income	740	540
Total current receivables	2,280	2,718
Cash and cash equivalents	4,429	9,837
Cash investments	421	53
Total cash and cash equivalents and cash investments	4,850	9,890
Total current assets	7,286	12,887
TOTAL ASSETS	168,370	194,517

Comments

Goodwill

The goodwill item of SEK 5,283m (6,066) is 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 amounting to SEK 1,255m (1,781), 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 acquisition of Hemfosa are considered to be.

During the period, goodwill was written down by SEK -395m (-), in the segment Other, containing building rights properties.

Investment properties

As of 31 December 2022, the value of the properties amounted to SEK 135,616 m. 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 4.72 percent (4.34) has been used in the valuation. The value of the properties includes SEK 3,391m 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 19-21.

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, SEK m
Rental value	+/- 5%	5,676 / -5,560
Discount rate	+/- 0.25 percentage points	-6,320 / 7,164
Direct return requirements	+/- 0.25 percentage points	- 5,602 / 6,607

Property portfolio change

Opening fair value, 01-01-2022	149,335
Acquisition	10,478
Investments	4,846
Sales	-10,364
Distribution of Neobo Fastigheter AB (publ)	-16,066
Translation differences	1,803
Unrealized value changes	-4,416
Fair value at end of period	135,616

Associated companies and joint ventures

SBB's engagement in associated companies and joint ventures consists partly of a shareholding in the companies and in some cases financing to the companies. As of 31 December 2022, participations in associated companies and joint ventures amounted to SEK 12,649m (16,373) and receivables from associated companies and joint ventures amounted to SEK 1,737m (3,885). Some of the companies conduct property development projects, while other companies own investment properties. The largest holdings comprise the companies: SBB Kåpan AB, Public Property Invest AS and JM AB (publ). See further information on page 49.

In accordance with IAS 36, SBB tested its holding in JM for impairment due to indications that its value could have decreased due to the recent decline in the market price of the shares. SBB calculated a right-of-use value for the JM holding, determining, based on this calculation, that it would be necessary to recognize impairment of SEK 551m. The impairment has reduced the carrying amount of the participation in the associated company.

Cash and cash equivalents and cash investments

Cash and cash equivalents amounted to SEK 4,429m (9,837) and cash investments, comprising shares in listed companies, amounted to SEK 421m (53).

Consolidated balance sheet

Amounts in SEKm	31-12-2022	31-12-2021
EQUITY AND LIABILITIES		
Share capital	165	165
Other contributed capital	26,587	26,371
Reserves	142	834
Retained earnings, incl. comprehensive income for the year	17,424	34,778
Equity attributable to Parent Company shareholders	44,319	62,148
Hybrid bonds	15,748	17,295
Other reserves	577	-543
Non-controlling interest	2,691	4,071
Total equity	63,337	82,971
Long-term liabilities		
Liabilities to credit institutions	30,496	21,974
Bond loans	48,310	51,919
Derivatives	971	30
Deferred tax liabilities	9,120	10,428
Leasing liabilities	829	639
Other long-term liabilities	141	292
Total long-term liabilities	89,867	85,282
Current liabilities		
Liabilities to credit institutions	3,400	1,758
Commercial papers	1,111	11,169
Bond loans	3,768	1,175
Accounts payable	456	181
Current tax liabilities	310	418
Liability, cash collateral	2,178	5,607
Other liabilities	2,019	3,923
Accrued expenses and prepaid income	1,924	2,033
Total current liabilities	15,166	26,264
TOTAL EQUITY AND LIABILITIES	168,370	194,517

Comments

Equity

Equity attributable to the parent company's shareholders amounted to SEK 44,319m (62,148) at period end. Total equity amounted to SEK 63,337m (82,971) at period end.

During the period, SBB repurchased hybrid bonds. The buybacks were made at a lower value than nominal value, which had an effect on the ordinary shareholders' equity of SEK 805 million. For more information, see page 17.

Deferred tax

In Sweden, deferred tax is calculated at a nominal tax rate of 20.6 percent on differences between the reported and tax value of assets and liabilities, as well as of tax-loss carryforwards. In Norway and Denmark, the corresponding tax rate is 22.0 percent and in Finland, it is 20.0 percent. As of 31 December 2022, the deferred tax liability amounted net to SEK 9,120m (10,428) and is largely attributable to investment properties and tax-loss carryforwards. The Group's tax-loss carryforwards totalled to SEK 6.0bn as of 31 December 2022. During the period, deficits of a total of SEK 736m were used.

Interest-bearing liabilities

At the end of the period, interest-bearing liabilities in the Group amounted to SEK 87,085m (87,995), of which SEK 33,896m (23,732) pertained to liabilities to credit institutions, SEK 52,078m (53,094) pertained to bond loans and SEK 1,111m (11,169) pertained to commercial papers. See further under the section Financing on page 27.

Cash collateral

At the end of September 2021, SBB signed a Total Return Swap (TRS) regarding cash investments in shares. Previously, shares sold in TRS were reported as financial assets at fair value in the income statement. As SBB retained the principal risks/benefits of holding the shares, the conditions for removal from the statement of financial position were not met. The accounting consequence of the transaction is that while SBB received cash funds, it simultaneously incurred a liability for the corresponding amount, which is reported under "cash collateral liability".

Consolidated changes in equity

Equity attributable to Parent Company's shareholders									
Amounts in SEKm	Share capital	Other contributed capital	Reserves ¹⁾	Retained earnings	Total	Hybrid-bond	Other reserves ²⁾	Holdings without controlling influence	Total equity
Opening equity, 01-01-2021	150	24,102	-213	12,826	36,865	15,096	-616	412	51,756
Profit for the period	-	-	-	24,087	24,087	496	-	1,018	25,601
Other comprehensive income	-	-	1,047	6	1,053	-	73	-	1,126
Comprehensive income for the period	-	-	1,047	24,093	25,140	496	73	1,018	26,727
New share issue	5	2,332	-	-	2,337	-	-	-	2,336
Issue hybrid bonds	-	-	-	-	-	4 975	-	-	4,975
Issue warrants	-	58	-	-	58	-	-	-	58
Acquired hybrid bond	-	-	-	-	-	305	-	-	305
Redemption of preference shares	-	-15	-	-5	-20	-	-	-	-20
Redemption of part of hybrid bond	-	-	-	-154	-154	-3 110	-	-	-3,264
Redemption/conversion of mandatory convertible	9	-105	-	-28	-125	-	-	-	-125
Tax effects, issue costs	-	-1	-	-	-1	29	-	-	28
Dividend	-	-	-	-1 807	-1 807	-496	-	-	-2,303
Acquired minority interests	-	-	-	-	-	-	-	4,106	4,106
Redeemed minority interests	-	-	-	-147	-147	-	-	-1,465	-1,612
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	-	-	-	-10,124	-10,124	490	-	-177	-9,811
Other comprehensive income	-	-	-692	169	-523	-	1,119	-	596
Comprehensive income for the period	-	-	-692	-9,955	-10,647	490	1,119	-177	-9,215
New share issue	-	210	-	-	210	-	-	-	210
Issue hybrid bonds	-	-	-	-	-	-15	-	-	-15
Redemption of part of hybrid bond	-	-	-	805	805	-1,532	-	-	-727
Tax effects, issue costs	-	6	-	175	181	-	-	-	181
Dividend	-	-	-	-2,308	-2,308	-490	-	-	-2,798
Dividend Neobo	-	-	-	-5,946	-5,946	-	-	-	-5,946
Acquired minority interests	-	-	-	-	-	-	-	712	712
Redeemed minority interests	-	-	-	-124	-124	-	-	-1,915	-2,040
Closing equity, 31-12-2022	165	26,587	142	17,424	44,319	15,748	577	2,691	63,337

1) Reserves consist of hedge accounting and translation differences.

2) The amount refers to translation differences regarding hybrid loans of SEK 919m (-543), of which non-controlling interests amount to SEK 0m (-1).

Comments

As of 31 December 2022, equity amounted to SEK 63,337m (82,971). Equity includes issued hybrid bonds with a book value of SEK 15,748m. During the period, hybrid bonds with a book value of SEK 1,532m were bought back at a discount, which generated a profit of SEK 805m pre tax, which is reported in equity. Minority shares amount to SEK 2,691m, of which new minority shares of SEK 712m were added during the year, partly because Industricentralen became a minority owner in a joint venture company that holds Heba B shares, partly because the Gardermoen Campus in Norway was reclassified from being a joint venture to be a group company with minority owners. Additionally, there are minority shares in Unobo AB and a few companies within the Sveafastigheter group where SBB does not own all the shares in the companies. Distribution of Neobo was carried out during the period, which has affected equity by -5,946m (-), see page 10.

During the period, SBB carried out issues of ordinary shares of class B of SEK 210m after issue costs, which were used as consideration for the acquisition of Odalen Fastigheter AB. The outstanding preference shares in the Norwegian subsidiary Nye Barcode 121 Bido AS were redeemed during the period and reduced equity by SEK 22m. Translation differences when translating net assets in subsidiaries in Norway, Finland and Denmark from local currency to SEK accounted for SEK 427m of the change in equity during the period.

The equity ratio amounted to 38 percent (43), the adjusted equity ratio to 42 percent (47) and the loan-to-value ratio to 49 percent (40).

