

Quarterly presentation

Q4 2024

This quarterly report has not been the subject of a general review by the company's auditor.

About SBP Kredit

SBP Kredit AB (publ) is a real estate private debt fund and a leading provider of mortgage-backed loans.

We provide construction loans and real estate loans of up to SEK 300m. We finance new constructions and renovations, mergers and acquisitions, building rights, conversions, unsold apartments and other short term financing needs.

Based on extensive experience from real estate and commercial banking, we meet our clients with Knowledge, Commitment and Respect.

Since inception in 2016 we have supported 300 Swedish property owners, including having financed sustainable homes for more than 10 000 people in over 100 municipalities throughout the country, from Ystad in the south to Boden in the north.

SBP Kredit is an exchange-traded fund that provides investors with a stable annual return at a controlled level of risk.

Learn more about SBP Kredit and the fund at www.sbpkredit.se, whether you are a customer or an investor.

SBP Kredit - Key highlights Q4

- The net asset value (NAV) as of 31 December 2024 amounts to 107.70% or SEK 10,770/share, representing an increase of 1.87% for the quarter as a whole and 7,70% rolling 12 months.
- Credit inflow remained strong at SEK 354m with a high ratio of acquisition & bridge loans which increases portfolio LTV slightly to 58.2%. The strong demand is driven by a cautious increase in activity in the real estate transaction market and a slightly stronger market for new home purchases, which means that more real estate projects can be started.
- In October, the company concluded a successful issue of SEK 300m Senior Notes which enables the credit portfolio to grow.
- The company's outstanding credit portfolio increased from SEK 1,230m to SEK 1,447m and consist of 61 credits.
- SBP Kredit continues to have no realized credit losses and see minimal changes to stage 3 loans during the fourth quarter.

Opening words from CEO

Major events during the past quarter



SBP continued to grow its lending during the fourth quarter as demand remained strong within construction loans and especially for acquisition & bridge loans.

SBP conducted a successful SEK 300m issue of Senior Notes which was an important milestone for the company.

Furthermore, the company also see projects where sales were stagnant for most of 2024 are now slowly starting to sell again. However, there is still a large selection of apartments for sale in the market and customers still generally choose to sell before buying a new apartment.

Market trends

The transaction market for commercial real estates has started to get going during the year and even more during the fourth quarter, especially within the light industry segment.

The Swedish bond market has remained strong and many real estate companies have refinanced by issuing new bonds during the fourth quarter.

The major banks show a greater appetite for real estate credits at the end of the year, however the credit process for new customers is still time-consuming and somewhat uncertain.



Outlook coming quarters



As interest rates have fallen and are expected to fall further, the market for new construction of condominiums in certain segments and geographic areas has begun show increased activity, and we expect this trend to continue in 2025.

SBP expects the strong demand to continue in the first half of 2025 within construction loans as well as acquisition & bridge loans.

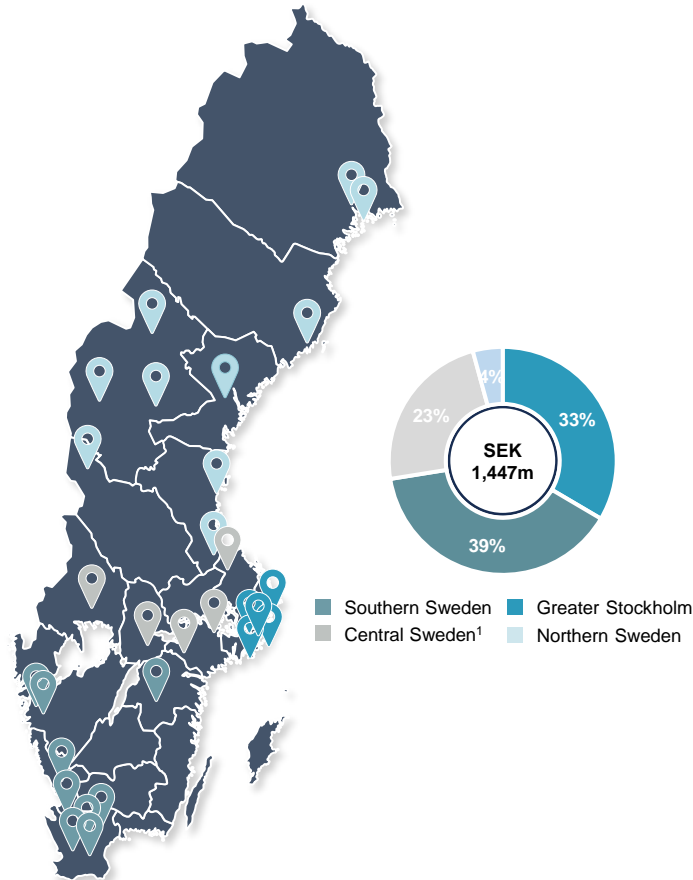
Due to the increased demand, SBP has initiated recruitment of several key employees in both customer and credit operations to join us during the first half of 2025.

