



SBB presents new targets

Ahead of Samhällsbyggnadsbolaget i Norden AB (publ)'s ("SBB") Capital Markets Day, the company presents updated financial targets. The company's new growth target is that the profit from property management per A and B ordinary share shall on average grow with more than 15 per cent per year over a five-year period. Furthermore, the property portfolio value shall amount to SEK 125bn by 2025. The company's Board of Directors also has the intention to enable the redemption of the remaining outstanding preference shares during the autumn, with the purpose to clarify the share structure; meaning that SBB in due course will have three ordinary share classes: A, B and D.

SBB's financial targets:

- Generated growth in profit from property management per A and B ordinary share to average at least 15 per cent per year over a five-year period (Previous target: Generate growth in net asset value per ordinary share, excluding dividends on ordinary shares, to average at least 12 percent per year over a 5-year period)
- Generated income from property development to average SEK 500 to 700 million per annum (Previous target: Generate an income from sales of building rights to amounting to SEK million 250 to 400 per annum in average)
- Loan to value ratio below 50 per cent, defined as adjusted debt to debt plus equity below 50 per cent (clarified with definition)
- Secured Loan to value ratio below 30 per cent (unchanged)
- Interest coverage ratio of at least 3.0 times (unchanged)
- Achieve a BBB+ rating no later than during 1H 2021, and A- in the long term (unchanged)

SBB's operational targets:

- A property portfolio of SEK 125 billion by 2025, with retained BBB+ rating (Previous target: A property portfolio of SEK 55 billion by 2021, with retained BBB+ rating)
- 100 per cent climate neutral by 2030 (unchanged)
- Renovations of at least 600 apartments per annum (unchanged)

SBB's dividend policy:

- To generate a steadily increasing annual dividend per A and B ordinary share (unchanged)

Ilija Batljan, Founder and CEO of SBB, summarises the new targets ahead of the Capital Markets Day tomorrow:

"SBB always delivers, and already in December 2019 we surpassed the target of a property portfolio of SEK 55bn by 2021. We see a continued opportunity to increase the portfolio and have set the new target at SEK 125bn by 2025. The target is based on our position as the social infrastructure champion in the Nordic region. The Board has also decided to divert from the previous method of targeting growth by NAV, and instead focus on what is relevant when managing safe cash flow properties like SBB does. Our new target is to generate profit from property management per A and B ordinary share to average at least 15 per cent per year over a five-year period."

"SBB has a unique value creation model that in addition to safe cash flows from the property management also provides recurring income streams via property development, renovations and transactions. Within property development, we are shifting focus based on the needs of the municipalities to use our large portfolio of building rights to build new residentials, both in our own book through the new organisation following the integration of Hemfosa, but mostly through joint ventures with parties that carry the construction risk. Within renovations, we remain committed to deliver on our target of 600 apartments per year. Among our apartments, there is room for renovations in 75 per cent of the portfolio, which together with the need of renovations in community service properties create the potential of strong recurring earnings."

"In addition to property development and renovations, we continue to deliver transactions. We have in turbulent market conditions proven that our assets are among the most liquid in the entire Nordic region. Since the Hemfosa acquisition, we have divested properties of SEK 10.9bn on par with or above book value. In combination with our strong financial position and diversified financing, we continue our clear focus to achieve a BBB+ rating, and A- in the long term."

SBB's Capital Markets Day will be held on 17 June 2020 at 13:30 CET, and can be followed by webcast on this link:

<https://tv.streamfabriken.com/sbb-cmd-2020>

For further information, please contact:

Ilija Batljan, CEO and Founder of Samhällsbyggnadsbolaget i Norden AB, +46 70 518 39 67, ilija@sbbnorden.se

This information is information that Samhällsbyggnadsbolaget i Norden AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above on June 16, 2020, at 18:15 CET.

About Samhällsbyggnadsbolaget i Norden AB (publ)

The company's strategy is to own, manage and develop community service properties throughout the Nordic region and rental apartments in growth regions in Sweden. Through the company's commitment and engagement in community participation and social responsibility, municipalities and other stakeholders find the company an attractive long-term partner. At the beginning of 2018, SBB was named the winner of the Real Estate Company of the Year Award for 2017. The company's series B shares (short name SBB B) and D shares (short name SBB D) are listed on Nasdaq Stockholm, Large Cap. The company's preference shares (SBB PREF) are listed on Nasdaq First North Premier Growth Market. Certified Adviser is Erik Penser Bank (contact: certifiedadviser@penser.se / +46 84638300). More information about the company is available at www.sbbnorden.se.