Consolidated cash flow statement in summary

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021 (restated) ¹⁾	01-10-2022 31-12-2022	01-10-2021 31-12-2021 (restated) ¹⁾
Operating activities				
Profit incl. ch. in value and tax in associated companies/joint ventures	-416	5,690	-1,036	3,253
<i>Adjustment for non-cash flow items</i>				
Depreciation	10	5	4	2
Results from associated companies/joint ventures	1,866	-2,814	1,378	-2,229
Participation in the earnings of associated companies/joint ventures	304	44	7	19
Net interest income	2,878	795	626	-40
Interest paid	-1,059	-1,285	-145	-273
Interest received	196	271	58	68
Paid tax	-294	-247	-80	-87
Cash flow from operating activities before changes in working capital	3 485	2,459	812	713
Cash flow from changes in working capital				
Increase (-)/Decrease (+) of operating receivables	164	611	528	-413
Increase (+)/Decrease (-) of operating liabilities	-1,529	1,542	-16	-939
Cash flow from operating activities	2,120	4,612	1,324	-639
Investment activities				
Investments in properties	-5,250	-4,694	-1,151	-1,506
Property sales	171	138	18	104
Acquisitions of subsidiaries less acquired cash and cash equivalents	-9,367	-26,883	-528	-11,219
Disposals of subsidiaries less cash and cash equivalents	9,445	17,982	1,177	12,143
Investments/divestments in equipment, machinery and installations	1	14	7	40
Investments/divestments in associated companies/joint ventures	475	-10,706	1,896	-3,735
Changes in receivables from associated companies/joint ventures	2,159	-3,049	154	-352
Cash flow from financial assets	1,772	-684	203	482
Change in other long-term receivables	-728	-54	-868	67
Cash flow from investing activities	-1,321	-27,937	909	-3,975
Financing activities				
Issue hybrid bonds	-15	4,975	-5	-4
Issue warrants	-	58	-	-
Redemption of hybrid bonds	-727	-3,533	-727	-24
Redemption of mandatory convertible	-	-125	-	-
Redemption of preference shares	-	-20	-	-
Dividend paid	-2,837	-1,846	-601	-476
Acquired minority interests	712	-	712	-
Redeemed minority interests	-2,040	-3,811	-223	-2,314
Borrowings ²⁾	62,038	61,561	12,508	22,997
Repayment of loans ²⁾	-59,710	-42,223	-14,292	-17,776
Change in cash collateral	-3,429	5,607	5	1,792
Change in other long-term liabilities	-202	-1,114	-90	-2,686
Cash flow from financing activities	-6,209	19,529	-2,712	1,509
Cash flow for the period	-5,410	-3,796	-479	-3,104
Cash and cash equivalents at the beginning of the period	9,837	13,606	4,941	12,935
Exchange rate change in cash and cash equivalents	1	27	-34	7
Cash and cash equivalents at the end of the period	4,429	9,837	4,429	9,837

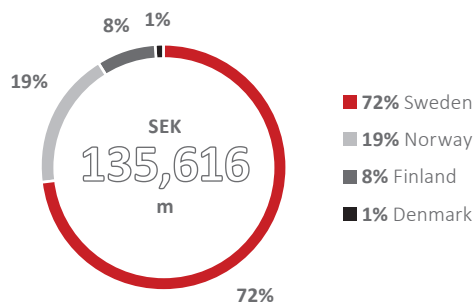
1) For more details, see Additional information on page 41.

2) An error regarding the allocation between borrowings and repayment of loans per 30-09-2022 has been noted, which has been taken into account in the allocation for the quarter.

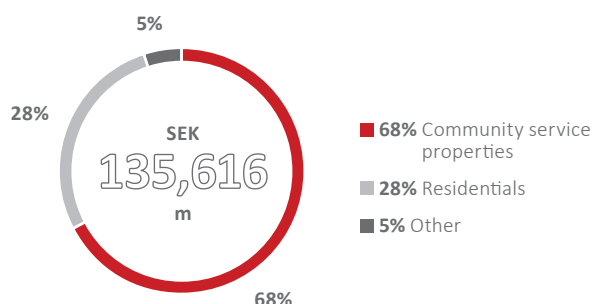
Property portfolio

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

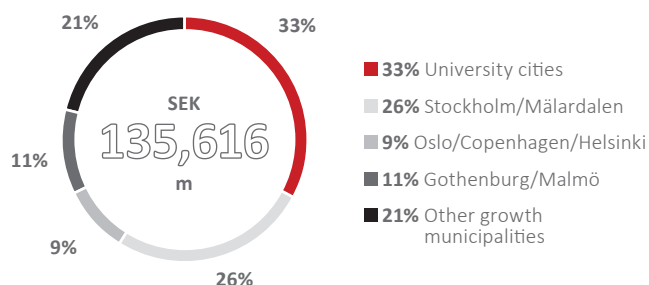
Property value, by country



Property value per segment



Property value per region



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

Property value, by country

SEK 25.2 bn

Property value
NORWAY

SEK 10.5 bn

Property value
FINLAND

SEK 98.0 bn

Property value
SWEDEN

SEK 1.9 bn

Property value
DENMARK

79%

Located in major cities
and university cities

99%

Social infrastructure

The community service property portfolio, including publicly funded housing

Largest tenants

Tenant	Rental income, rolling 12-month, SEKm	% of total
Läringsverkstedet	317	6.3
Trygge Barnehager AS	300	5.9
Swedish state	235	4.6
Academedi	181	3.6
Norwegian state	161	3.2
Attendo	156	3.1
Lovisenberg Diakonale Sykehus	144	2.8
Municipality of Härnösand	139	2.8
Finnish state	122	2.4
Esperi	109	2.2
International English School	108	2.1
Municipality of Haninge	97	1.9
Humana	93	1.8
Ambea	93	1.8
Danish state	72	1.4
Region Västra Götaland	68	1.3
Municipality of Skellefteå	65	1.3
Municipality of Boden	65	1.3
Municipality of Karlskrona	54	1.1
Norlandia	54	1.1
20 largest tenants	2,632	52.1
Other	2,424	47.9
Total	5,055	100.0

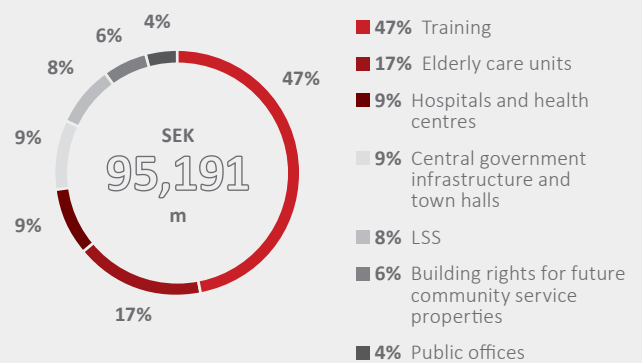
Rental income by area of use

Use	Rental income, rolling 12-month, SEKm	% of total
Education	2,314	45.8
Elderly care units	876	17.3
Hospitals and health centres	437	8.7
Central government infrastructure and town halls	486	9.6
LSS	466	9.2
Building rights for future community service properties	180	3.6
Public offices	297	5.9
Offices & other	0	0.0
Total	5,055	100.0

Maturity structure



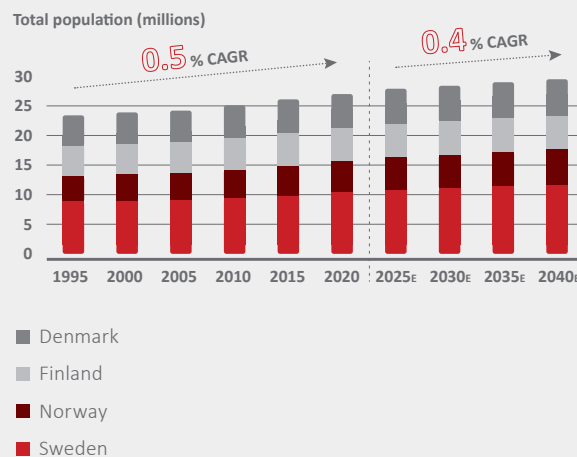
Community service properties, value by area of use



Supply and demand for social infrastructure

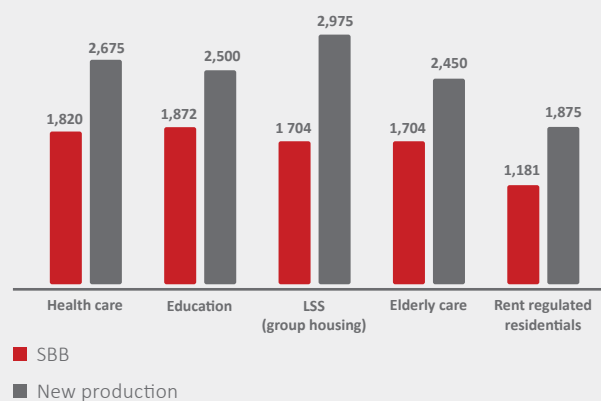
The need for community service properties is very considerable. The graph at the upper-right shows the Nordics' strong demographic trend, which is generating considerable need for social infrastructure. In addition to a considerable need for social infrastructure properties, there is also considerable potential for further letting of the existing portfolio. During 2022, leading property adviser Newsec analyzed rent levels for newly produced community service properties in Sweden. The graph at the lower-right shows rent levels in the new production analysis in relation to average rent levels for SBB's portfolio.

Population growth throughout the Nordics



Source: Nordics Statistics database

Rent per m² for new production, compared with SBB's existing portfolio



Source: Newsec

Three value-adding strategies meet the need for social infrastructure



1. Building rights development and new production

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



2. Investments in existing portfolio

Profit target of SEK 1,000m annually



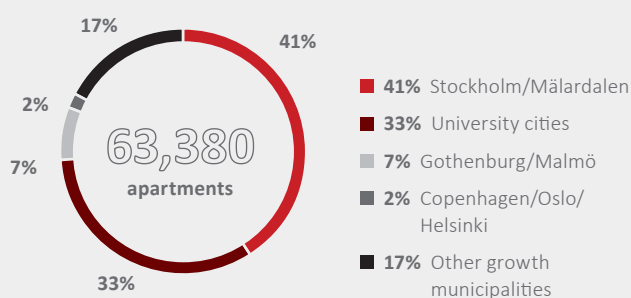
3. Value-adding transactions

Profit target of SEK 400m annually



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.

Operational targets – Building rights development and new production

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

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

SBB generates value throughout the value chain



Value-creating activities during the fourth quarter of 2022

	Building rights development	No. m² GFA
	Progression building rights	359,793

	New production	Resi. – No. of apts	CS – No. m²
	Construction starts	-	-
	Completed/sold	169	24,585
	Land allocation	-	-
	Sold building rights	549	-

Portfolio summary (including joint ventures)

4,410 Apartments currently under production

16,869 m² community service properties under production

12,857 Apartments in project development

359,793 Progression of building rights (m² GFA)

61%

degree of completion,
production in progress

51%

are built with governmental grants (swe.
Investeringsstöd) for residential with
low rents

96%

of production of residentials in
Sweden's university cities

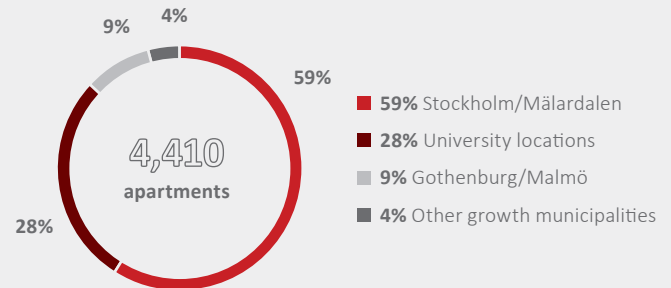
Production in progress

New production in progress and investments in existing portfolio

	2023-2025	2026-
Remaining investment including SBB's share of the joint venture ¹⁾	3,356	
Estimated future net operating income	417	
Return on remaining investment	12.4%	

1) Of the total investment of SEK 3,356m, SEK 561m is being financed through credit. SBB's ambition is to increase this share.