SBP Kredit past quarter

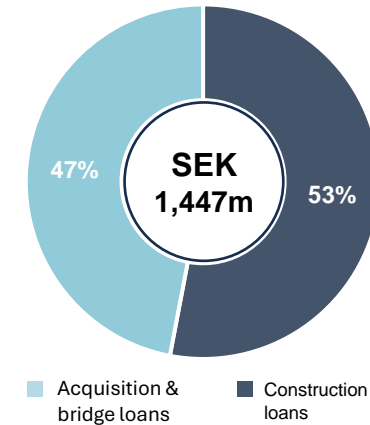
Key Highlights

- During the fourth quarter, the outstanding loan volume increased to approx. SEK 1,500m due to strong demand and the availability of additional funds, SEK 300m from the successful issue of Senior Notes.
- The company sees a cautious activity increase in the transaction market for real estates as well as a stronger market for new home purchases, which means that more real estate projects can be started.
- The loan inflow during the quarter amounted to SEK 354m with an average term of 10 months and a lending rate of 10,6%.
- The company delivers a strong operating result for the quarter, which translates into a quarterly return of 1.87% for Junior Notes (7,70% rolling 12 months). In addition, in accordance with the IFRS regulations, the company has allocated an additional SEK 3.6m in model-based risk provisions.
- The portfolios average lending rate rose to 10.6% compared to 10.4% in the previous quarter. The company's average deposit rates has decreased due to market adjustment to the prevailing underlying interest rate environment, contributing to a solid margin.
- For the portfolio as a whole, all loans are secured by mortgages or similar, the loan-to-value ratio grew during the quarter to 58,2% due to a higher inflow of acquisition & bridge loans. The loan portfolio continues to show no confirmed credit losses since inception.
- Since inception in 2016, the company has granted over 280 loans with a total volume of SEK 6.7bn.

