



CREATING THE LEADING NORDIC SOCIAL INFRASTRUCTURE PROPERTY COMPANY

July 2019



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TODAY'S PRESENTERS



Ilija Batljan

CEO

- *Education:* PhD in Social Work (demographics, health care and long term care for the elderly)
- *Experience:* Deputy CEO and Head of Business Development at Rikshem AB 2011 – 2016



Oscar Lekander

Business Development
Manager

- *Education:* Master in Property and Finance, University of Hong Kong
- *Experience:* Transaction Manager at Rikshem AB and Analyst at NAI Svefa



Rosel Ragnarsson

Head of Finance

- *Education:* Degree in Economics, Uppsala University
- *Experience:* Deputy CEO/ Debt Manager at SLL Interfinans, various management positions at Dexia Stockholm and a number of finance positions at Nordea, Swedbank, SBAB and Citibank



The background image shows a large, multi-story brick building with many arched windows. In the foreground, there is a pond with several water fountains spraying upwards. A large tree is on the left, and some benches are visible on the right. A semi-transparent red banner is overlaid across the middle of the image.

I. Introduction to SBB

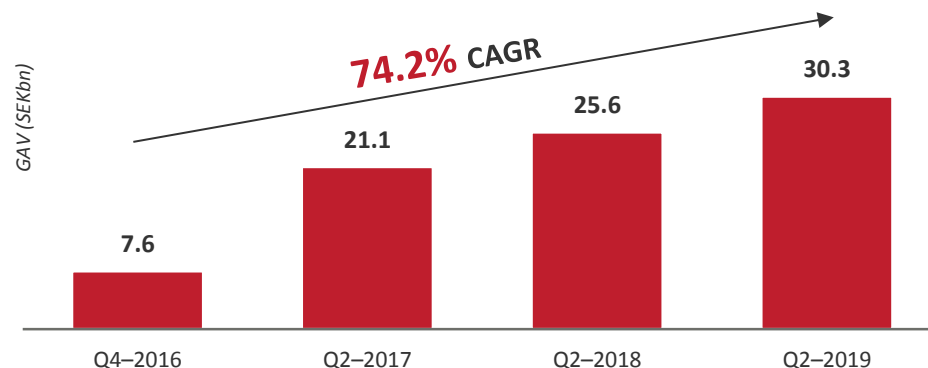


SBB – ‘CREATING THE LEADING NORDIC SOCIAL INFRASTRUCTURE PROPERTY COMPANY’

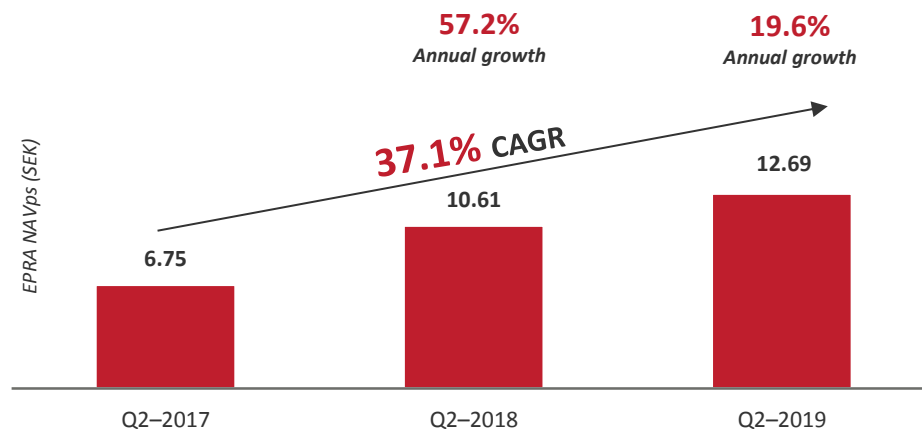
Key pillars of SBB’s story

- ✓ Unique and non-replicable long-term relationships with municipalities
- ✓ SEK 30bn low-risk social infrastructure property portfolio
- ✓ Delivered compelling NAVps growth – 19.6% over the last twelve months
- ✓ Strong financial position and Investment Grade capital structure

Portfolio has grown from SEK 7.6bn to SEK 30bn+ over 2.5 years...



...whilst delivering strong growth in EPRA NAVps



SBB AT A GLANCE

Key figures

SEK 30.3bn
Portfolio value

790
assets

7 years
WAULT¹

4.7%
Net initial
yield²

SEK 9.6bn
EPRA NAV

95.4%
Occupancy
rate

43%
LTV³

**BBB-
Stable**
S&P and Fitch

**SEK
1,999m**
Passing rent

**SEK
1,362m**
Passing NOI

**SEK
1,078m**
LTM
Adj. EBITDA⁴

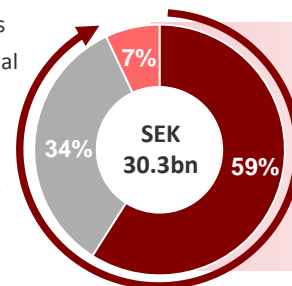
**SEK
537m**
LTM FFO⁵

Portfolio overview

Property split by type

- Community Services
- Regulated Residential
- Other

**Total social
infrastructure:
93%**

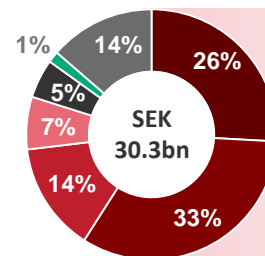


93%

*Social infrastructure of
which 59% community
services and 34%
regulated residential*

Property split by location

- Stockholm
- M. Sweden exc.
Stockholm
- Malmö
- Oslo
- Finland
- Denmark
- Other



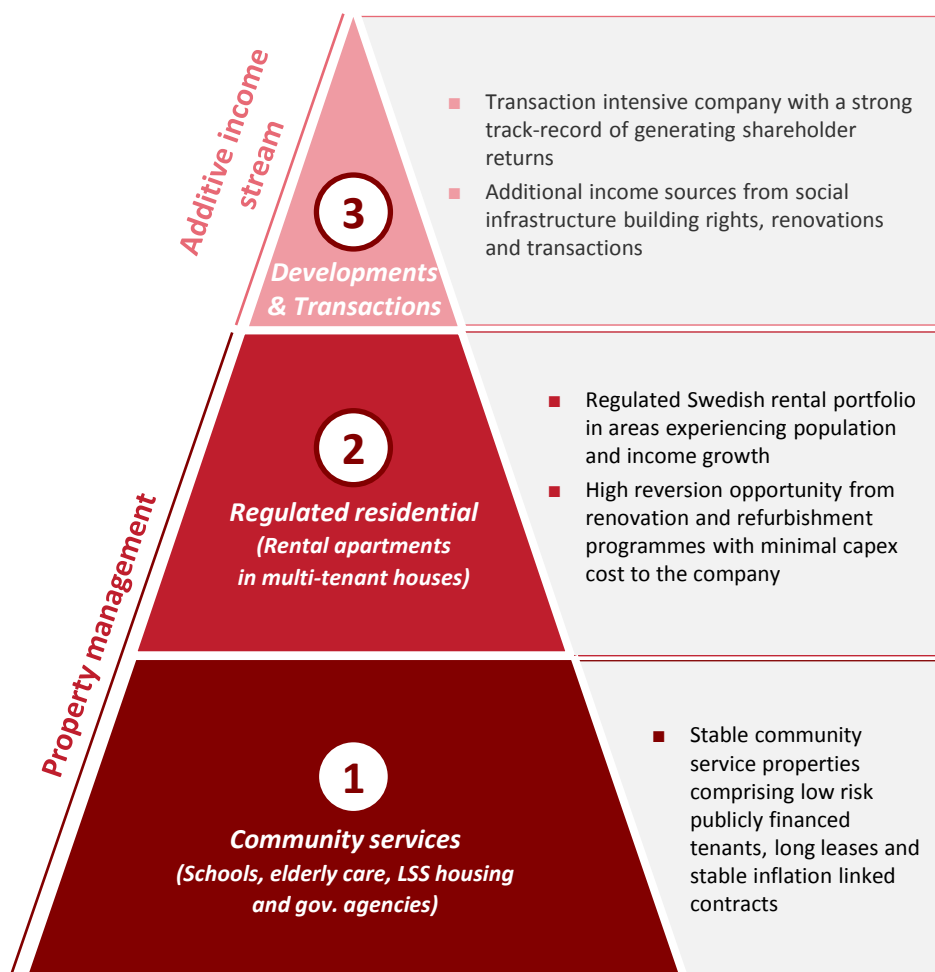
*Continue to grow the
portfolio in the largest
Nordic city regions*



¹ Refers to community services segment only; ² Based on current passing NOI, excludes SEK 1,317m value of building rights from total property value; ³ Excluding hybrids; ⁴ EBITDA defined as Profit before financial items, as per Company accounts (Net Operating Income less Central administration costs plus results from associated companies / JVs); ⁵ EPRA Earnings adjusted for non-recurring expenses for redeemed loans in advance of SEK 214m pre-tax on an LTM basis, taxed at the Swedish statutory rate of 21.4%