Geographical distribution of production in progress (including joint ventures)



New production

	SBB's share	No. apts.	No. m ²	No. projects	Residential	Community service properties	Rent (SEKm)	Net operating income (SEKm)	Investment (SEKm)	Developed (SEKm)	Remaining (SEKm)	Yield (rent)	Yield (net operating income)
Projects developed by SBB	100%	1,449	83,930	16	77%	23%	175	147	2,966	2,141	825	5.9%	5.0%
Acquired projects	100%	1,124	54,815	6	100%	0%	104	84	1,894	706	1,187	5.5%	4.4%
Joint venture projects (HR/CS)	50%	1,837	98,674	10	100%	0%	225	190	4,057	2,199	1,858	5.6%	4.7%
Total	77%	4,410	237,419	32	92%	8%	504	421	8,917	5,047	3,870	5.7%	4.7%
SBB's share of total	100%	3,486	187,716		90%	10%	391	326	6,876	3,941	2,935	5.7%	4.7%

Investments in existing portfolio

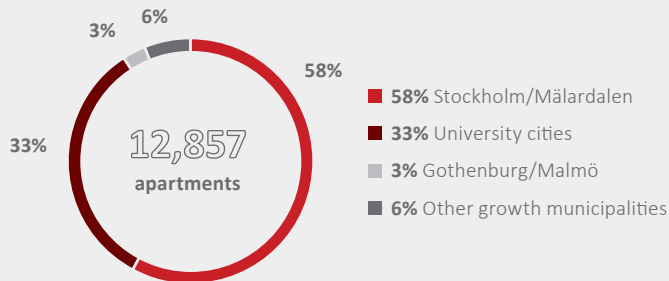
	No. m ²	No. projects	Net operating income (SEKm)	Investment (SEKm)	Developed (SEKm)	Remaining (SEKm)	Yield (net operating income)
Investments excl. post-tenancy renovations	134,317	30	92	1,786	1,364	421	5.1%

5 largest projects developed by SBB

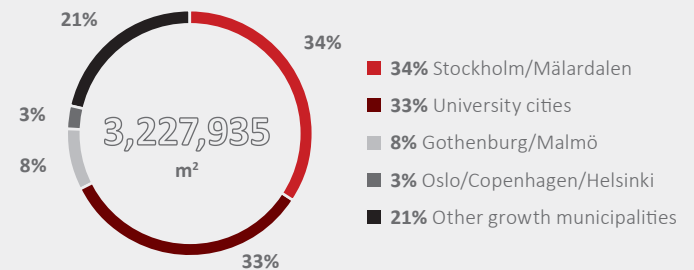
Project name	Municipality	Category	Tenant	Lease term (years)	Rent (SEKm)	Completed
Sågklingan	Västerås	Elderly care unit and residentials	Municipality of Västerås	25	35	Feb '24
Altplatsen	Gothenburg	Elderly care unit and residentials	Private publicly funded operator	20	29	Jan '24
Hovshaga	Växjö	Residentials	Private individuals	-	16	July '23
Studentskrapan	Gothenburg	Student accommodation, block lease	Stiftelsen Göteborgs Studentbostäder	20	15	Jan '23
Kv Julen	Skellefteå	Residentials	Private individuals	-	14	June '25

Project and building rights development

Geographical distribution in project development
(including joint ventures)



Geographical distribution of the building rights portfolio



Project development

	SBB's share	No. apts.	No. m²	Residentials	Community service properties
Projects developed by SBB	100%	8,749	552,871	81%	19%
Acquired projects	100%	223	5,730	100%	0%
Joint venture projects (HR/CS)	47%	3,885	287,138	75%	25%
Total	83%	12,857	845,739	79%	21%
SBB's share of total	100%	10,769	693,458	80%	20%

Building rights development

Planning phase	Shareholding (%)	Application for planning notice	Planning approval	Adoption	Legal force	Number BTA	Book value (SEKm)	per m² (SEK)
Phase 1 – Project concepts	100					794,094	479	603
Phase 2 – Ahead of planning approval	100	✓				155,145	98	630
Phase 3 – With planning approval	100	✓	✓			819,961	1,208	1,473
Phase 4 – Zoning plan having gained legal force	100	✓	✓	✓	✓	1,118,652	1,607	1,437
Total	100					2,887,852	3,391	1,174
Building rights in joint venture	49%					340,083	1,272	3,741
Total	95%					3,227,935	4,664	1,445
SBB's share of total	100%					3,053,243	4,010	1,313

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.



2. Investments in existing portfolio

Investments in existing portfolio entail renovations to increase the net operating income of apartments and investments in the company's community service properties. During 2022, SBB completed renovations increasing the net operating

income from 997 apartments. In addition to apartment renovations, SBB is continuously upgrading the standard of the community service property portfolio. The investment volume for these projects totals approximately

SEK 1,786m, of which 76 percent has been processed.



Remodelling of the police station in western Helsinki



3. Value-adding transactions

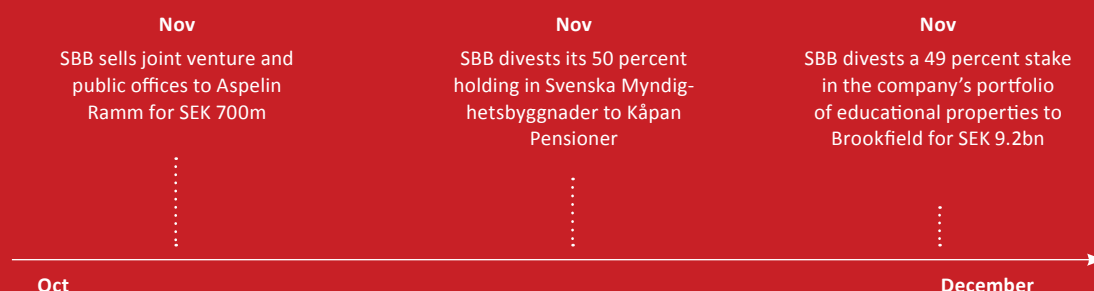
SBB's principal focus is always generating value from the existing portfolio while also building significant shareholder value by recovering capital when fully developed properties and/or non-core properties are sold. SBB continuously assesses the portfolio to identify potential and focus resources on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

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

The company's history of property transactions has made it a market leader in the Nordics and the preferred buyer among both public and private sector vendors, primarily because

of SBB's superior professionalism, capacity to execute transactions quickly and high degree of credibility and integrity in the business relationship. The company has a history of acquiring properties with strong cash flows and untapped potential value. Combined with a continuous pipeline of acquisitions and sales, this allows the company to constantly recover capital to generate benefit for shareholders.

Transactions in the fourth quarter of 2022



Financing

Financing key ratios

49%

Loan-to-value ratio

2.12%

Average interest

20%

Secured loan-to-value ratio

BBB-

Negative outlook (S&P)

BBB-

Positive outlook (Fitch)

Significant macro events during the fourth quarter of 2022

The outlook for the global economy remained negative in the fourth quarter of the year. Macroeconomists expect a recession in most economies in 2023, including in Sweden. The financial markets' risk appetite appears to be returning however, which is thought to be due to the rate at which inflation has been rising now appearing to abate and the central banks then slowing the pace of their interest rate hikes. Nonetheless, inflation is deemed too high for the central banks to dare announce a more expansive fiscal policy. Many central banks were late with their actions to curb inflation, meaning they are unlikely to start lowering the interest rate until inflation has normalized. The expectation is that we will not see a softer tone from the central banks until the second half of 2023.

Given that households being the sector affected the most by raised interest rates, higher energy prices and rising prices for consumer goods, we will likely see a decline in consumption in 2023. This has resulted in households decreasing their financial savings in 2022, also expected to continue into 2023. The industry sector, on the other hand, is benefiting from the weak SEK and continued investment needs, and this is partly expected to offset the effects of weaker demand. Signals of subdued inflationary pressure are also favourable, while wage movements are expected to be restrained and to not threaten the Riksbank's inflation target. In summary, this could open up for a faster shift in monetary policy in late 2023.

Interest rate and credit market

The fourth quarter was illustrative of a downward trend in interest rates, with US ten-year treasury bonds currently trading at slightly higher than 3.5 percent. The increased risk appetite derives partly from lower stock market capitalization following the year's decline, and partly from the central banks' more cautious tone. In its assessment, the market includes inflation declining towards the summer, as peak inflation is now believed to have been reached. Although the financial market may remain strained in the short term, there are nonetheless many indications that 2023 will be calmer than 2022.

Significant events during the period

In early October, SBB repaid a bond (ISIN: XS2059787049). The nominal amount was SEK 600m and the bond ran at an interest rate of Stibor 3m +0.95 percent.

Also in October, SBB signed a three-year credit facility for EUR 50m with an option for a 1+1-year extension with an international investment bank. SBB also entered into a credit facility for EUR 750m with one of the world's largest banks. SBB partners closely with its banks and works actively to refinance and extend existing loans, while also creating space to replace bonds with new secured loans.

In November, SBB announced a voluntary repurchase offer for hybrid bonds and senior bonds outstanding up to a maximum amount of EUR 650m. The total purchase consideration for the repurchase, excluding interest, amounted to EUR 501m.

In December, SBB distributed its subsidiary Amasten Fastighets AB to holders of Class A and B shares in SBB, with the name of the company being changed to Neobo Fastigheter AB ("Neobo"). In connection with this, credits of SEK 7.5bn and interest rate swaps of SEK 393m were transferred to Neobo. For more information, see page 10.

Maturity structure (excl. commercial papers)

Maturity year	Nominal amount, SEKm	Share, %
< 1 year	7,335	7%
< 2 years	26,738	31%
< 3 years	7,962	9%
< 4 years	5,835	8%
< 5 years	14,723	17%
> 5 years	23,909	28%
Total	86,502	100%

Interest maturity structure

Maturity year	Nominal amount, SEKm	Share, %
< 1 year	21,780	25%
< 2 years	13,898	16%
< 3 years	7,773	9%
< 4 years	7,864	9%
< 5 years	15,904	18%
> 5 years	20,419	24%
Total	87,639	100%

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 49 percent (40) and the secured loan-to-value ratio was 20 percent (12). The interest coverage ratio was a multiple of 3.9 (5.5). At the end of the period, interest-bearing liabilities amounted to SEK 87,085m (87,995) of which SEK 33,896m (23,732) pertained to liabilities to credit institutions, SEK 52,078m (53,094) pertained to bond loans and SEK 1,111m (11,169) pertained to commercial papers. At the end of the period, the fair value of interest-bearing liabilities and other financial instruments was estimated at SEK 75,058m (87,995). Loans from credit institutions are normally secured through property mortgages.

With all commercial papers maturing within a year, the remaining term on the commercial papers outstanding in the amount of SEK 1,111m (11,169) is short. Of the remaining interest-bearing liabilities, liabilities to credit institutions and bond loans in the amount of SEK 7,168m mature within a year, corresponding to 8 percent of total interest-bearing liabilities, excluding commercial papers. SBB maintains ongoing discussions with all banks and works actively to continuously refinance and extend its outstanding debts.