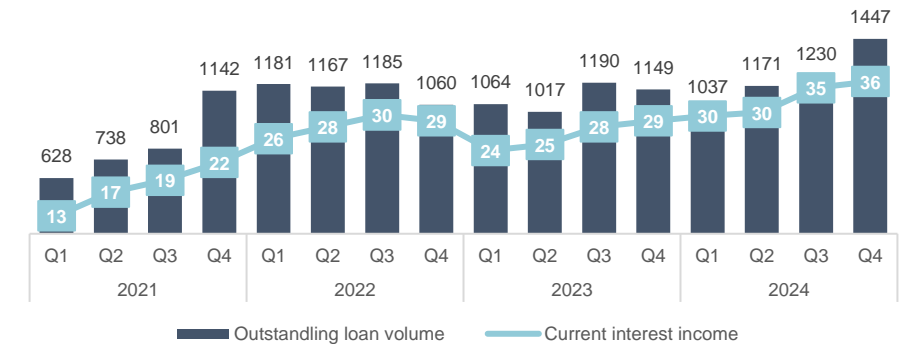
Geographic distribution of borrowers



Loan type distribution



Total outstanding loan volume and current interest income

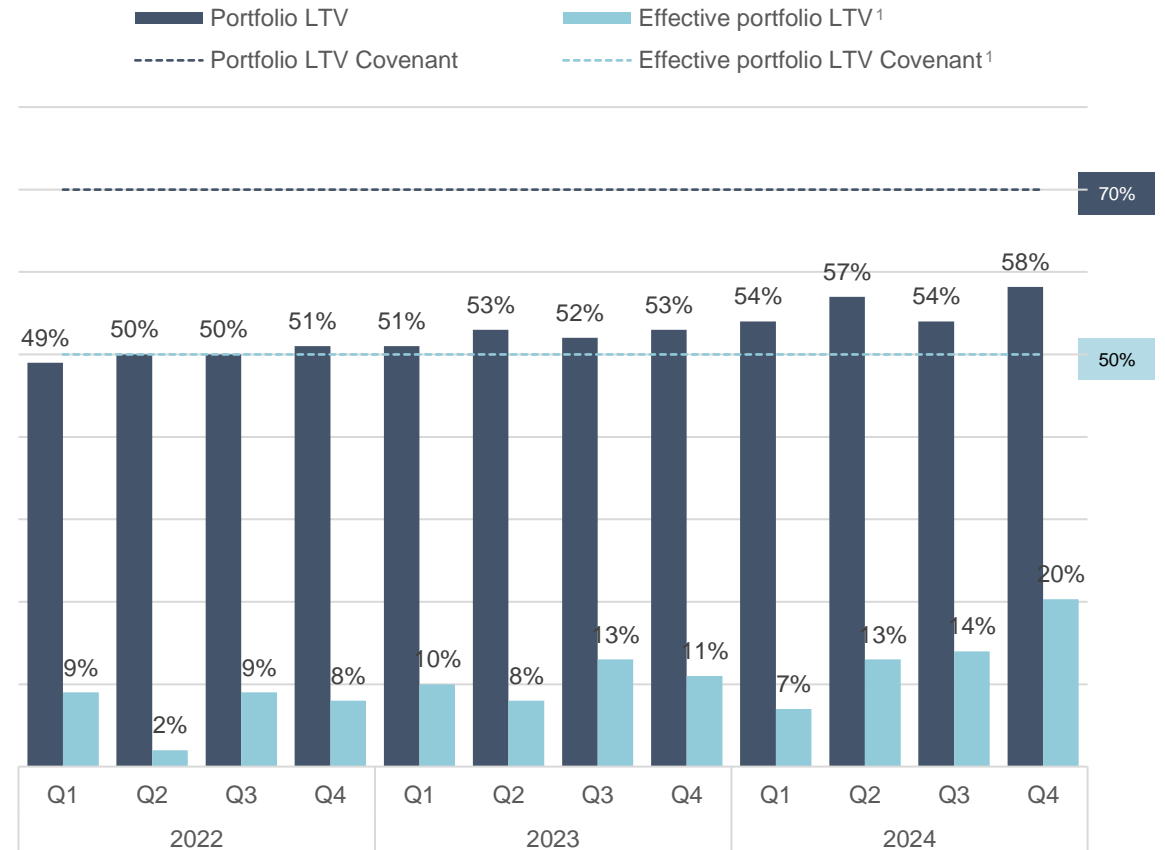


Credit portfolio overview

Key metrics of the credit portfolio per 2024-12-31



Development of portfolio LTV and effective portfolio LTV-ratio over time



Provisions credit losses in depth & LTV breakdown

Development in the portfolios risk classification and provisions rolling four quarters

SEKm	2024 Q1	2024 Q2	2024 Q3	2024 Q4
Total portfolio volume	1 112 759	1 170 909	1 230 300	1 447 085
Stage 1	1 102 510	988 765	958 301	1 172 177
Stage 1 volume vs portfolio volume	99,1%	84,4%	77,9%	81,0%
Stage 2	0	0	119 880	110 081
Stage 2 volume vs portfolio volume	0,0%	0,0%	9,7%	7,6%
Stage 3	10 249	182 144	152 119	164 827
Stage 3 volume vs portfolio volume	0,9%	15,6%	12,4%	11,4%
Provision for expected credit loss	5 278	8 765	13 063	17 561
Provision vs portfolio volume	0,5%	0,7%	1,1%	1,2%
Established credit losses	0	0	0	0