LOW-RISK YIELDING PORTFOLIO UNDERPINNING DEVELOPMENT & TRANSACTION ACTIVITIES

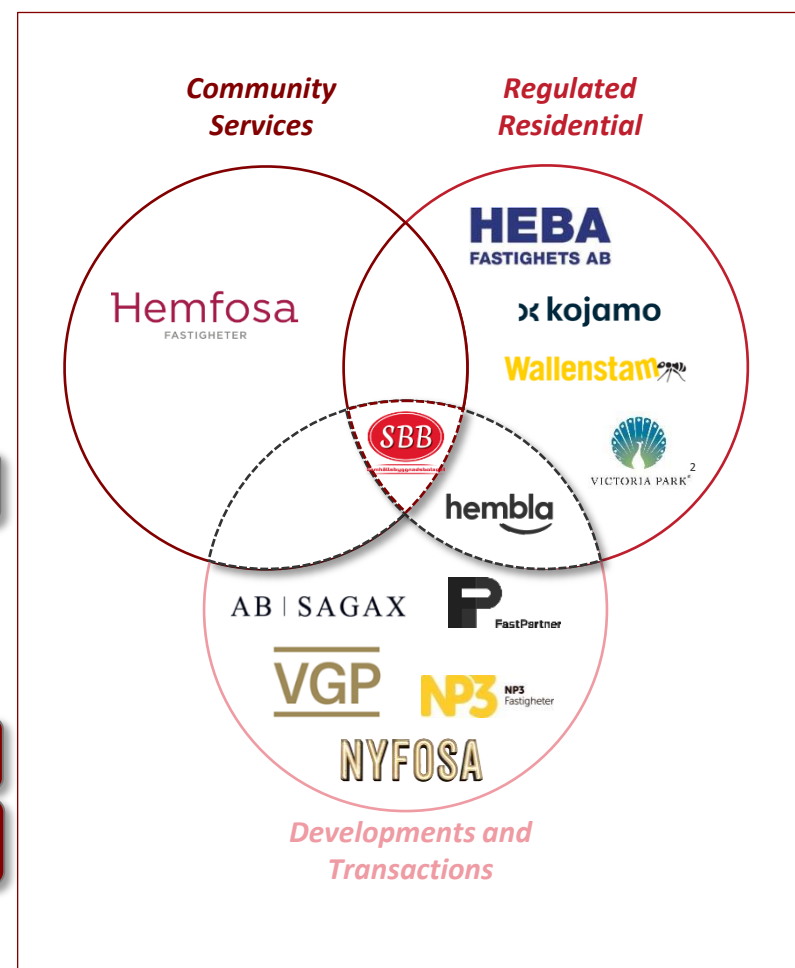
Backed by SBB's strong relationship with Nordic municipalities, SBB offers a distinctive opportunity, unlike any competitor, to invest in community service and regulated residential properties, supported by predictable cash flows and further augmented by additive income streams from developments & transactions



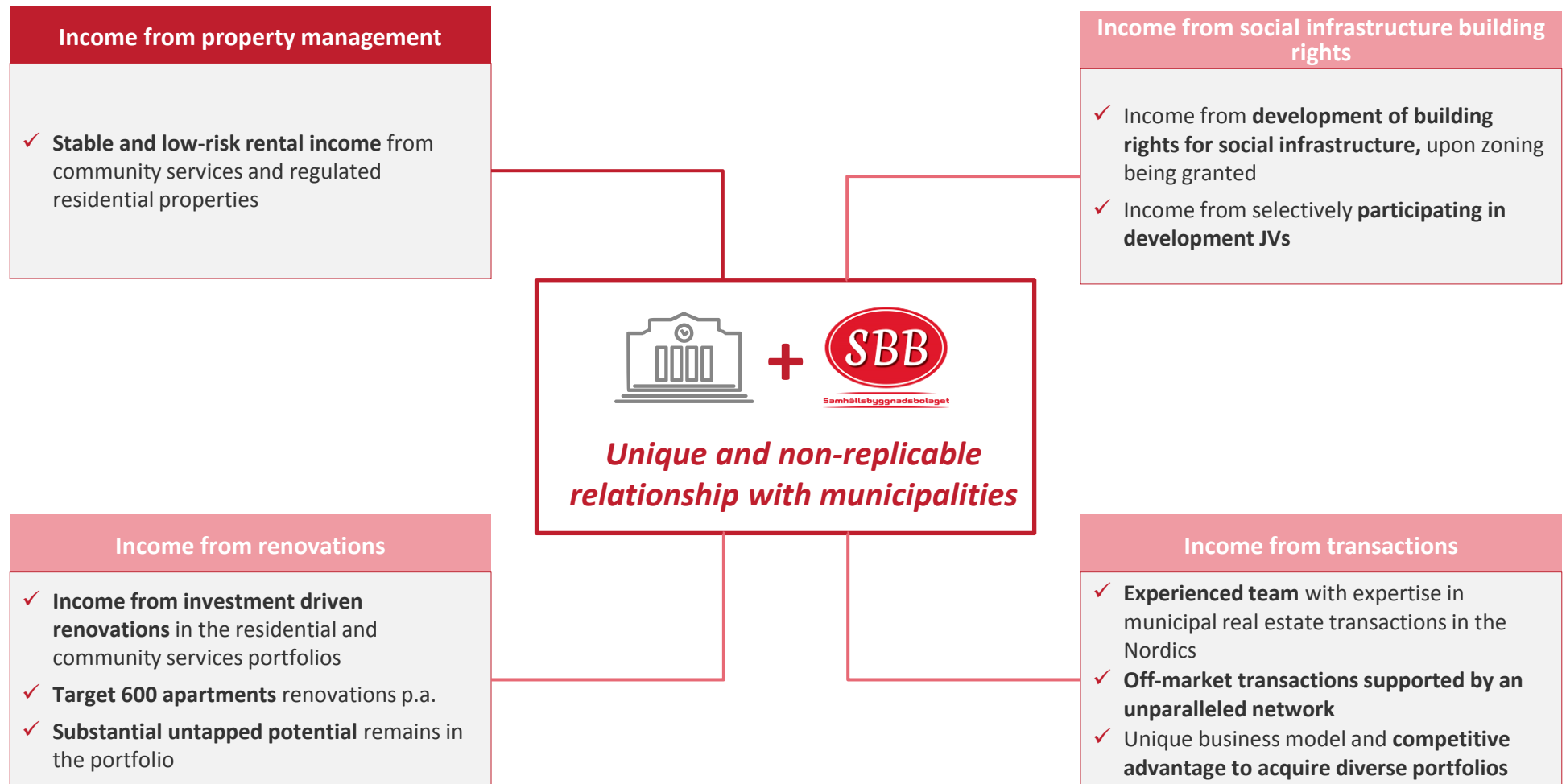
NIY¹:
3.9%

NIY¹:
5.2%

WAULT:
7 years



NON-REPLICABLE RELATIONSHIP WITH MUNICIPALITIES DRIVING ATTRACTIVE SHAREHOLDER RETURNS THROUGH A COMBINATION OF RECURRING INCOME STREAMS





II. Investment highlights



INVESTMENT HIGHLIGHTS



1

Differentiated strategy of focusing on low risk social infrastructure offering attractive yields, underpinned by strong relationships with municipalities

2

Rent-regulated residential portfolio ensures low tenant turnover and income stability with significant value upside

3

Additional recurring income streams from developments and transactions that are truly differential

4

Investment grade credit rating ensures broad access to capital markets and financial flexibility

5

Highly experienced management team, scalable platform and reputable owners

1

COMMUNITY SERVICES PROPERTIES ARE CORE TO THE BUSINESS AND A TRULY UNIQUE ASSET CLASS TO SBB

This unique asset class is defined by low risk publicly financed tenants, long leases with low tenant turnover, high demand and attractive lease terms

A

Low risk municipality and governmental tenants

Governmental tenants

Sovereign credit rating

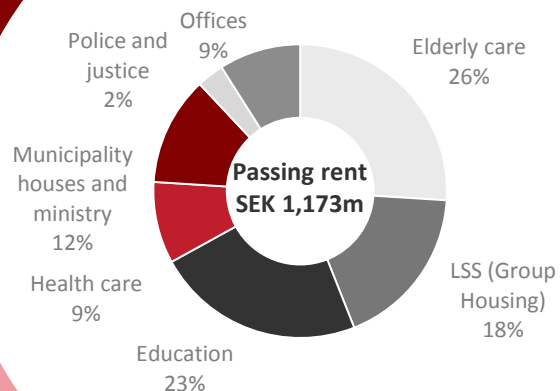


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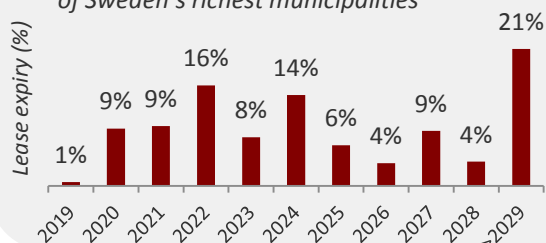
Attractive lease terms

- 10-15 years typical lease length for newly signed leases
- Majority of tenants in SBB's community services portfolio renew their lease, 32% leases expiring in 19-22 have been in place for >20 years and 68% >10 years¹
- No break clauses
- Indexed to CPI

Split by type of asset



- ✓ 7 years WAULT
- ✓ Low tenant turnover
- ✓ 50 year lease recently signed with one of Sweden's richest municipalities



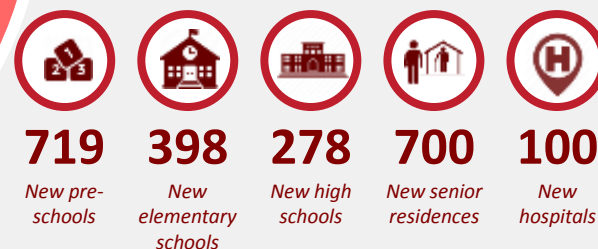
C

Long average tenors and low tenant turnover

D

Attractive demographics creating demand

Estimated new unit demand in Sweden until 2026²



1 SBB'S UNIQUE AND LONG TERM RELATIONSHIP WITH MUNICIPALITIES SUPPORTS CONTINUED PORTFOLIO GROWTH AND UPSIDE

Long term reliable partner for municipalities

History of acquiring from municipalities

- ✓ Long history of actively working with several municipalities in Nordics
- ✓ First transaction completed only 6 months after SBB was founded

Active asset management

- ✓ Ongoing discussions with several municipalities for collaboration projects involving development of new community service properties
- ✓ Opportunity to refurbish/renovate existing assets with rent reversion upside