SBB has continued to work actively to maintain low interest rates on its interest-bearing liabilities. At the end of the period, the average interest rate on the interest-bearing liabilities was 2.12 percent (1.11).

SBB's exposure to variable interest rates is 22 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 3.9 years (4.1).

Currency risk

SBB holds assets in Sweden, Norway, Finland and Denmark and liabilities in SEK, NOK, EUR, DKK and USD, meaning that SBB 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 4,429m, with liquid investments amounting to SEK 421m. SBB has also approved but unutilized credit commitments of SEK 4.7bn. SBB also expects to complete the divestment of a 49 percent share of its education infrastructure portfolio. The buyer of the minority holding is Brookfield, with the purchase consideration amounting to SEK 9.2bn where SEK 6.6bn were obtained in January 2023, and another SEK 2.6bn are expected to be obtained in the first quarter 2023.

Change in value of derivatives

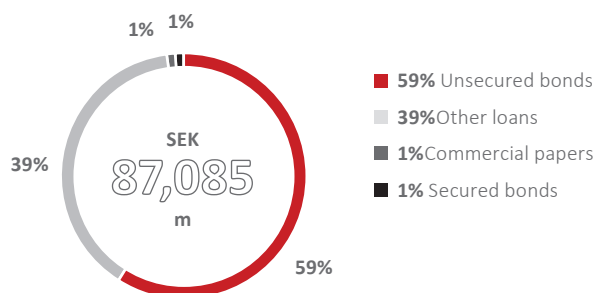
Interest-rate derivatives are used to limit the interest rate risk for loans with variable interest and to increase predictability in profit from property management. At the end of the period, the total nominal value of the interest-rate derivatives amounted to SEK 28,551m (17,753) with maturities of 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 725m (517).

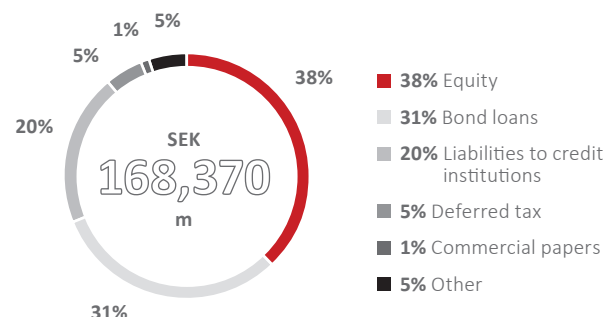
Rating

SBB has an official credit rating from the credit rating agencies Fitch Ratings ("Fitch"), Scope Ratings ("Scope"), and S&P Global Ratings ("S&P"). SBB has a BBB- rating with a positive outlook from Fitch, and a BBB rating with a Stable outlook from Scope. S&P gives SBB a rating of BBB- with a negative outlook, but takes the view that the transaction with Brookfield should have a positive effect on the rating.

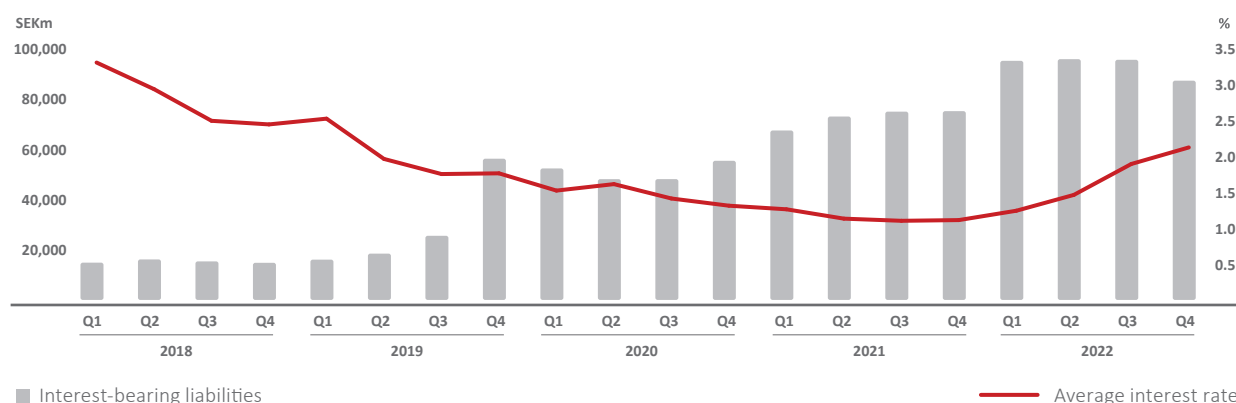
Distribution of interest-bearing liabilities



Capital structure



Development of the Group's average interest rate




Bond loans as of 31 December 2022

Term	ISIN	SEKm	Repurchased by SBB	Maturity date	Interest rate	Information
2019-2023	XS2066041661	1,000	0	01-02-2023	1.01% + STIBOR	
2020-2025	XS2275409824	200	55	18-12-2025	1.17% + STIBOR	Social
2019-2024	SE0012256741	500	313	14-02-2024	3.30% + STIBOR	Green
2019-2023	XS2050862262	800	291	06-09-2023	1.15% + STIBOR	Green
2020-2027	XS2111589219	600	0	30-01-2027	1.50% + STIBOR	Green
2019-2023	XS2000538699	200	125	22-05-2023	1.40% + STIBOR	
2019-2023	XS2078737306	975	125	11-05-2023	1.07%	
2019-2024	SE0012313245	200	148	19-02-2024	3.25% + STIBOR	
2019-2025	XS1997252975	1,100	608	14-01-2025	1.90% + STIBOR	
2021-2023	XS2290558282	1,000	252	26-07-2023	0.80% + STIBOR	Social
2019-2023	SE0013042611	700	388	27-03-2023	4.40% + STIBOR	Offentliga Hus, Green
2020-2024	SE0014965919	550	229	12-04-2024	3.15% + STIBOR	Offentliga Hus, Green
2019-Hybrid	SE0013359148	1,500	0	Hybrid	3.50% + STIBOR	Hybrid
2019-Hybrid	SE0013234531	575	278	Hybrid	6.85% + STIBOR	Offentliga Hus Hybrid
2021-2023	XS2208267596	12	0	24-07-2023	7.00% + STIBOR	
2022-2025	XS2461738770	260	0	11-04-2025	1.60% + STIBOR	Social

Term	ISIN	EURm	Repurchased by SBB	Maturity date	Interest rate	Information
2020-2027	XS2114871945	750	0	12-08-2027	1.00%	
2020-2040	XS2151934978	50	0	03-04-2040	3.00%	
2019-2026	XS2049823680	500	0	04-09-2026	1.13%	
2019-2025	XS1993969515	550	143	14-01-2025	1.75%	
2020-2028	XS2271332285	700	0	14-12-2028	0.75%	Social
2021-2029	XS2346224806	950	0	26-11-2029	1.13%	Social
2020-Hybrid	XS2272358024	500	43	Hybrid	2.63%	Hybrid
2020-Hybrid	XS2010032618	500	46	Hybrid	2.62%	Hybrid
2021-Hybrid	XS2010028186	500	61	Hybrid	2.88%	Hybrid, Social
2022-2024	XS2438632874	700	141	08-02-2024	0.55% + EURIBOR	Social

Term	ISIN	NOKm	Repurchased by SBB	Maturity date	Interest rate	Information
2020-2023	XS2124186508	400	130	24-02-2023	0.72% + NIBOR	
2020-2025	XS2194790429	800	559	26-06-2025	1.99% + NIBOR	
2019-2024	XS2085870728	1,000	526	28-11-2024	3.12%	
2020-2023	XS2203994517	200	180	14-07-2023	1.50% + NIBOR	
2020-2025	XS2223676201	700	300	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

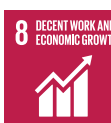
Social sustainability – overarching objectives

- 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

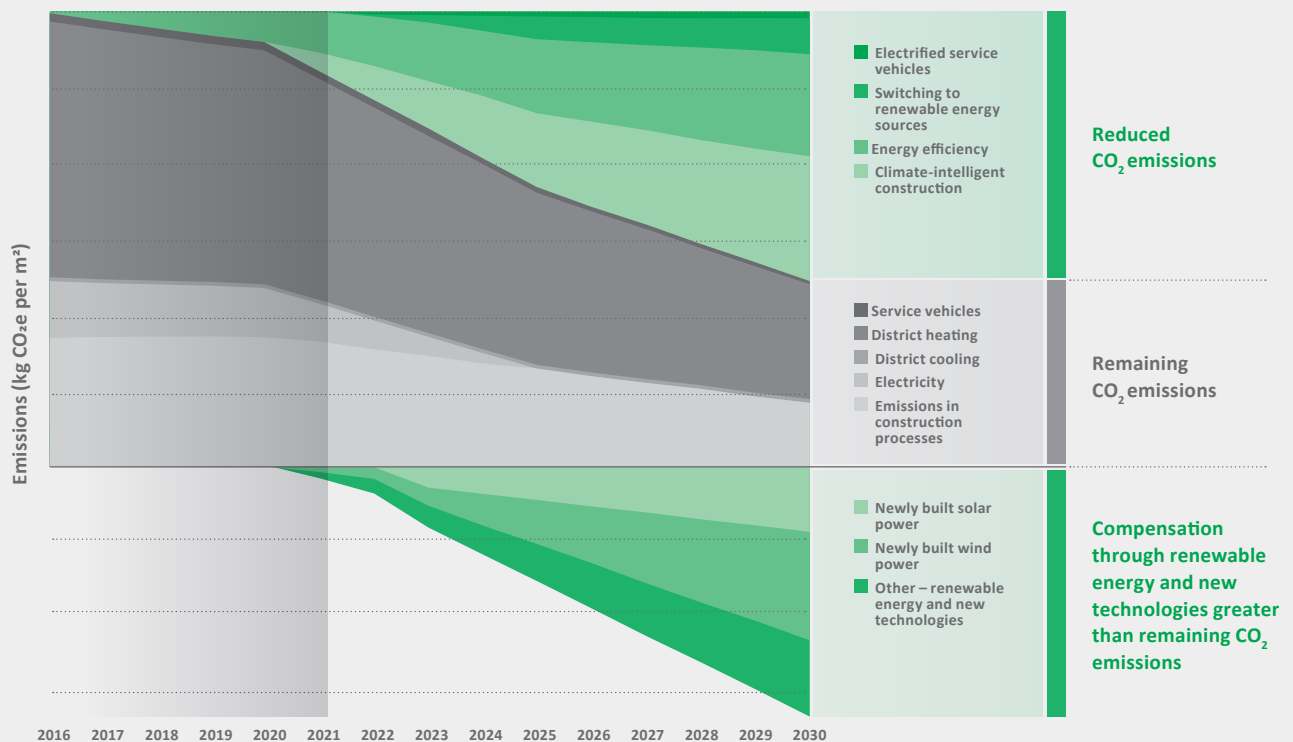
Accelerated energy-efficiency improvements and replacement of heating systems. Renewable electricity throughout the property portfolio. Build-out of solar power, charging posts and wind power commences. Half of all new construction is in wood.