SBP Kredit ensures that all loans are structured with sufficient collateral and adhere to conservative loan-to-value ratios (LTV). All credits within the portfolio are continuously monitored to ensure credit health, albeit stage 3 loans are a natural part of credit operations and are managed through rigorous processes

In the event of payment difficulties, SBP Kredit works proactively with borrowers to find suitable solutions, thus assuring that collateral can be realized. Due to robust processes for valuation, management, and recovery of collateral, SBP continue to deliver reliable returns even in challenging market conditions

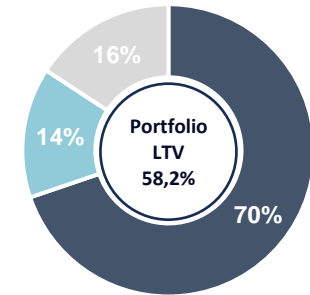
The loans that entered stage 3 in Q2'24 largely remain in this stage (7 at end of Q4'24). The underlying projects all started in 2021/2022 when market conditions were different. Due to cost increase and pending buyer interest, the timeframe for refinance/completion have slipped, thus triggered stage 3. With a low LTV and being secured by close to 100% 1st lien mortgages we see only modest risk for credit losses.

Stage 1 - A financial asset is classified as Stage 1 when it is initially recognized

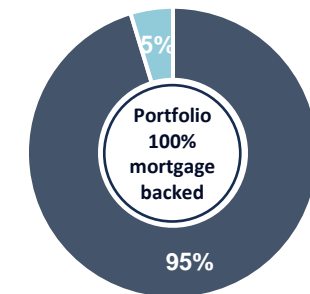
Stage 2 - A financial asset moves from Stage 1 to Stage 2 when its credit risk has increased, an early indicator of this can be payment delays of more than 30 days

Stage 3 - This category includes assets for which there is objective evidence that they have a deteriorated credit rating. The primary indicator of this is late payments of more than 90 days or the credit becoming past due. However, since the credit portfolio are 100% mortgage-backed and the general loan-to-value (LTV) levels are favorable, credits in Stage 3 does not necessarily imply certainty of credit losses

