



Press release
24 September 2023

SBB strengthens liquidity with approximately SEK 8 billion and presents decentralised group structure

Samhällsbyggnadsbolaget i Norden AB (publ) ("SBB" or the "Company") divests 1.16 per cent of SBB EduCo AB ("EduCo") to Brookfield Super-Core Infrastructure Partners ("Brookfield") for approximately SEK 242 million and becomes a minority-owner. EduCo will repay part of its inter-company loan from SBB, resulting in SBB receiving approximately SEK 7.8 billion in cash. SBB today also decided on a decentralised group structure that enhances transparency and funding options.

"I am very pleased to present a significant liquidity injection and a continued strong collaboration with Brookfield. Furthermore, SBB is establishing a decentralised group structure that positions SBB for further strengthening of its balance sheet, and in the long-term, for continued growth. The Board of Directors now concludes its strategic review and SBB now shifts its focus towards execution," says Lennart Schuss, Chairman of the Board of Directors of SBB.

Overview of the EduCo transaction

EduCo is co-owned by SBB and Brookfield and is the main vehicle for SBB's business within the public education sector.

As part of the transaction, EduCo will partially repay the inter-company loan from SBB in the amount of approximately SEK 9.1 billion, as well as carry out a potential refinancing of current secured debt in the amount of at most approximately SEK 6.9 billion. The transaction will result in total cash proceeds to SBB of approximately SEK 8 billion after payment of prepayment compensation and transaction costs. SBB will have a remaining loan to EduCo of approximately SEK 5.5 billion. SBB intends to use the cash to address near-term financial commitments, including agreed investments, dividends, and debt maturities.

After the completion of the divestment of 1.16 per cent of the shares in EduCo to Brookfield, SBB will hold approximately 49.84 per cent of EduCo. As a result of the divestment, EduCo will be controlled by Brookfield and will cease to be a subsidiary to SBB and will not be consolidated with SBB's accounts.

Furthermore, after the completion of the divestment, EduCo will operate on a stand-alone basis governed by its board of directors comprising of representatives from SBB and Brookfield.

The transaction is subject to customary closing conditions, including competition clearances, and is expected to be completed during October 2023.



The transaction is supported by EduCo's sound and stable financial position and ensures that the business continues to be a long-term provider of high-quality educational facilities throughout the Nordics. Brookfield is a highly experienced owner of infrastructure assets globally and the investment in EduCo through its perpetual fund provides long-term, stable capital to support EduCo's future growth together with SBB in order for EduCo to achieve an investment grade rating.

EduCo's ambition is eventually to be solely financed through long-term capital market financing with a strong investment grade rating.

Overview of EduCo

EduCo is a unique public education infrastructure platform with growth potential focused on the public-backed education sector in Sweden, Denmark, Norway, and Finland.

The EduCo SEK 43 billion portfolio consists of public education properties across the Nordic region (SEK 23.6 billion GAV in Sweden, 16.0 in Norway, 2.2 in Finland and 1.0 Denmark). The portfolio benefits from long-term leases with minimum turnover: 13-year weighted average unexpired lease term.

Decentralised group structure

On May 29, 2023, SBB's Board of Directors resolved to initiate a strategic review of options to maximise shareholder value. Today, SBB presents a new group structure that will decentralise the company by establishing wholly and partially owned Business Units and as a result thereof the strategic review is considered concluded.

The group will consist of three incorporated Business Units: Education, Community, and Residential. The Business Units will operate with a clear focus. Starting from the Q3 report, SBB will report using this new group structure. Implementation will not have any deliberate effect on the number of employees.

"Today, we unveil a new decentralised organisation for SBB. This new structure builds on our strengths, addresses our challenges and rests on a set of key conclusions. Fundamentally, SBB has a portfolio of high-quality assets and maintains a strong underlying operational performance – with attractive growth prospects. SBB benefits from establishing majority or minority-owned business units that can autonomously raise both equity and debt capital. Therefore, we are establishing a new decentralised organisation with the goal of enhancing SBB's transparency and expanding funding options, ultimately maximising shareholder value," says Leiv Synnes, CEO of SBB.

The new decentralised group structure will:

- **Improve access to bank funding.** Establishing independent business units will increase flexibility with regard to funding.
- **Enable equity raising.** SBB will continue to explore opportunities to establish the residential business as a minority-owned business by bringing in equity partners who hold a majority stake, with a target of reaching a resolution by the end of 2024, pending market conditions.



- **Improve financial reporting and transparency.** Decentralisation allows for improved financial reporting, increased specialisation, more rapid decision-making, closer cooperation with tenants, and further crystallisation of value.

An overview of the new group structure is attached to this press release and made available on SBB's website.

Advisers

Vinge is legal advisor and DNB Markets and J.P. Morgan Securities Plc. are financial advisers to SBB in connection with the transaction. Linklaters is legal advisor to Brookfield.

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This information constitutes insider information that Samhällsbyggnadsbolaget i Norden AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 24 September 2023 18:20 CEST.

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