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. 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. During the quarter, ISS ESG raised SBB's ESG rating to Prime, meaning that SBB's shares and bonds are classified as a "responsible investment" according to ISS. CDP raised SBB's sustainability rating to B on a scale of A to D, where A is the highest.

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 fourth quarter of 2022

SBB is pursuing the largest certification project in accordance with Miljöbyggnad iDrift to date. 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. The project has now entered its

second phase, during which the certification of larger volumes has commenced. A number of different property types will be certified, including schools, residential and community service buildings around the country. In total, some 150 certification projects are in progress under SBB's portfolio management. The hope is that the project will be a positive example for other actors with large property portfolios. The certification has been developed and prepared specifically to effectively realign and sustainability adjust large, existing volumes. 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 made it to the final in the "Laddguld 2022" awards arranged by the Swedish 2030 secretariat. This is Sweden's national secretariat for the transition to fossil-free transport and travel. Among others, SBB faced Castellum and Vasakronan in the final. The finalists are the property companies and municipalities that worked best to facilitate charging for tenants and residents. The motivation for the place in the final read: "SBB stands out with its high-volume initiative with 40,000 charging points. That SBB also holds a large portfolio of rental properties facilitates electrification for a key group of residential that otherwise easily falls behind."

SBB and Telia Sweden ("Telia") have entered into an agreement on the exchange of heating and cooling in SBB's properties in the

New construction projects in progress Q4 2022

	Number/number of m2	Number of wooden buildings	Proportion of wooden buildings	Number certified	Proportion certified	Proportion of solar cells	Proportion of geothermal heat
Number of projects	17	8	47%	11	65%	82%	53%
Number of m2	95,100	25,800	27%	82,800	87%	82%	57%

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)	16	3	1,760,000	197,000	0.4%
Solar cell systems (RE)	8	1	897,000	350,000	0.2%
Heat pumps (CS)	6	5	1,569,000	6,738,000	1.6%
Heat pumps (RE)	7	3	3,606,000	1,058,000	0.9%
Other energy-saving projects*	93	24	9,465,000	2,124,000	2.2%

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

municipality of Haninge. The properties that will be heated with surplus heat from Telia's local server hall include the Haninge municipal building, the Söderbymalmsskolan school, the Terrassen elderly care unit and several office facilities. Telia has maintained extensive server hall operations in Haninge since the 1980s. To utilize excess heat from these operations in an environmentally friendly way, Telia and SBB have entered a partnership under which SBB has built an energy storage facility with 166 boreholes. The boreholes will store excess heat produced by Telia's adjacent server hall. While Telia's server hall produces excess heat for SBB's properties, it will be possible to cool the server hall using the same borehole facility. This will meet most of the server hall's cooling needs. The solution takes into account the effects of increased temperatures due to climate change. This energy facility will reduce the overall load on the electricity grid in central Haninge, freeing up grid capacity required for the densification of the urban area and to meet increased demand for charging of electric cars, for example. For SBB, the energy project entails slightly more than 100,000 m² of property space becoming self-sufficient in heat, corresponding to annual savings of approximately 5,600 MWh. The facility has been made operational.

Region South has initiated an energy saving project that will run during the fourth quarter of 2022 and the first half of 2023. The objective is to save 15 percent on all energy by straight-forward means. The principal responsibility lies with the region's technical managers, alongside the relevant property managers. Together, they review each property and perform an inventory, to then adjust operating hours for ventilation, review facade lighting, switch to LED lighting, etc. In addition, motion detectors are installed, tumble dryers are replaced with heat pump tumble dryers, drying rooms are replaced with drying cabinets, etc.

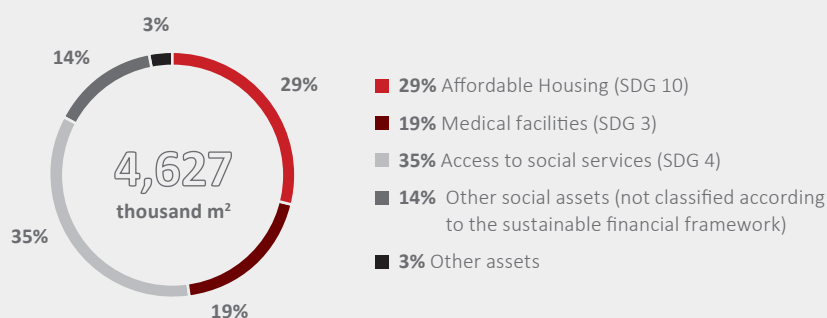
Region North has installed aquifer heating at Åkroken/Mid Sweden University in Sundsvall. The facility comprises energy wells supplying local neighbourhoods. Åkroken with sustainable and cost-efficient heating and cooling. The investment has been made in connection with a green lease being signed with Mid Sweden University.

Sveafastigheter (a wholly owned subsidiary of SBB) has commenced a partnership with the Chalmers University of Technology in Gothenburg to include biological diversity in life-cycle assessments. The work can be followed at sveafastigheter.se/tra-vs-betong. Sveafastigheter has also digitized its sustainability monitoring by entering all measurement points into the Position Green platform.

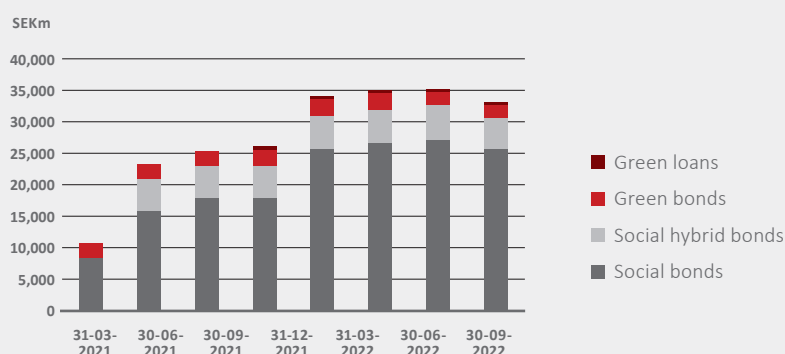
Social sustainability

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.

Social assets



Sustainable financing



Development in the fourth quarter of 2022

As of 31 December 2022, SBB owned 4,472,000 m² contributing to social sustainability (including rental housing, nursing homes, LSS and building rights for future residents). The various asset classes have been judged by the independent Institutional Shareholder Services (ISS) to make a significant contribution to the UN Global Goals for Sustainable Development (SDGs) numbers 3, 4 and 10.

The Allbright Foundation has released a report listing companies in three colour-coded categories. The green list includes companies achieving equal gender distribution (40/60). On the yellow list are companies that not achieving equal gender distribution. The companies on the red list completely lack women in the management team. SBB now qualifies for the green list.

SBB in Boden supports the organization Hela Människan Boden by providing a 600 m² premises in which it can collect its key operations. Hela Människan works together with those in vulnerable life situations to provide support, reduce exclusion and provide opportunities for change. Lunches will be served in the new premises which have a fully equipped restaurant kitchen. There is space for handling and providing donated clothes and toys. A new concept will also be established whereby food nearing its best-by date is sold on from local shops. SBB has reduced the rent by approx. 40 percent compared with the assessed market rent.

Sveafastigheter has set an operational and strategic plan to develop, follow up and work with social sustainability in a concrete way. The work rests on two columns: 1. Security and community for residents. 2. Contributing to greater equality in society. The measurement points of the work are followed up in Position Green. A qualitative review of social values has been conducted for the Rudbeckia residential collective in Uppsala. Tenants were interviewed a year after moving in to follow up on what has worked well and what could be included when developing future projects. The tenants are generally thriving and feel an increased sense of security through becoming better acquainted with their neighbours compared with traditional residential formats.

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 entering into green loans, issuing social and green bonds and reducing energy consumption.

Development in the fourth quarter of 2022

As of 31 December 2022, social bonds, green bonds and green loans made up 32 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 31 December 2022, the number of Class B ordinary shares totalled 1,244,164,407 and the number of Class D ordinary shares totalled 193,865,905. There are also 209,977,491 Class A ordinary shares in the company. On 30 December 2022, Class B ordinary shares were trading at SEK 17.38, and Class D shares at SEK 18.90. The market capitalization of the Class B ordinary shares (including the value of unlisted Class A ordinary shares at the same price) was SEK 25,273m, and for the Class D ordinary shares, it was SEK 3,664m.

The closing price for Class B shares of SEK 17.38 represents a decrease of 74 percent compared with 30 December 2021 (66.42). SBB's share is liquid and has been part of OMXS30 since 1 July 2022. Over the past 12 months, an average of approximately 20.5m Class B shares were traded per day for an average daily value of approximately SEK 465.6m. SBB works

actively with its investor base by participating in roadshows, presentations and events for private and institutional investors.

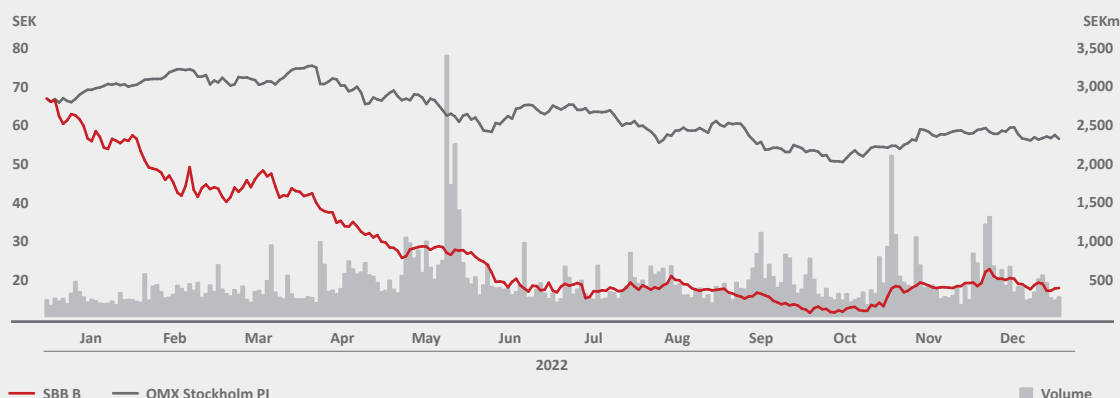
On 21 December 2022, an Extraordinary General Meeting of SBB resolved that all of SBB's shares in the subsidiary Amasten Fastighets AB (publ) (name changed to Neobo Fastigheter AB (publ) and referred to as "the company") are to be distributed to holders of Class A and B shares in SBB. In accordance with the proposal by the Board of Directors, the Meeting resolved unanimously to distribute all of SBB's shares in the company. The distribution ratio is 1:10, meaning that ten (10) Class A or B shares in SBB convey entitlement to one (1) share in the company. The Meeting also resolved unanimously to authorize SBB's Board of Directors to set the record date for the distribution of SBB's shares in the company as 28 December 2022. The final date for trading

in SBB's Class B shares, including entitlement to receive shares in the company, was 23 December 2022. As of 27 December 2022, Class B shares in SBB were traded without entitlement to receive shares in the company.