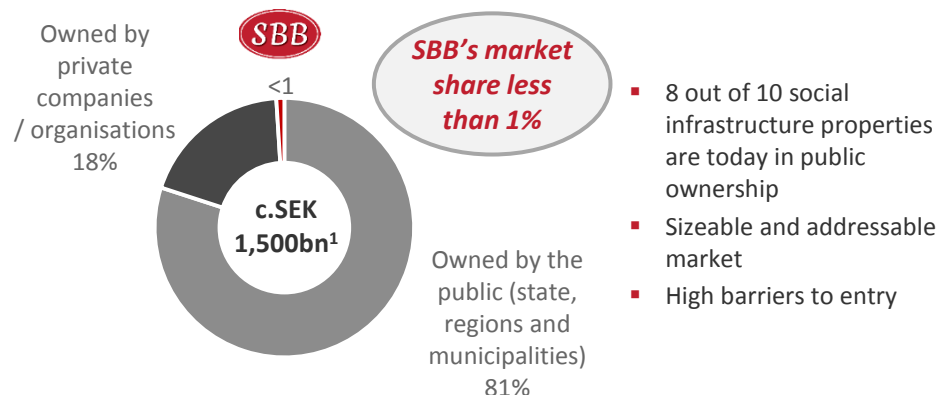
Build to suit property development

- ✓ SBB develops build to suit properties on behalf of municipalities

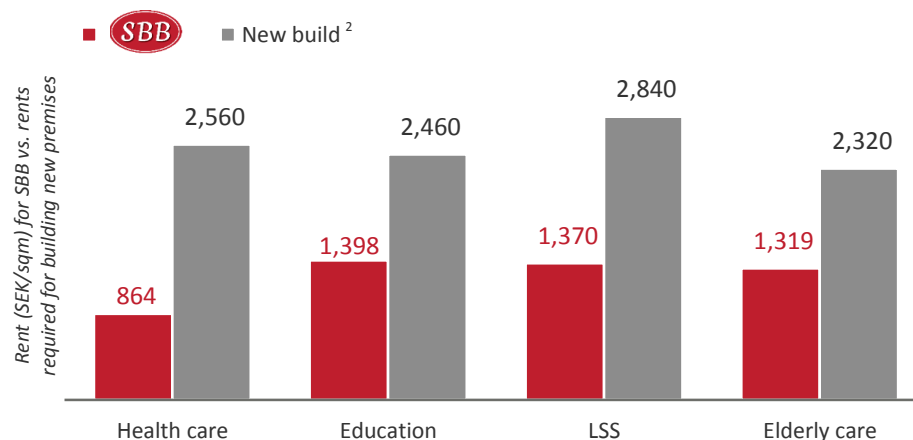
Transactions with municipalities

- ✓ Borlange: Acquisition of residential and community service properties
- ✓ Skellefteå: New cultural house acquired for over SEK 1bn with lease contract with Skellefteå Municipality for 50 years
- ✓ Karlskrona: Acquisition of residential and community service properties
- ✓ Huddinge: Acquisition of portfolio with education properties

Opportunity to increase market share

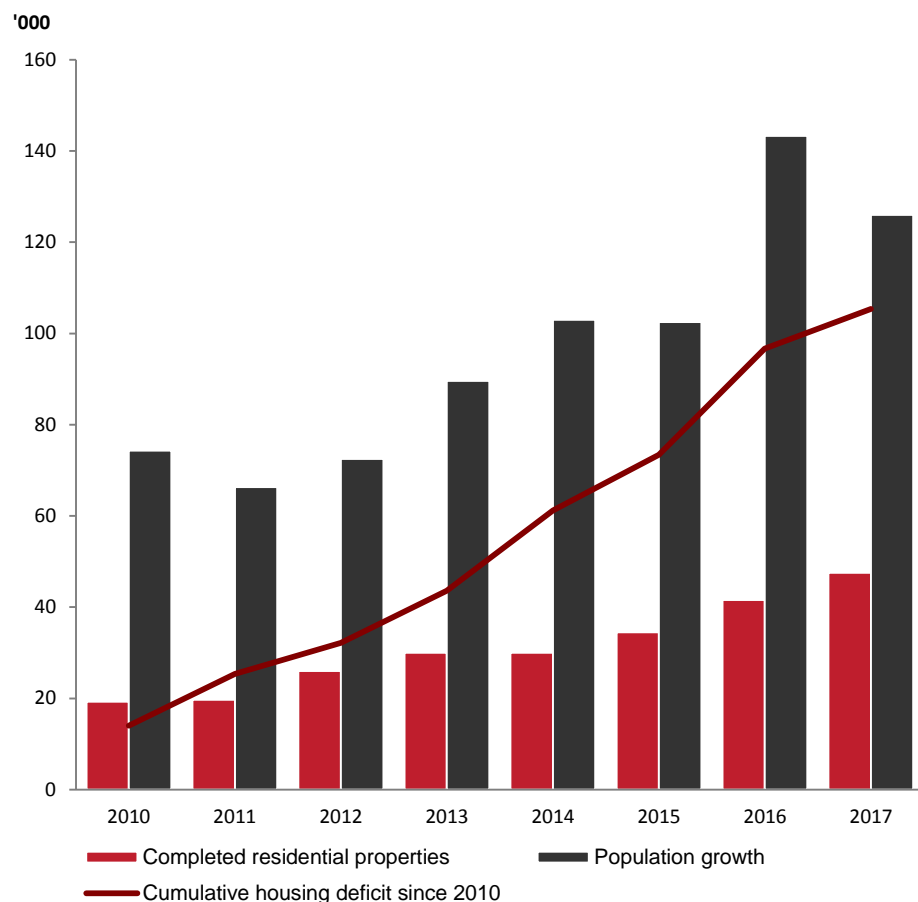


Rent levels higher for new builds



2 SBB OPERATES IN THE ATTRACTIVE SWEDISH RESIDENTIAL RENTAL MARKETS

Growth in Swedish residential properties



Regulated Swedish residential market

- Rents in the Swedish residential market are regulated
- It is based on the 'Utility Value System' of the apartment and negotiations between the landlord and a tenancy union
- This means that rental levels are **not able to be freely set**
 - Rental levels are set as a result of the **apartment's standard and equipment**
 - Rent needs to be **set in comparison with similar flats in similar areas**, taking into account proximity to the city centre, shops, schools and transportation
- Rent levels are likely **lower than the level the market would determine** independently and the **actual willingness-to-pay of the tenants**
- The Union of Tenants negotiates rents for most tenants in Sweden
- Due to the regulated market creating queues for housing, the vacancy risk is almost non-existent
 - Demand for housing in Sweden is large and the average queue for a rental apartment in Sweden was c. 3 years in 2014¹, and c. 10 years in Stockholm
 - At the end of 2018, 640,000 people were in the Stockholm housing queue
- Lagging construction has contributed to the excess demand
- In a survey carried out by the National Board of Housing, Building and Planning in May-18, **243 of the 288** participating **municipalities** assessed that there is **shortage of housing** in their municipality