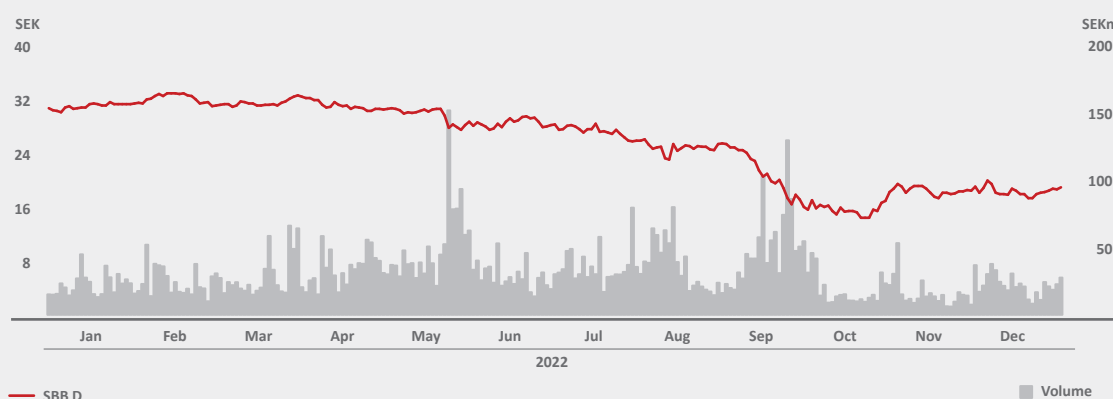
	Share price, SEK	
	30-12-2022	30-12-2021
Class B shares	17.38	66.42
Class D shares	18.90	30.22

	Average daily turnover, SEKm	
	Jan-Dec 2022	Jan-Dec 2021
Class B shares	465.6	194.5
Class D shares	29.6	21.7

Class B share price trend, past 12 months



Class D share price trend, past 12 months



Shareholders

The number of shareholders in SBB increased over the year. At the end of the fourth quarter of 2022, there were 258,019 known shareholders, corresponding to an increase of 56 percent compared with the corresponding point in 2021.

On 31 December 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.

Shareholder structure as of 31 December 2022

Shareholders	Class A shares	Class B shares	Class D shares	Share capital, %	Votes, %
Ilija Batljan (private and through company)	109,053,868	26,691,920	1,030,000	8.30	31.61
Arvid Svensson Invest	42,444,700	24,199,429		4.04	12.68
Dragfast AB	36,163,467	44,000,000		4.86	11.47
Sven-Olof Johansson	22,315,456	32,684,544		3.34	7.23
Länsförsäkringar Fonder		71,200,973	789,402	4.37	2.03
Vanguard		39,886,212	5,918,327	2.78	1.29
Laeringsverkstedet Gruppen AS			44,197,779	2.68	1.25
Blackrock		41,802,745	1,599,850	2.63	1.23
Avanza Pension		25,703,368	16,670,333	2.57	1.20
Futur Pension		38,047,695	2,043,100	2.43	1.13
Swedbank Robur Fonder		36,161,535		2.19	1.02
Columbia Threadneedle		26,019,235		1.58	0.74
Marjan Dragicevic		23,750,000		1.44	0.67
Gösta Welandson with companies		23,146,364	224,000	1.42	0.66
SHB Fonder & Liv		20,412,751	2,560,789	1.39	0.65
Other		770,457,636	118,832,325	53.96	25.14
Total	209,977,491	1,244,164,407	193,865,905	100.00	100.00

Parent Company

Income statement of Parent Company

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Net sales	-	-	-	-
Personnel costs	-86	-66	-11	-17
Other operating expenses	-115	-46	-24	-20
Results from associated companies/joint ventures	-111	-	-204	-56
Operating profit	-312	-112	-239	-93
Profit from financial items				
Interest income and similar items	2,958	2,254	570	831
Interest expenses and similar items	-2,579	-2,069	-274	-749
Translation gains/losses	-2,734	-167	-771	-10
Changes in value, derivatives	265	798	-632	294
Profit after financial items	-2,402	704	-1,346	273
Appropriations	781	340	781	340
Profit before tax	-1,621	1,044	-565	613
Tax	103	-220	170	-192
PROFIT FOR THE PERIOD	-1,518	824	-395	421

Statement of comprehensive income of Parent Company

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Profit for the period	-1,518	824	-395	421
Other comprehensive income	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-1,518	824	-395	421

Comments on the Parent Company's income statement and balance sheet

The Parent Company's operations consist of group-wide functions such as business development, transactions, property development and financing. The company has 34 employees. The costs, incl. personnel costs during the period, amounted to SEK -312m (-112). The sharp increase in costs are largely due to results from associated companies/Joint Ventures of -111 (0).

During the period, SBB carried out an issue of ordinary shares of series B of SEK 210m after issue costs. During the period, hybrid bonds with a book value of SEK 1,524m were bought back at a discount, which generated a profit of SEK 805m pre tax, which is reported in equity.

On 30/12/2022, SBB distributed shares in Neobo Fastighets AB (publ) (f.d. Amasten Fastighets AB) to SBB's A and B share owners. The Parent Company's own equity has been affected by SEK -10.4m, see page 10 for more information.

Parent Company's balance sheet in summary

Amounts in SEKm	31-12-2022	31-12-2021
ASSETS		
Fixed assets		
Financial fixed assets		
Shares in Group companies	28,213	33,686
Participations in associated companies/joint ventures	7,103	7,844
Receivables from Group companies	29,098	38,955
Receivables from associated companies/joint ventures	55	175
Deferred tax assets	400	117
Financial fixed assets at fair value	1,102	1,520
Derivatives	1,675	533
Total financial fixed asset	67,646	82,830
Total fixed assets	67,646	82,830
Current assets		
Current receivables		
Accounts receivable	14	1
Other receivables	727	43
Prepaid expenses and accrued income	93	42
Total current receivables	834	86
Cash investments	421	254
Cash and cash equivalents	4,658	8,278
Total current assets	5,913	8,618
TOTAL ASSETS	73,559	91,448

Amounts in SEKm	31-12-2022	31-12-2021
EQUITY AND LIABILITIES		
<i>Restricted equity</i>		
Share capital	165	165
<i>Unrestricted equity</i>		
Share premium fund	26,305	26,096
Retained earnings	-15,831	-3,200
Hybrid bonds	16,823	17,062
Profit for the year	-1,518	824
Total equity	25,946	40,947
Untaxed reserves	85	85
Long-term liabilities		
Liabilities to credit institutions	13,724	3,497
Bond loans	22,842	27,202
Derivatives	971	30
Total long-term liabilities	37,537	30,729
Current liabilities		
Liabilities to credit institutions	1,392	-
Bond loans	3,466	1,204
Commercial papers	1,111	11,169
Accounts payable	36	2
Current tax liabilities	100	138
Liability, cash collateral	2,178	5,607
Other liabilities	1,010	1,043
Accrued expenses and prepaid income	698	525
Total current liabilities	9,991	19,688
TOTAL EQUITY AND LIABILITIES	73,559	91,448

Parent Company changes in equity

Amounts in SEKm	Share capital	Share premium ¹⁾	Retained earnings	Hybrid bonds	Total equity
Opening equity, 01-01-2021	150	23,826	-652	15,096	38,421
Profit for the period	-	-	347	477	824
Other comprehensive income	-	-	-73	73	-
Comprehensive income for the period	-	-	274	550	824
New share issue	5	2,332	-	-	2,337
Issue hybrid bonds	-	-	-	4,979	4,979
Issue warrants	-	58	-	-	58
Redemption of preference shares	-	-15	-5	-	-20
Redemption of part of hybrid bond	-	-1	-154	-3,110	-3,265
Redemption/conversion of mandatory convertible	9	-105	-28	-	-124
Dividend	-	-	-1,810	-477	-2,287
Tax effects equity	-	-	-	24	24
Closing equity 31-12-2021	165	26,095	-2,375	17,062	40,947
Opening equity, 01-01-2022	165	26,095	-2,375	17,062	40,947
Profit for the period	-	-	-1,985	467	-1,518
Other comprehensive income	-	-	-1,118	1,118	-
Comprehensive income for the period	-	-	-3,103	1,585	-1,518
New share issue	-	210	-	-	210
Issue hybrid bonds	-	-	-	-15	-15
Redemption of part of hybrid bond	-	-	805	-1,524	-719
Dividend Neobo	-	-	-10,369	-	-10,369
Dividend	-	-	-2,308	-467	-2,775
Tax effects equity	-	-	-	182	182
Closing equity, 31-12-2022	165	26,305	-17,349	16,823	25,946

¹⁾ The entire share premium fund constitutes unrestricted equity

Cash flow statement of Parent Company in summary

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021 (restated) ¹⁾	01-10-2022 31-12-2022	01-10-2021 31-12-2021 (restated) ¹⁾
Operating activities				
Profit after financial items	-2,402	704	-1,346	273
Net interest income	2,090	-816	1,107	-366
Interest paid	-2,508	-2,052	-131	-698
Interest received	2,928	2,263	576	854
Tax	-44	-5	-4	-2
Cash flow from operating activities before changes in working capital	64	94	202	61
Cash flow from changes in working capital				
Increase (-)/Decrease (+) of operating receivables	-710	185	-399	-4
Increase (+)/Decrease (-) of operating liabilities	-10,200	-22	-10,287	99
Cash flow from operating activities	-10,846	257	-10,484	156
Investment activities				
Investment in subsidiaries	-1,671	-6,090	-	-5,945
Sale of subsidiaries	7,354	-	7,354	-
Investments in associated companies/joint ventures	-	-7,844	-	-2,601
Sale of associated companies/joint ventures	741	-	204	-
Receivables from Group companies	-	-3,471	-	-282
Change in receivables from associated companies	120	473	8	-147
Change in financial assets	315	-525	475	-137
Cash flow from investing activities	6,859	-17,457	8,041	-9,112
Financing activities				
Issue hybrid bonds	-15	4,975	-5	-4
Issue mandatory convertible bonds	-	-125	-	-
Issue warrants	-	58	-	-
Redemption of hybrid bonds	-719	-3,263	-719	-
Redemption of preference shares	-	-20	-	-
Group contributions received	781	411	781	411
Dividend paid	-2,837	-1,846	-601	-476
Liabilities incurred by Group companies	9,857	-	3,721	-
Borrowings	23,451	13,178	14,392	3,646
Repayment of loans	-26,722	-6,026	-14,752	-
Change in cash collateral	-3,429	5,607	5	1,792
Change in other long-term liabilities	-	-457	-	-2
Cash flow from financing activities	367	12,493	2,822	-5,368
Cash flow for the period	-3,620	-4,708	379	-3,588
Cash and cash equivalents at the beginning of the period	8,278	12,986	4,279	11,866
Cash and cash equivalents at the end of the period	4,658	8,278	4,658	8,278

I Additional information

General information

Samhällsbyggnadsbolaget i Norden AB (publ) (SBB), corp. ID no. 556981-7660, with its subsidiaries conducts operations in property management and property development. The Parent Company is a limited liability company registered in Sweden and based in Stockholm.

Accounting principles

This interim report was prepared in accordance with IAS 34 Interim Reporting. In addition, the Swedish Annual Accounts Act and "RFR1 Supplementary Accounting Rules for Groups" have been applied. The Parent Company applies the same accounting principles as the Group with the exceptions and additions stated in the recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. 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.

Restatement 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. Based on the market rent set in the lease, the assessment has been made that a transaction has occurred and that there is an operational lease arrangement.

Cash flow statement

The cash flow 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 in the form of debt repayments in an acquired subsidiary are considered part of the company's investment cost, they are

reported among the investment activities. If debt repayments in the acquired subsidiary do not form an integral part of the investment cost for the company or are made voluntarily, they are reported among the financing activities. To aid its key stakeholders, in July 2022, SBB published a cash flow statement on a net basis with regard to acquisitions completed as corporate transactions (with the property being owned by a legal entity).

The previous presentation format for the cash flow statement showed changes in property holdings and debt gross, representing the actual change in various balance sheet items. The amendment involves changes to individual items in the cash flow statement, although the actual cash flows for each period naturally remain unchanged.

In addition, dividends from associated companies/joint ventures are reported in cash flow from current operations, as opposed to being reported in cash flow from investment activities.

Amounts in SEKm	01-01-2021 – 30-09-2021			10-01-2021 – 31-12-2021			01-01-2021 – 31-12-2021		
	Previously	Restated	Difference	Previously	Restated	Difference	Previously	Restated	Difference
Cash flow from operating activities	5,046	5,251	205	-426	-639	-213	4,620	4,612	-8
Cash flow from investing activities	-30,974	-23,961	7,013	-16,988	-3,975	13,013	-47,962	-27,937	20,025
Cash flow from financing activities	25,237	18,019	-7,218	14,309	1,508	-12,801	39,546	19,529	-20,017
Cash flow for the period	-691	-691	0	-3,105	-3,105	0	-3,796	-3,796	-

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, 23 February 2023

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. The information was submitted by the below contact persons for publication on 23 February 2023 at 8:00 a.m. CET.

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

I Definitions

Financial definitions

Actual net asset value (EPRA NTA), SEK

Recognized equity attributable to the ordinary share, excluding equity related to Class D shares, non-controlling interests and the hybrid bond, adding back reported deferred tax liabilities, goodwill and interest rate derivatives and the addition of a stamp duty for properties in Finland and the deduction of estimated actual deferred tax of 5.15 percent, with the exception of residentials with an estimated deduction of 0 percent.
The key ratio provides an adjusted and complementary measure of the size of equity calculated in a manner consistent with listed property companies.

Number of preference shares outstanding

The number of preference shares outstanding at the end of the period.

Number of ordinary shares outstanding

The number of ordinary shares outstanding at the end of the period.

Return on equity, %

Net profit for the period in relation to average equity for the period.
The key ratio shows SBB's return on equity during the period.

Loan-to-value ratio, %

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

Non-pledged quota, multiple

Non-pledged assets in relation to net unsecured debt. *The key ratio is used to illustrate SBB's financial risk.*

Non-pledged property value, SEK

Reported market value less pledged value of pledged properties.

EPRA

European Public Real Estate Association is an organization for listed property companies and investors in Europe. EPRA sets standards regarding financial reporting.

EPRA Earnings, SEK

Profit from property management after dividends to preference shareholders and holders of D shares and profit from property management attributable to minority interests, with deductions for changes in property values less tax related to associated companies and joint ventures, as well as interest on hybrid bonds and costs for premature redemption of loans less estimated current tax attributable to profit from property management. Taxable profit from property management refers to profit from property management less tax deductible depreciation and renovations.
The key figure provides information on profit from property management calculated in a uniform manner for listed property companies.

Profit from property management

Profit before changes in value and tax.
The key ratio provides a measurement of the operations' profit generation regardless of value changes.

Average number of preference shares

The number of preference shares outstanding weighted over the period.

Average number of ordinary shares

The number of ordinary shares outstanding weighted over the period.

Average interest, %

Weighted average contracted interest, including interest rate derivatives, for interest-bearing liabilities at the end of the period excluding unutilized credit facilities.
The key ratio is used to illustrate SBB's financial risk.

Average fixed interest term, years

Average remaining duration until an interest-adjustment point for interest-bearing liabilities.
The key ratio is used to illustrate SBB's financial risk.

Adjusted equity/assets ratio, %

Reported equity including owner loans and convertibles, with reversal of reported deferred tax liability as a percentage of total assets.
The key ratio is used to illustrate SBB's financial stability.

Tied-up capital, year

Remaining maturity of interest-bearing liabilities.
The key ratio is used to illustrate SBB's financial risk.

Cash flow from operating activities, SEK

Cash flow from operating activities before changes in working capital according to the cash flow statement.

Long-term net asset value (EPRA NRV), SEK

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

Net debt, SEK

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

Profit incl. ch. in value and tax in associated companies/joint ventures

Profit for the period after net financial items, changes in value and tax in associated companies/joint ventures.

Earnings per Class A and B ordinary share, SEK

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

Interest-coverage ratio, multiple

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

Equity/assets ratio, %

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

Secured loan-to-value ratio, %

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

Property-related definitions

Number of properties

Number of properties at the end of the period.

Number 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.

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

Net operating income, SEK

Rental income less property costs.

Economic letting ratio, %

Rental income as a percentage of rental value

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

EPRA Vacancy rate, %

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

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

Result exkl. translation gains/losses

Result exkl. translation gains/losses

Average contract length of social infrastructure properties, years

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

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

Rental income, SEK

Charges for the period with deductions for rental losses.

Rental value, SEK

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 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Profit for the period	-9,811	25,601	-7,949	12,305
OB equity	82,971	51,756	77,049	67,322
CB equity	63,337	82,971	63,337	82,971
Average equity	73,154	67,364	70,193	75,147
Return on equity	-13%	38%	-11%	16%

Loan-to-value ratio

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Liabilities to credit institutions	33,896	23,732	33,896	23,732
Bond loans	52,078	53,094	52,078	53,094
Commercial papers	1,111	11,169	1,111	11,169
Cash and cash equivalents/cash investments	-4,850	-9,890	-4,850	-9,890
Net debt	82,235	78,105	82,235	78,105
Balance sheet total	168,370	194,517	168,370	194,517
Loan-to-value ratio	49%	40%	49%	40%

Yield

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Net operating income in accordance with earnings capacity	5,011	5,130	5,011	5,130
Investment properties	135,616	149,335	135,616	149,335
Building rights and projects in progress	-13,647	-14,062	-13,647	-14,062
Property value excluding building rights	121,969	135,273	121,969	135,273
Yield	4.1%	3.8%	4.1%	3.8%

Non-pledged quota

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Intangible assets	5,283	6,066	5,283	6,066
Non-pledged property value	108,487	115,644	108,487	115,644
Land lease agreements	829	639	829	639
Equipment, machinery and installations	37	48	37	48
Deferred tax assets	1,220	1,198	1,220	1,198
Financial fixed assets, excluding derivatives	17,623	24,995	17,623	24,995
Cash investments	421	53	421	53
Accounts receivable and other receivables	1,540	2,178	1,540	2,178
Derivatives	1,696	547	1,696	547
Non-pledged assets	137,136	151,368	137,136	151,368
Unsecured loans	53,189	64,263	53,189	64,263
Cash and cash equivalents	-4,429	-9,837	-4,429	-9,837
Net unsecured senior debt	48,760	54,426	48,760	54,426
Non-pledged quota	2.81	2.78	2.81	2.78

Economic letting ratio

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Rental income in accordance with earnings capacity	6,728	7,017	6,728	7,017
Rental value in accordance with earnings capacity	7,059	7,456	7,059	7,456
Economic letting ratio	95.3%	94.1%	95.3%	94.1%

EPRA earnings

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Profit incl. ch. in value and tax in associated companies/joint ventures	-416	5,690	-1,036	3,253
Profit attributable to preference shares	0	-2	0	-1
Profit attributable to Series D shares	-388	-388	-97	-97
Profit attributable to hybrid bond	-490	-496	-108	-138
Profit attributable to minority interest	-41	-18	2	-13
Adjustments for associated companies/joint ventures	2 524	-2,443	1 692	-2,056
Expenses for redeemed loans in advance	-424	155	-429	-16
Paid tax	-294	-247	-80	-87
Profit from property management after tax paid	471	2,251	-56	845
Average number of series A and B ordinary shares	1,453,854,227	1,379,982,887	1,454,141,898	1,451,141,898
Earnings per series A and B ordinary share	0.32	1.63	-0.04	0.58
Average number of series A and B ordinary shares after dilution	1,453,854,227	1,391,161,963	1,454,141,898	1,469,228,291
Earnings per series A and B ordinary share after dilution	0.32	1.62	-0.04	0.58

Result exkl. translation gains/losses

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Results of which profit from property management	2,391	3,286	656	1,220
Translation gains/losses	1,991	-118	580	-231
Adjusted equity/assets ratio	4,382	3,168	1,236	989

Adjusted equity/assets ratio

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Equity	63,337	82,971	63,337	82,971
Deferred tax excl. deferred tax attr. to goodwill	7,726	8,647	7,726	8,647
Total	71,063	91,618	71,063	91,618
Balance sheet total	168,370	194,517	168,370	194,517
Adjusted equity/assets ratio	42%	47%	42%	47%

Earnings per series A and B ordinary share

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Profit for the period	-9,811	25,601	-7 949	12,305
Profit attributable to preference shares	0	-2	0	-1
Profit attributable to Series D shares	-388	-388	-97	-97
Profit attributable to hybrid bond	-490	-496	-108	-138
Profit attributable to minority interest	177	-1,018	46	-25
Profit attributable to series A and B ordinary shares	-10,512	23,697	-8 108	12,044
Average No. series A and B ordinary shares ¹⁾	1,453,854,227	1,379,982,887	1 454 141 898	1,451,141,898
Earnings per series A and B ordinary share	-7.23	17.17	-5.58	8.30
Average number of series A and B ordinary shares after dilution	1,453,854,227	1,391,161,963	1 454 141 898	1,469,228,291
Earnings per series A and B ordinary share after dilution	-7.23	17.03	-5.58	8.20