2 RENT-REGULATED RESIDENTIAL PROPERTIES IN SWEDISH GROWTH MUNICIPALITIES

Key portfolio figures

SEK 10.2bn
portfolio value

SEK 701m
Passing rent

SEK 380m
Passing NOI

94.6%
Occupancy¹

~7.1%
GIY²

~3.9%
NIY²

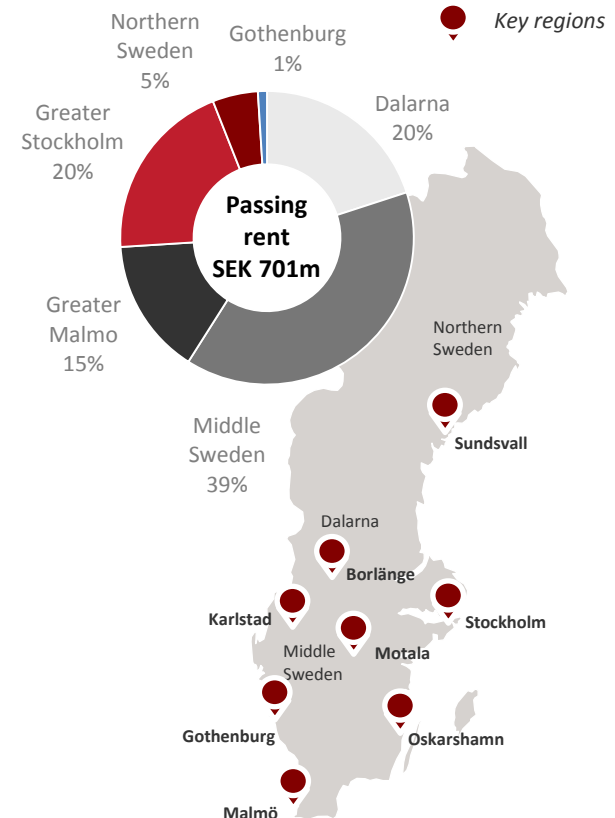
720k sqm
Lettable area

SEK 13,700
Value per sq.m.³

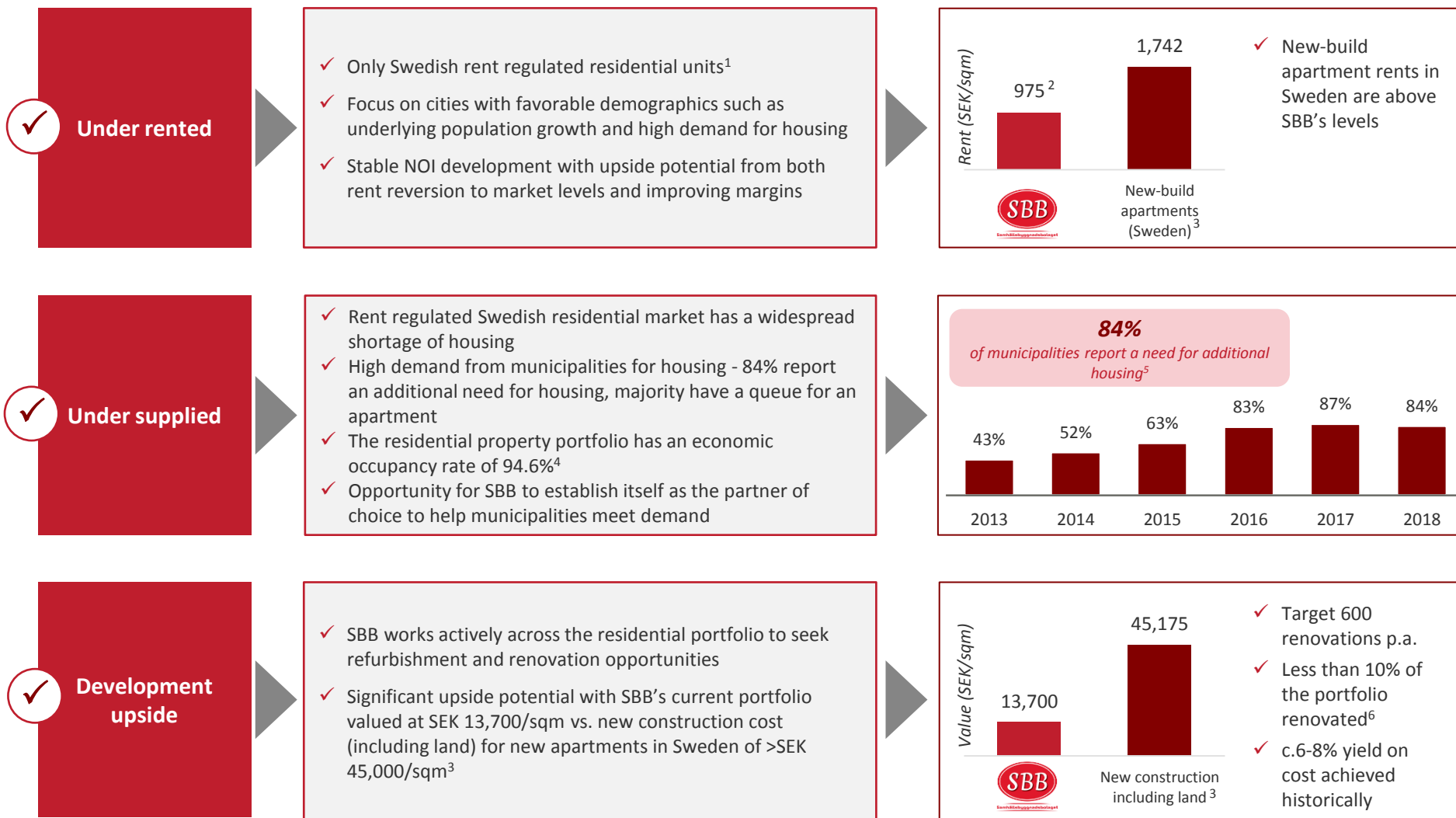
Key property portfolio figures



Distribution by region



2 RESIDENTIAL PORTFOLIO PROVIDES SIGNIFICANT GROWTH AND VALUE ENHANCING OPPORTUNITIES THROUGH A RANGE OF ACTIVE ASSET MANAGEMENT INITIATIVES



3

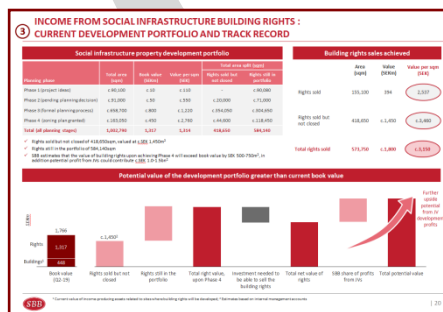
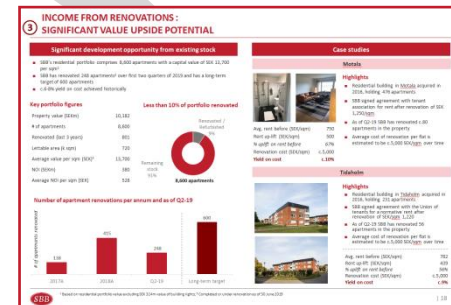
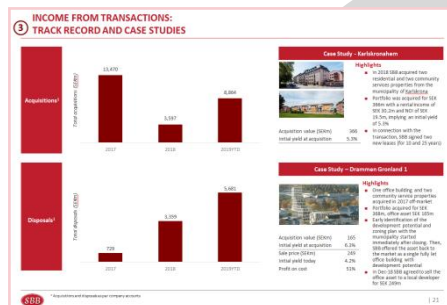
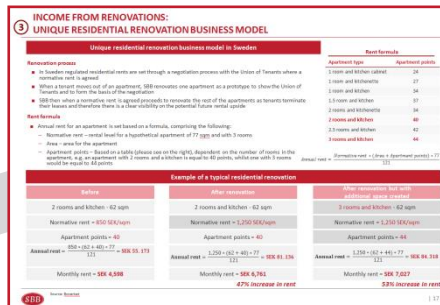
ADDITIONAL INCOME STREAMS DUE TO UNIQUE AND NON-REPLICABLE RELATIONSHIP WITH MUNICIPALITIES

Differentiating Income Streams

Income from renovations

Income from social infrastructure building rights

Income from transactions



3 INCOME FROM RENOVATIONS: UNIQUE RESIDENTIAL RENOVATION BUSINESS MODEL

Unique residential renovation business model in Sweden

Renovation process

- In Sweden regulated residential rents are set through a negotiation process with the Union of Tenants where a normative rent is agreed
- When a tenant moves out of an apartment, SBB renovates one apartment as a prototype to show the Union of Tenants and to form the basis of the negotiation
- SBB then when a normative rent is agreed proceeds to renovate the rest of the apartments as tenants terminate their leases and therefore there is a clear visibility on the potential future rental upside

Rent formula

- Annual rent for an apartment is set based on a formula, comprising the following:
 - Normative rent – rental level for a hypothetical apartment of 77 sqm and with 3 rooms
 - Area – area for the apartment
 - Apartment points – Based on a table (please see on the right), dependent on the number of rooms in the apartment, e.g. an apartment with 2 rooms and a kitchen is equal to 40 points, whilst one with 3 rooms would be equal to 44 points

Apartment type	Apartment points
1 room and kitchen cabinet	24
1 room and kitchenette	27
1 room and kitchen	34
1.5 room and kitchen	37
2 rooms and kitchenette	34
2 rooms and kitchen	40
2.5 rooms and kitchen	42
3 rooms and kitchen	44

$$\text{Annual rent} = \frac{\text{Normative rent} * (\text{Area} + \text{Apartment points}) * 77}{121}$$

Example of a residential renovation

Before	After renovation	After renovation but with additional space created
2 rooms and kitchen - 62 sqm	2 rooms and kitchen - 62 sqm	3 rooms and kitchen - 62 sqm
Normative rent = 850 SEK/sqm	Normative rent = 1,250 SEK/sqm	Normative rent = 1,250 SEK/sqm
Apartment points = 40	Apartment points = 40	Apartment points = 44
Annual rent = $\frac{850 * (62 + 40) * 77}{121} = \text{SEK } 55,173$	Annual rent = $\frac{1,250 * (62 + 40) * 77}{121} = \text{SEK } 81,136$	Annual rent = $\frac{1,250 * (62 + 44) * 77}{121} = \text{SEK } 84,318$
Monthly rent = SEK 4,598	Monthly rent = SEK 6,761	Monthly rent = SEK 7,027

47% increase in rent

53% increase in rent

3

INCOME FROM RENOVATIONS : SIGNIFICANT VALUE UPSIDE POTENTIAL

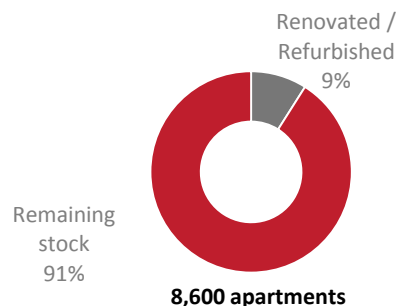
Significant development opportunity from existing portfolio

- SBB's residential portfolio comprises 8,600 apartments with a capital value of SEK 13,700 per sqm¹
- SBB has renovated 248 apartments² over first two quarters of 2019 and has a long-term target of 600 apartments
- c.6-8% yield on cost achieved historically

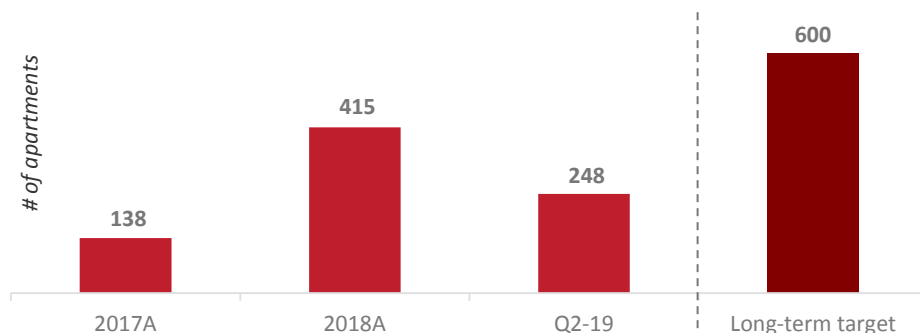
Key portfolio figures

Property value (SEKm)	10,182
# of apartments	8,600
Renovated (last 2.5 years)	801
Lettable area (k sqm)	720
Average value per sqm (SEK) ¹	13,700
NOI (SEKm)	380
Average NOI per sqm (SEK)	528

Less than 10% of portfolio renovated



Number of apartment renovations



Case studies

Motala



Avg. rent before (SEK/sqm)	c.750
Rent up-lift (SEK/sqm)	c.500
% uplift on rent before	c.67%
Renovation cost (SEK/sqm)	c.5,000
Yield on cost	c.10%

Highlights

- Residential building in Motala acquired in 2016, holding 476 apartments
- SBB signed agreement with tenant association for rent after renovation of SEK 1,250/sqm
- As of Q2-19 SBB has renovated c.80 apartments in the property
- Average cost of renovation per flat is estimated to be c.5,000 SEK/sqm over time

Tidaholm



Highlights

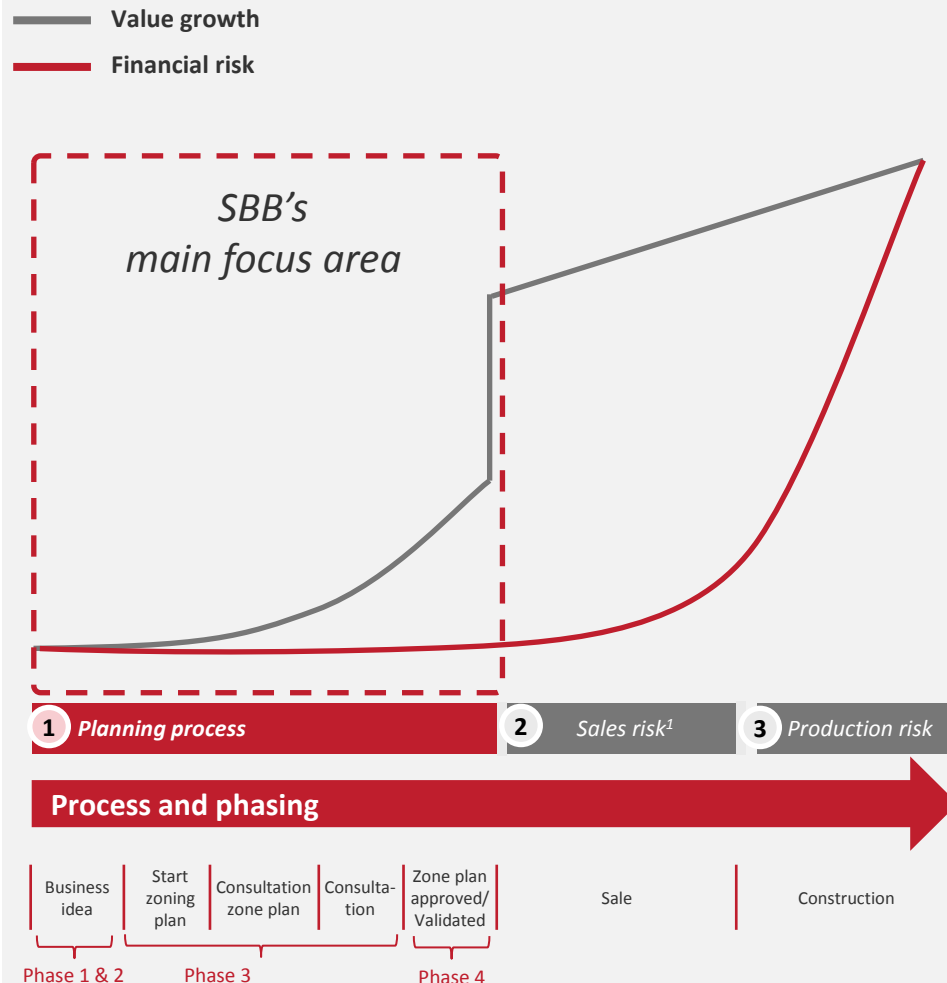
- Residential building in Tidaholm acquired in 2016, holding 231 apartments
- SBB signed agreement with the Union of Tenants for a normative rent after renovation of SEK/sqm 1,220
- As of Q2-19 SBB has renovated 56 apartments in the property
- Average cost of renovation per flat is estimated to be c.5,000 SEK/sqm over time

Avg. rent before (SEK/sqm)	c.782
Rent up-lift (SEK/sqm)	c.439
% uplift on rent before	c.56%
Renovation cost (SEK/sqm)	c.5,000
Yield on cost	c.9%

3

INCOME FROM SOCIAL INFRASTRUCTURE BUILDING RIGHTS: ACTIVE APPROACH TO CREATING RISK-ADJUSTED VALUE

SBB's role in the residential development process



Case study – Sale of building rights and JV

Falkenberg Bacchus 1 - Two sales of building rights



- 58,000 sqm total building rights for 700 condominiums
- Property/land acquired for SEK 358m in 2016
- Sold via two joint ventures, whereby SBB will share in development profit upside in addition to value of building rights sold
- SBB estimates to earn c.SEK300m over time from the JVs

- 18,000 sqm sold to a local consortium, SBB retains 10% ownership in JV
- Sale price of building rights of SEK 70m (c.SEK 3,900/sqm)
- Current sale status is 103 out of 140 apartments sold. Building 2 out of 4 will be moved-in during Autumn-19
- 40,000 sqm sold to a JV between SBB and the large and established project developer HSB, SBB retains 50% in JV
- Sale price of building rights of SEK 156m (c.SEK3,900/sqm)
- Building 1 complete and 2 in Autumn 2019, buildings 3 and 4 to come

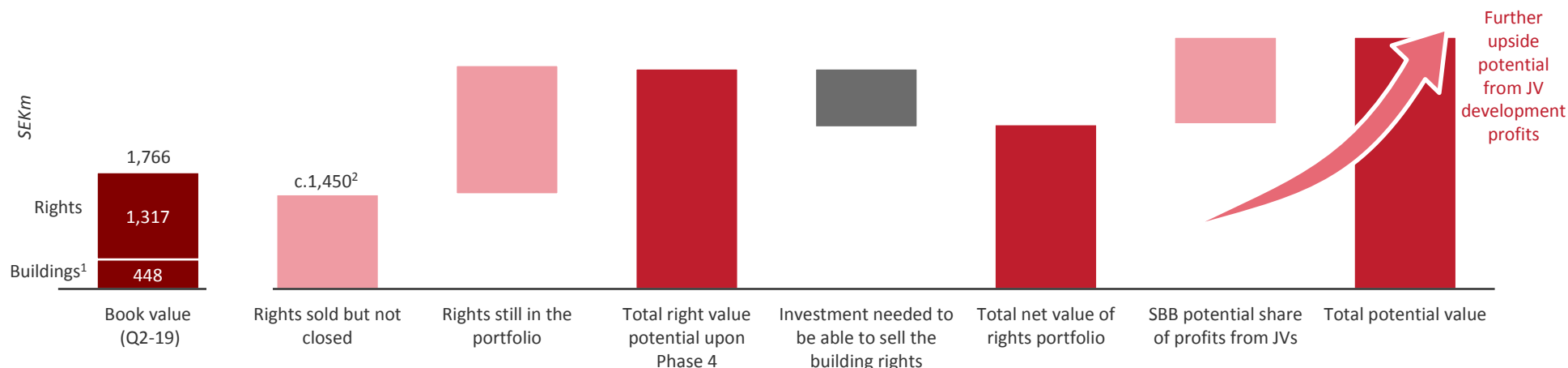
3 INCOME FROM SOCIAL INFRASTRUCTURE BUILDING RIGHTS: CURRENT DEVELOPMENT PORTFOLIO OFFERS POTENTIAL UPSIDE

Social infrastructure property development portfolio					
Planning phase	Total rights area (sqm)	Book value (SEKm)	Value per sqm (SEK)	Total rights area split (sqm)	
				Rights sold but not closed	Rights still in portfolio
Phase 1 (project ideas)	c.90,100	c.10	c.110	-	c.90,100
Phase 2 (pending planning decision)	c.91,000	c.50	c.550	c.20,000	c.71,000
Phase 3 (formal planning process)	c.658,700	c.800	c.1,220	c.354,050	c.304,600
Phase 4 (zoning plan granted)	c.163,050	c.450	c.2,760	c.44,600	c.118,450
Total (all planning stages)	1,002,790	1,317	1,314	418,650	584,140

- ✓ Rights sold but not closed of 418,650sqm, sales value of c.SEK 1,450m²
- ✓ Rights still in the portfolio and not sold of 584,140sqm
- ✓ SBB estimates that the value of building rights upon achieving Phase 4 could potentially exceed book value by SEK 500-750m², in addition potential profit from JVs could potentially contribute c.SEK 1.0-1.5bn² upside

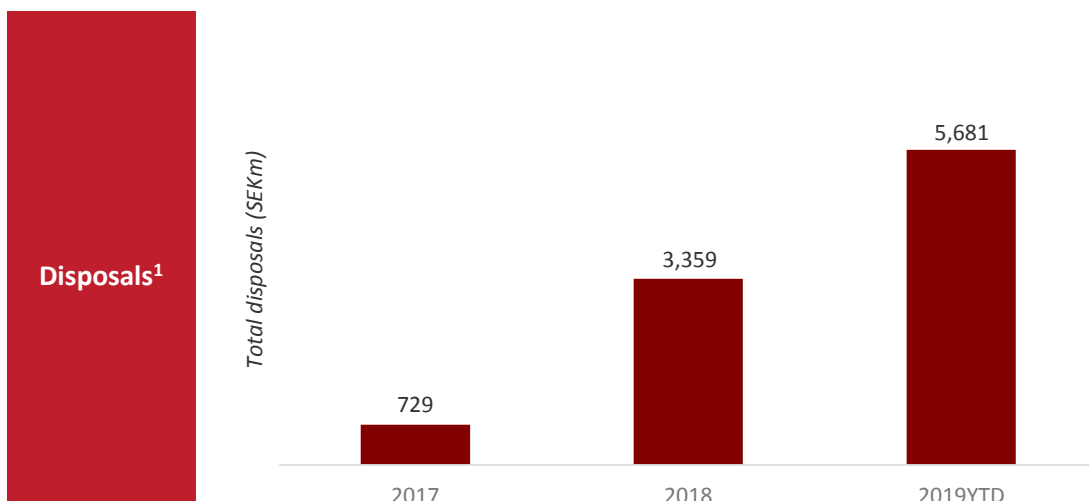
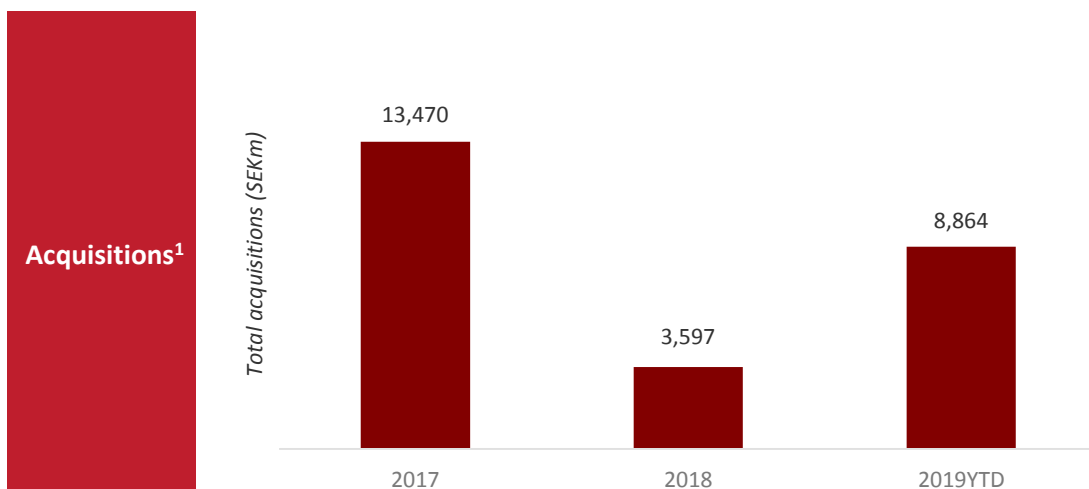
Building rights sales value achieved			
	Area (sqm)	Value (SEKm)	Value per sqm (SEK)
Rights sold	155,100	394	2,537
Rights sold but not closed	418,650	c.1,450	c.3,460
Total rights sold	573,750	c.1,800	c.3,150