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

Interest coverage ratio

Amounts in SEKm	01-01-2022 31-12-2022	01-01-2021 31-12-2021
Profit incl. ch. in value and tax in associated companies/joint ventures (rolling 12 months)	-416	5,690
Adjustment for associated companies/joint ventures (rolling 12 months)	2,524	-2,443
Profit from property management (rolling 12-month)	2,108	3,247
<i>Reversal of net financial items</i>		
Interest income and similar income items (rolling 12 months)	-239	-274
Interest expenses and sim. items (rolling 12-month)	1,526	1,011
Costs for early redemption of loans (rolling 12-month)	-424	155
Translation gains/losses (rolling 12-month)	1,991	-118
Land lease expenses (rolling 12-month)	24	21
Total reversal of net financial items	2,878	795
Profit from property management (rolling 12-month) excl. net financial items	4,986	4,042
Net interest income		
Interest income and similar income items (rolling 12 months)	239	274
Interest expenses and sim. items (rolling 12-month)	-1,526	-1,011
Total net interest	-1,287	-737
Interest-coverage ratio (multiple)	3.9	5.5

Equity/assets ratio

	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Amounts in SEKm				
Equity	63,337	82,971	63,337	82,971
Balance sheet total	168,370	194,517	168,370	194,517
Equity/assets ratio	38%	43%	38%	43%

Equity ratio

	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Amounts in SEKm				
<i>Equity excluding non-controlling interests</i>				
Equity	63,337	82,971	63,337	82,971
Hybrid bonds	-16,322	-16,750	-16,322	-16,750
Non-controlling interest	-2,695	-4,073	-2,695	-4,073
Equity excluding non-controlling interests	44,321	62,148	44,321	62,148
Series D share capital	-5,964	-5,964	-5,964	-5,964
Reversal of derivatives	-725	-517	-725	-517
Goodwill attributable to deferred tax	-1,394	-1,781	-1,394	-1,781
Other goodwill	-3,889	-4,285	-3,889	-4,285
Stamp duty Finnish properties	221	202	221	202
Reversal of deferred tax	9,120	10,428	9,120	10,428
Deduction of deferred tax	-2,025	-2,877	-2,025	-2,877
Actual net asset value (EPRA NTA)	39,665	57,354	39,665	57,354
Actual net asset value (EPRA NTA), SEK/share	27,28	39,52	27,28	39,52
Actual net asset value (EPRA NTA), SEK/share (diluted)	27,27	39,52	27,27	39,52
Reversal of other goodwill	3,889	4,285	3,889	4,285
Reversal of deduction for deferred taxes	2,025	2,877	2,025	2,877
Long-term net asset value (EPRA NRV)	45,579	64,516	45,579	64,516
Long-term net asset value (EPRA NRV), SEK/share	31,34	44,46	31,34	44,46
Long-term net asset value (EPRA NRV), SEK/share (diluted)	31,34	44,45	31,34	44,45
Number of series A and B ordinary shares	1,454,141,898	1,451,141,898	1,454,141,898	1,451,141,898
Number of series A and B ordinary shares after dilution	1,454,536,323	1,451,410,953	1,454,536,323	1,451,410,953

Secured loan-to-value ratio

	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Amounts in SEKm				
Liabilities to credit institutions	33,130	23,732	33,130	23,732
Secured bond loans	766	-	766	-
Total secured loans	33,896	23,732	33,896	23,732
Balance sheet total	168,370	194,517	168,370	194,517
Secured loan-to-value ratio	20%	12%	20%	12%

Surplus ratio

	01-01-2022 31-12-2022	01-01-2021 31-12-2021	01-10-2022 31-12-2022	01-10-2021 31-12-2021
Amounts in SEKm				
Net operating income	4,881	4,047	1,105	1,082
Rental income	7,447	5,930	1,850	1,695
Surplus ratio	66%	68%	60%	64%

I Appendix 1

Current earnings capacity from property management

The current earning capacity for the Group for 12 months is presented below and takes into account the Group's property portfolio at 31 December 2022. The current earning capacity is not a forecast, but only to be viewed as a hypothetical snapshot and is presented only to illustrate income and expenses on an annual basis, given the property portfolio, financial costs, capital structure and organization at a set point in time. The Group's earning capacity does not include the impact on earnings of unrealized and realized changes in the value of the properties being consolidated.

The following information forms the basis for the calculation of the earning capacity:

- Contracted rental income on an annual basis (including supplements and rental discounts) and other property-related revenues on the basis of current lease contracts as of 31 December 2022.
- Operating and maintenance costs are based on budget.
- The property tax is calculated from the properties current tax assessment value as of 31 December 2022.
- Cost for central administration is based on the current organization.
- Financial expenses and income are based on contracted interest rates and include interest on external loans.
- The earnings that joint ventures/associated companies contribute to earnings capacity is based on published information, including reports, prospectuses etc.

Group's earning capacity

Amounts in SEKm	Community service properties	Residentials	Other	Total	2023E
Rental income	4,875	1,512	341	6,728	6,782 ¹⁾
Operating costs	-591	-426	-82	-1,099	-1 099
Maintenance	-171	-85	-15	-271	-271
Property administration	-146	-70	-19	-235	-235
Property tax	-65	-30	-17	-111	-111
Net operating income	3,902	901	208	5,011	5,065
Central administration				-200	-200
Profit from joint ventures/associated companies ²⁾				1 000	1,000
Financial income				95	95
Financial costs				-1 854	-1,401 ³⁾
Profit from property management before dividend				4 052	4,559
per Class A and B ordinary share				2.79	3.14
Dividend hybrid bonds				-512	-512
Dividend Class D shares				-388	-388
Profit attributable to minority interests				-80	-723
Profit from property management attributable to ordinary shareholders				3 073	2 936
per Class A and B ordinary share				2.11	2.02

1) Including an assumed rent increase 4.00 percent for 2023 on all apartments leased as of 31 December 2022.

2) See also Appendix 2.

3) Adjusted for financing repaid in connection with the sale of shares in SBB EduCo AB and adjusted for consolidated cash and cash equivalents at the end of the period with a calculated average interest rate of 2.12 percent.

Contributing to earnings capacity

	Joint ventures			Associated companies					
	SBB Kåpan	Public Property Invest AS	Other joint ventures	Solon Eiendom	Origa Care	Publicus	JM	Heba	Preservium Property
Shareholding, SBB	50.0%	44.8%	50.0%	25.0%	34.7%	31.2%	32.4%	24.8%	34.7%
Profit from property management	107	343	14	298	27	18	1,933	362	33
Profit from property management attributable to SBB's shareholding	53	153	7	74	9	6	626	59	11

I Appendix 2

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.

JM AB

JM is one of the Nordics' leading project developers of residentials and residential areas. The company has building rights at its disposal for some 39,500 apartments and some 8,078 homes currently in production.

Profit before tax 2022: SEK 1,933m
Shareholding: 32.4%
Dividend SBB 2023: SEK 293m



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 10.0bn
Net operating income: SEK 572m
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. SBB Kåpan holds a property portfolio of 2,695 apartments, of which 1,069 apartments are currently in production. The remainder of the company is owned by Kåpan Pensioner.

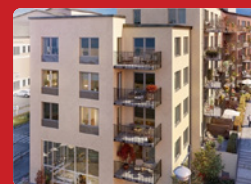
Property value: SEK 6.1bn
Property value on completion: SEK 7.6bn
Net operating income: SEK 150m
Net operating income on completion: SEK 273m
Shareholding: 50 %



Heba Fastighets AB

Heba is a long-term and experienced property owner that develops, owns and manages residentials and community service properties in the Stockholm region, Uppsala and the Mälardalen valley. SBB controls 24.8 percent of the capital.

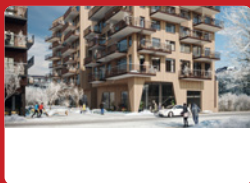
Property value: SEK 15.7bn
Net operating income: SEK 362m
Shareholding: 24.8%
Dividend SBB 2023: SEK 18m



Solon Eiendom ASA

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

Profit before tax 2021: SEK 293m
Shareholding: 25 %



Preservium Property AB

Preservium owns and manages two properties in Greater Stockholm with only public-sector tenants.

Property value: SEK 1.6bn
Net operating income: SEK 58m
Shareholding: 34.8%
Anticipated dividend SBB 2023: 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 2023: 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 about 8 years.

Property value: SEK 571m
Net operating income: SEK 31m
Shareholding: 34.7%
Anticipated dividend SBB 2023: SEK 7m



Other joint ventures and associated companies

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

Property value: SEK 1.0bn
Net operating income: SEK 20m
Shareholding: 50 %



Property development collaborations with listed companies

Genoa— development of residentials 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 – 61,000 m². SBB's participation – 40%

K2A (Västerås) – development of a new police station in Västerås with a 15-year lease.
No. m² GFA – 42,500 m². SBB's participation – 50%

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

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

Property development collaborations with non-listed 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 residentials in Kalmar and Växjö.
No. m² GFA – 73,000 m². SBB's participation – 37.5%

Sveaviken – development of residentials in the Mälardalen valley.
No. m² GFA – 65,000 m². SBB's participation – 50%

Källtorp Project Development – development of residentials and community service properties in the Gothenburg region.
No. m² GFA – 10,000 m². SBB's participation – 50%

Consortium led by Peterson & Hansson Byggnads AB – project for development of residentials 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 – 28,000 m². SBB's participation – 50%

Idun – Development of residentials and community service properties in the Mälardalen region.
No. m² GFA – 39,000 m². SBB's participation – 50%

Centria – Development of residentials in Täby.
No. m² GFA – 10,000 m². SBB's participation – 50%

I Appendix 3

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 property 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	4,052	4,052	4,052	4,052	4,052	4,052
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)	1,492	136	2,848	1,492	136	2,848
D:o %	1.10%	0.10%	2.10%	1.10%	0.10%	2.10%
Current tax, 10%	-405	-405	-405	-405	-405	-405
Profit after tax	7,139	5,782	8,495	7,639	6,282	8,995
Profit SEK/share	4.91	3.98	5.84	5.25	4.32	6.19
Return on long-term net asset value	15.66%	12.69%	18.64%	16.76%	13.79%	19.74%
Profit/share price	28.25%	22.88%	33.62%	30.23%	24.86%	35.59%
P/E	4	4	3	3	4	3



Upcoming report dates

Year End Report 2022

W. 13 2023

Interim Report Q1 2023

28 April 2023

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