Potential value of the development portfolio greater than current book value



3

INCOME FROM TRANSACTIONS: TRACK RECORD AND CASE STUDIES



Case Study - Karlskronahem



Highlights

- In 2018 SBB acquired two residential and two community services properties from the municipality of Karlskrona
- Portfolio was acquired for SEK 366m with a rental income of SEK 30.2m and NOI of SEK 19.5m, implying an initial yield of 5.3%
- In connection with the transaction, SBB signed two new leases (for 10 and 25 years)

Acquisition value (SEKm)	366
Initial yield at acquisition	5.3%

Case Study – Drammen Gronland 1



Highlights

- One office building and two community service properties acquired in 2017 off-market
- Portfolio acquired for SEK 368m, office asset SEK 165m
- Early identification of the development potential and zoning plan with the municipality started immediately after closing. Then, SBB offered the asset back to the market as a single fully let office building with development potential
- In Dec-18 SBB agreed to sell the office asset to a local developer for SEK 249m

Acquisition value (SEKm)	165
Initial yield at acquisition	6.3%
Sale price (SEKm)	249
Initial yield today	4.2%
Profit on cost	51%

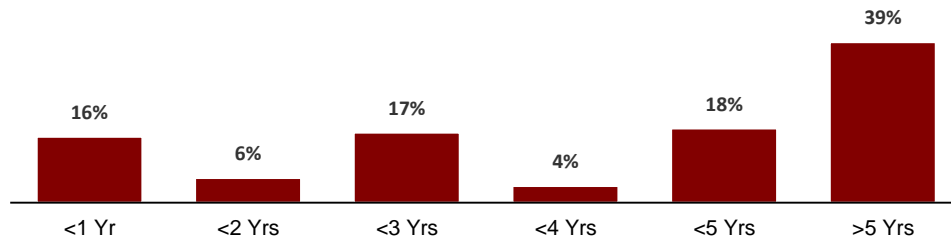
4 STRONG BALANCE SHEET POSITION AND ATTRACTIVE FUNDING MIX

Long-dated maturity profile¹

SEKm

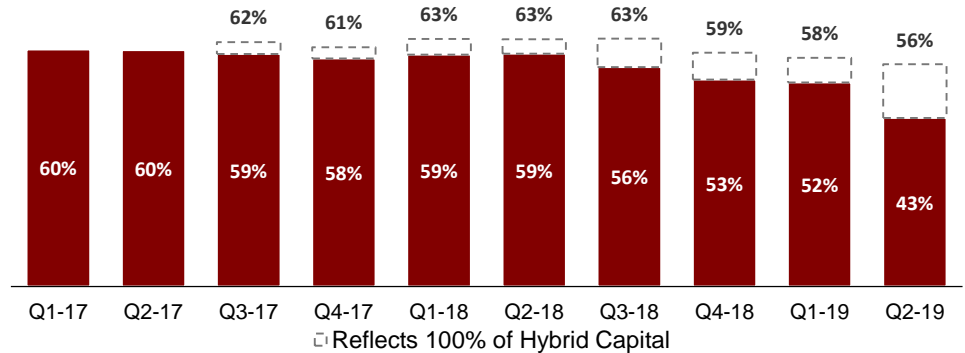
57%

of the debt portfolio equal to or longer than 4 years



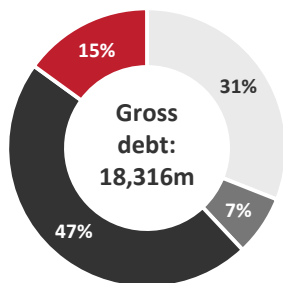
Accelerating deleveraging secured an IG rating for SBB

LTV²(%)

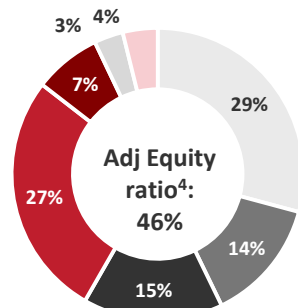


Strong and diverse debt and capital structure

Debt structure



Capital structure



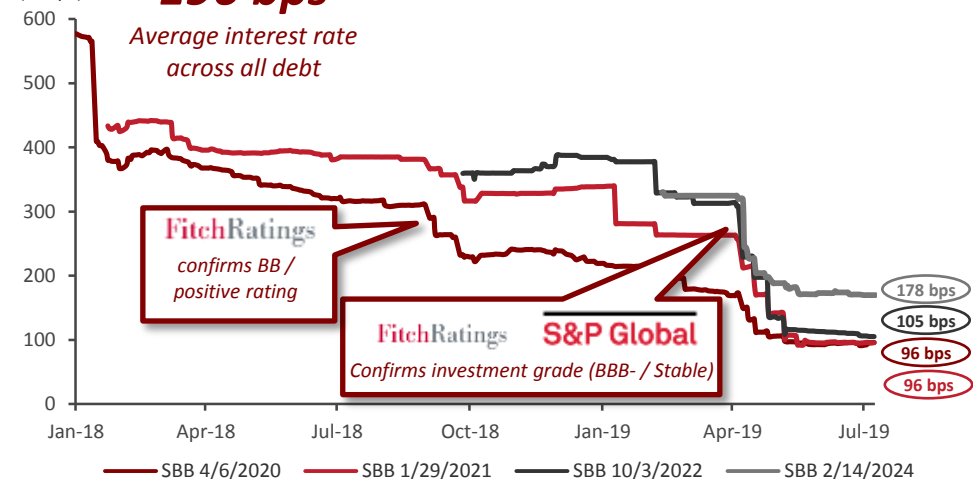
■ Bank loans ■ Secured bonds ■ Unsecured bonds ■ Equity ■ Hybrid Capital ■ Bank Loans ■ Bond
■ Commercial paper ■ Commercial Paper ■ Deferred Tax ■ Other

Decreasing new issue spreads³

3m + STIBOR
(in bps)

196 bps

Average interest rate across all debt



All figures in this presentation are for the Group as of 30 June 2019, unless otherwise stated

¹ Debt maturity schedule including commercial paper. ² LTV calculated as net interest-bearing liabilities as a percentage of total assets at the end of the period.

³ Bloomberg data as of 8-Jul-2019. ⁴ Defined as reported equity incl. shareholder loans and convertibles, with reversal of reported deferred tax liability as a percentage of total assets.

5 STRONG MANAGEMENT TEAM AND BOD

Active and hands-on management team with exceptional experience and track-record



Ilija Batljan
CEO



21 years in industry



Lars Thagesson
Deputy CEO and COO



44 years in industry



Krister Karlsson
Deputy CEO and Head of Property development



30 years in industry



Eva-Lotta Stridh
CFO



18 years in industry



Oscar Lekander
Business development manager



8 years in industry



Adrian Westman
IR manager



12 years in industry



Rosel Ragnarsson
Finance Manager



34 years in industry

24 years
Average experience in the management team

Supported by a highly dedicated and reputable BoD with strong real estate background



Lennart Schuss (CoB)



Sven-Olof Johansson



Fredrik Svensson



Eva Swartz Grimaldi



Anne-Grete Ström-Erichsen



Hans Runestam



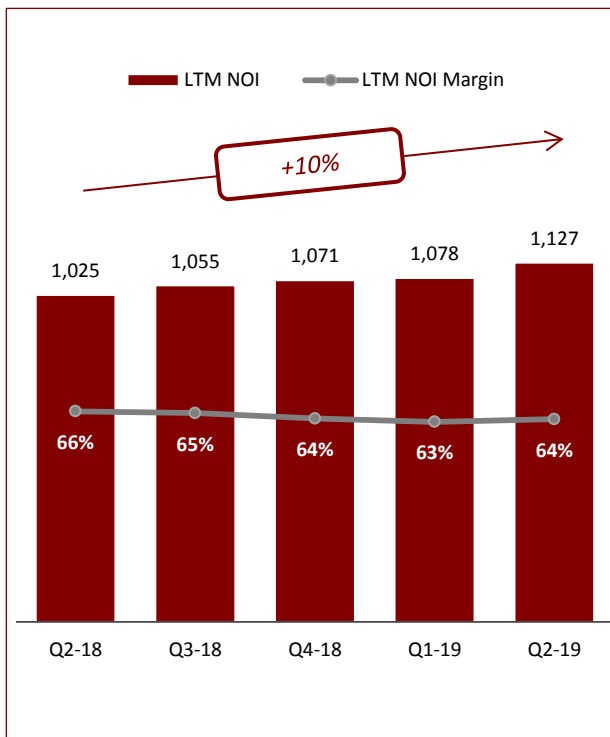
The background image shows a modern, two-story building with a light-colored, horizontally-slatted facade. It features several large, multi-paned windows and smaller square windows. In the foreground, there is a playground with green artificial turf, a red rubber safety mat, and various play structures including a climbing frame and a slide. A small tree and a wooden picnic table are also visible. A semi-transparent red banner is overlaid across the middle of the image.

III. Financial highlights

SBB

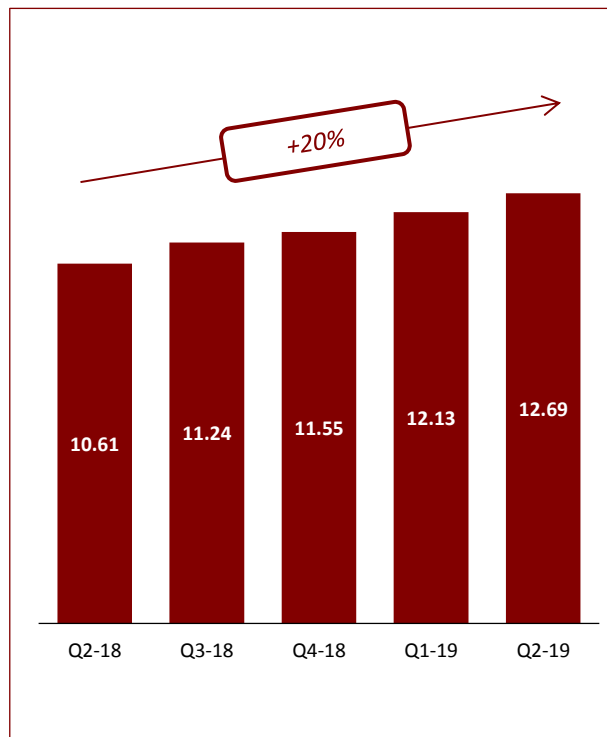
UNPRECEDENTED GROWTH AND SHAREHOLDER VALUE CREATION

Solid underlying financial performance...



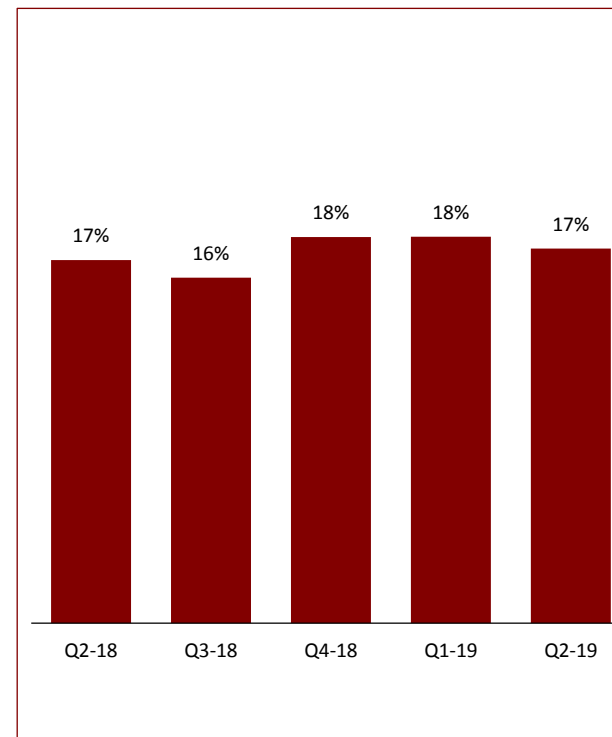
Since inception, SBB has delivered strong financial performance and growth both in terms of property value and operating income driven by active portfolio management and acquisitions

...translating into strong growth in EPRA NAVps



SBB has delivered strong EPRA NAV generation with a total gain of 20% during the last twelve months

...delivering solid ROE¹



SBB has consistently generated high returns on equity

KEY FINANCIAL HIGHLIGHTS

Portfolio Level KPI

Leasable area
1,797 k sq.m.

864 k sq.m. 720 k sq.m. 213 k sq.m.

Value per square meter
SEK 16,875

SEK 20,363¹ SEK 13,700¹ SEK 7,278¹

Net Initial Yield
4.7%

5.2% 3.9% 4.4%

Economic Occupancy
95%

98%
WAULT 7 Yrs 95% 83%

Key Operating Items

LTM Gross rental income
SEK 1,773m

SEK 1,011m SEK 573m SEK 189m

LTM NOI-margin
64%

80% 53% n.m.

LTM EBITDA²
SEK 1,078m

Adj. LTM FFO³ / Adjusted for Hybrid⁴
SEK 537m / SEK 388m

Portfolio Value and Balance Sheet

Property value
SEK 30,331m

SEK 17,854m SEK 10,182m SEK 2,295

EPRA NAV per share
SEK 12.69
(SEK 10.61)

+20%⁵

Avg. Cost of Debt
1.96%

BBB-

Stable Rating

LTV / LTV incl. Hybrid
43% / 56%

Community
Service

Residential

Other



All figures in this presentation are for the Group as of 30 June 2019, unless otherwise state. Other includes Other & Property Development

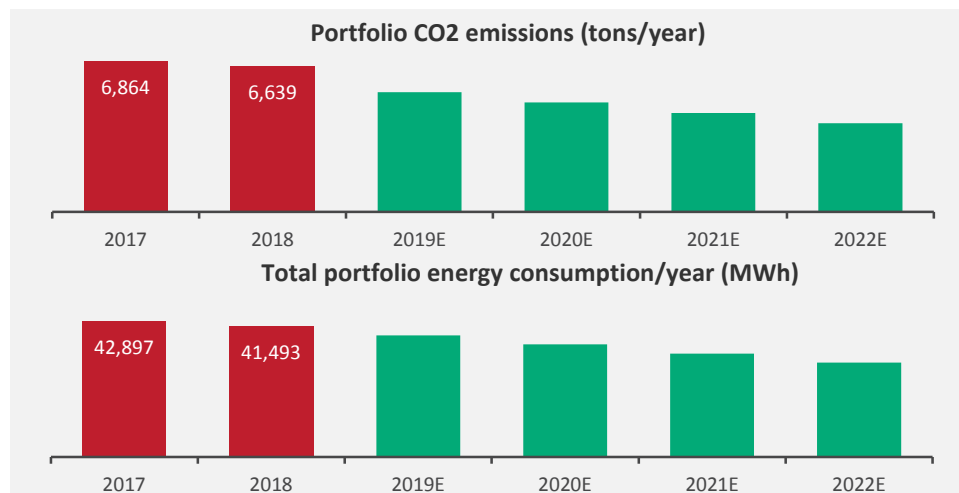
¹ Excluding building rights of SEK 251m in Community Service and 324m in Residential and SEK 742m in Other. ² EBITDA defined as Profit before financial items, as per Company accounts (Net Operating Income less Central administration costs plus results from associated companies / JVs). ³ EPRA Earnings adjusted for non-recurring expenses for redeemed loans in advance of SEK 214m pre-tax on an LTM basis, taxed at the Swedish statutory rate of 21.4%. ⁴ LTM Adj. FFO, deducting dividends paid to hybrid bonds of SEK 149m over the last twelve months. ⁵ Year-on-year growth in EPRA NAV per share.

A photograph of a modern, two-story building with a light-colored, horizontally-slatted facade and large windows. In the foreground, there is a playground with green artificial turf, a red slide, and various climbing structures. A red semi-transparent banner is overlaid across the middle of the image, containing the text 'IV. Green initiatives'.

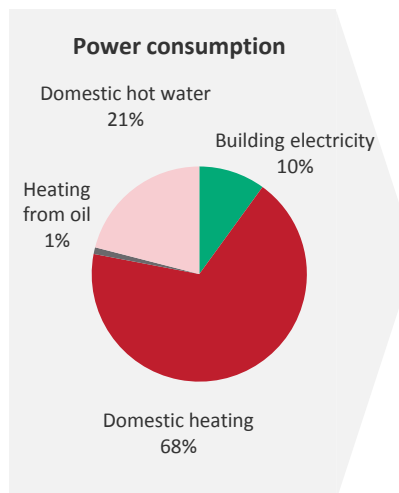
IV. Green initiatives

SUPPORTING THE TRANSITION TOWARDS A MORE SUSTAINABLE WORLD

Focus on reducing CO₂ within the property portfolio



Environmental initiatives employed



- A definite environmental perspective should permeate all of SBB's properties
- Prioritize real estate development in **best communication nodes** for track based traffic
- In 2017 follow-up, mapping and selection of areas to be able to **reduce CO₂ emissions**
- Core focus to decrease CO₂ emissions by at least **400 tonnes per year between 2018-2023**

Social engagement

- SBB prioritizes **social efforts for young people**
- The company is offering **summer jobs** to youths living in SBB's residential areas which connects **all of the dimensions of sustainability**:
 - *Nicer external environments in SBB's residential areas*
 - *Reduce wastage of our shared resources*
 - *Contribute to our long-term operating net profit and creates a link to the youth employment in the market*
- The company is a proud to actively contribute to **Mentor Sverige**
- **Employees** are SBB's most important assets. It is through the employees' involvement, development and competence that the corporate culture thrives



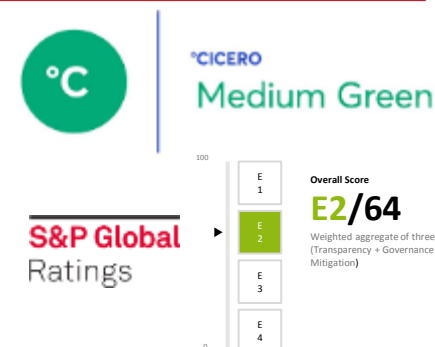
Case study – Tellus 1, Motala

- In the beginning of February, SBB announce that it is initiating investments in a unique project that will decrease CO₂ emissions by 75% in a residential area with 476 apartments in Motala, Sweden
- Expect to achieve a reduction of CO₂ by using heat pumps and heat recovery from exhaust air and wastewater
- Cooperation with Watts2You¹ to develop solar energy modules that can be used to operate our heat pumps
- Expect to decrease energy consumption by at least 50%



SUSTAINABLE FINANCING SOURCES

- By setting up a green bond framework, aligned with the Green Bond Principles published in June 2018 by the International Capital Market Association, SBB offers investors further insights into the company's sustainability strategy and commitments and thereby an opportunity to support the transition to a low carbon economy
- On 14 February 2019 SBB issued its first senior unsecured **green** bond and the transaction was rated by S&P with an overall score of 64, which equates to E2 on S&P's scale of E1 to E4. The SEK 500m bond with a tenor of five year and a spread of 3.3% will continue to support SBB's improved financial liquidity and financial cost structure



Green Bond Framework aligned with the Green Bond Principles

1	Use of Proceeds	<ul style="list-style-type: none"> Energy efficiency investments to reduce energy consumption by at least 30% annually Sustainable living investments in climate resilience, improvements in tenant functionalities and modernization of interior
2	Process for project/asset evaluation	<ul style="list-style-type: none"> Eligible assets have been reviewed by SBB's Business Controller team and Green Bond Committee
3	Management of proceeds	<ul style="list-style-type: none"> Treasury Department is responsible for allocations to the relevant and approved assets and their related investments Separate Account to ensure separate monitoring of the investments
4	Reporting and Transparency	<ul style="list-style-type: none"> Newsletter summarizing energy efficiency investments undertaken during each year

Green property portfolio



Letten 1,2,5 & 6, Karlstad
- 244 apartments



Stensiken 1, Tidaholm
- 234 apartments



Tellus 1, Motala
- 476 apartments

THANK YOU!



Samhällsbyggnadsbolaget

The image shows a three-story brick building with a distinctive blue upper section and blue window frames. A red semi-transparent banner is overlaid across the middle of the image. The building has a sign that reads "Kunskapsskolan" with a circular logo. A silver car is parked in front of the building on a paved area. The sky is clear and blue.

Appendix – Supporting materials



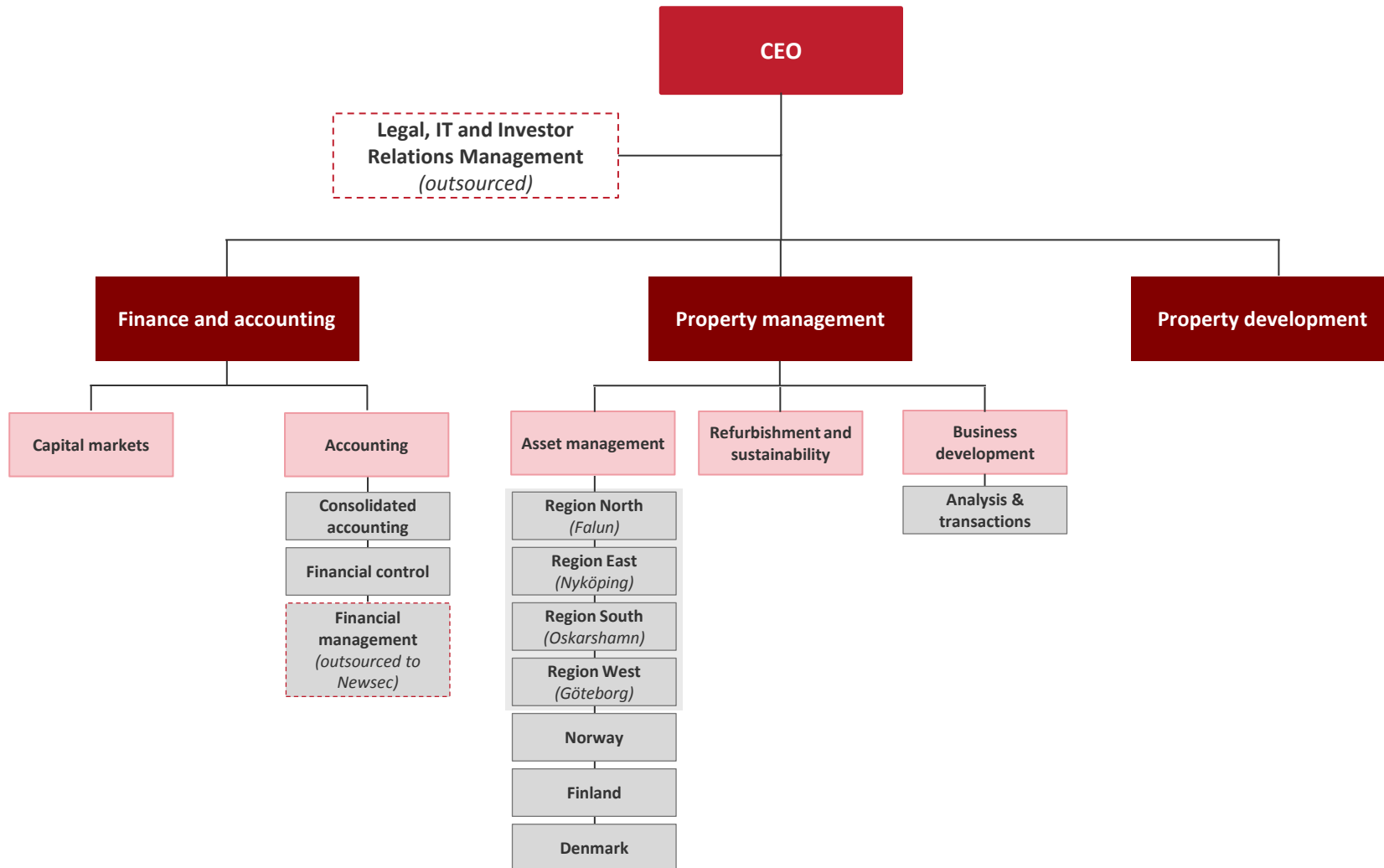
CAPITAL STRUCTURE OVERVIEW

Overview of existing financing as of 30-Jun-2019					Commentary				
SEKm					Carrying Value				
Current interest bearing liabilities									
Commercial Paper					2,718				
Bonds					87				
Bank Loans					131				
Total current					2,936				
Non-current interest bearing liabilities									
Bonds					9,848				
Bank Loans					5,532				
Total non-current					15,380				
Total interest bearing liabilities					18,316				
Cash and cash equivalents					(2,691)				
Net interest bearing liabilities					15,625				
Hybrids Classified as Equity					4,978				
Key Credit Statistics									
Total assets					36,544				
LTV (%)					43%				
LTV incl. 100% hybrids (%)					56%				
ICR (x)					2.2 x				
Undrawn credit facilities					3,200				
Overview of share capital as of 30-Jun-2019									
SEKm	Vote per share	No of shares	Dividend	Price per share					
A-shares	1	210.0m	Ordinary A/B	-					
B-shares	0.1	546.1m	Ordinary A/B	12.9					
D-shares	0.1	73.4m	Min. of 5x A/B and SEK 2 p.a.	33.4					
Preference shares	0.1	0.2m	SEK 35 p.a.	664.0					

- As of Q2 2019 the company had **unutilised credit facilities totaling SEK 3,200m** and **cash and cash equivalents of SEK 2,691m**
- During Q2 2019, SBB replaced several smaller loans with larger credit facilities in conjunction with Nordic banks
- SBB's average **interest rate** on a 12-months rolling basis has **decreased from 2.93% to 1.96%**
- SBB is **rated BBB- (stable outlook)** investment grade by S&P and Fitch
- At the beginning of Q2 2019, a **€300m hybrid bond was issued**, with a non-call period of 5.25 years and fixed 4.625% coupon
- Company reported LTV, classifying all hybrids of SEK 5.0bn as equity, was 43% while accounting the hybrids as debt-like leads LTV to 56%
- In April, the company established a **€2.5bn EMTN programme**
 - During Q2 2019, SBB has issued 4 bonds under the EMTN programme
 - A €500m unsecured bond maturing in 2025 was issued, carrying a fixed interest rate of 1.75%
- The fixed interest term on the borrowing was extended by entering into interest rate **derivatives totalling SEK 3.2bn**
- Combined with interest rate derivatives previously entered into, **~91% of loans are hedged** with an **average maturity of c. 4 years**

- The company has **4 different classes of shares**
- The **B-shares are traded on First North Stockholm**, and **share the economic rights of the voting A-shares**
- In April, the company completed an issue of **~28m D-shares**, raising SEK 860m in proceeds

STRONG IN-HOUSE CAPABILITIES



EXAMPLE OF PARTNERSHIP WITH MUNICIPALITIES - SKELLEFTEÅ MUNICIPALITY

Comments
<ul style="list-style-type: none">▪ Established a partnership with the municipality of Skellefteå regarding a new culture house and including a congress hall▪ Skellefteå is one of the richest municipalities in Sweden and have decided to invest in a new culture house to improve the quality of the local area▪ Over the coming years, the company Northvolt will invest more than SEK 30 billion in the municipality to create the world's greenest battery factory▪ Skellefteå will take full responsibility for designing the building as well as for any potential cost overruns in the development▪ The municipality decided to dispose of the asset due to their internal debt limitations, which all municipalities have, meaning that the municipality has restrictions on how much of their own balance sheet they can invest▪ The building, designed by White architects, will be one the tallest buildings in the world and constructed entirely from wood▪ As a part of the partnership a 50 year lease contract has been signed between SBB and the municipality, the contract is fully linked to CPI▪ The municipality will take full responsibility for the property management of the property, whilst SBB together with the municipality will produce a maintenance plan for the next five years, which the municipality will follow



Summary	
Number of properties	1
Property name	Skellefteå Perseus 6
Leasable area	Approx. 25 000 sqm
Municipality	Skellefteå
County	Västerbotten