LTV¹ breakdown Q4 2024



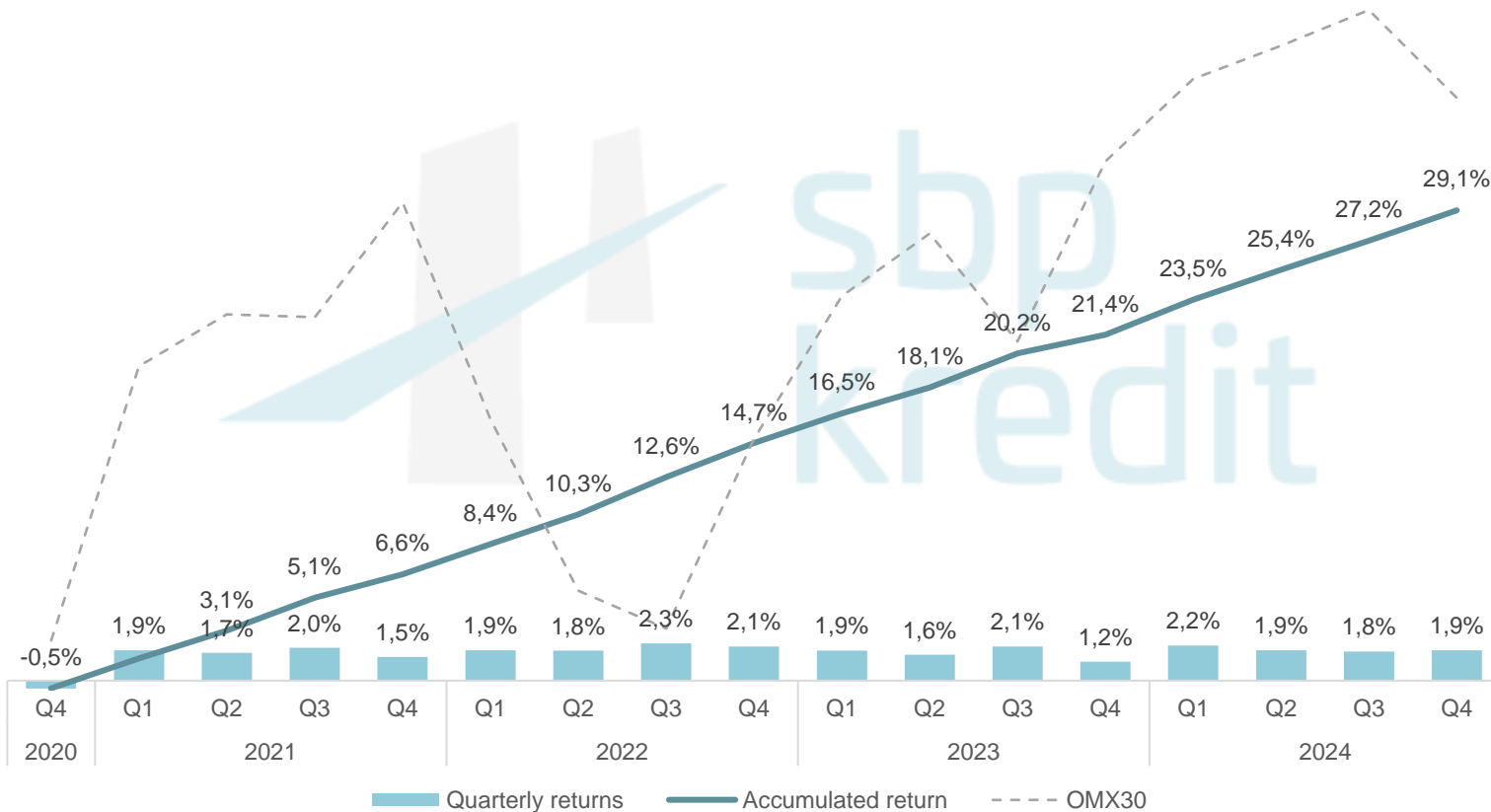
■ 0% - 60% ■ 60% - 80% ■ 80%+



■ 1st lien mortgage ■ 2nd lien mortgage

Junior Notes

Historical development of Junior Notes



Commentary

Junior Notes (ISIN SE0014782827) is listed on the Nordic AIF segment at Nordic Growth Market (NGM) in Stockholm.

- NAV per 241231 **107,70**
- Return last quarter **1,87%**
- Return rolling 12 months **7,70%**
- Return since fund start Dec 2020 **29,1%**
- Standard deviation¹ **0,30%**
- Sharpe ratio² **18,52**

Outstanding Junior Notes have remained unchanged at SEK 677m during the quarter. On 31 March 2024, interest for the entire year 2023 was paid

(1) Avg. rolling 36 months

(2) Avg. expected return rolling 12 months and avg. risk free rate 10Y Swedish Gov bond rolling 12 months

Income statement

Income statement past four quarters & LTM

SEKm	2024 Q1	2024 Q2	2024 Q3	2024 Q4	LTM Q4'2024
Interest income from loan portfolio	28,1	27,8	31,1	34,5	121,5
Loan fee's	7,1	6,9	8,7	9,7	32,4
Total income	35,2	34,7	39,8	44,1	153,8
<i>Interest expense – Senior Notes</i>	-1,0	-1,0	-0,9	-6,0	-9,0
<i>Interest expense – Liabilities to credit institutions</i>	-3,4	-3,5	-5,2	-2,2	-14,3
<i>Interest expense – Shareholder debt</i>	-2,1	-2,5	-2,9	-2,7	-10,2
<i>Interest expense – Other</i>	0,0	0,0	0,0	-0,9	-0,9
Total interest expense	-6,6	-7,0	-9,0	-11,8	-34,3
Reservations for credit losses	0,0	-2,2	-4,3	-3,6	-10,1
Administrative expenses	-10,3	-9,8	-11,3	-12,9	-44,2
Operating profit	18,3	15,8	15,2	15,9	65,2
Interest expense – Junior Notes	-14,7	-12,6	-12,2	-12,7	-52,1
Taxes	-0,8	-0,6	-0,6	-0,7	-2,7
Net profit	2,9	2,5	2,4	2,5	10,3

Commentary

- Interest of the total loan portfolio of 10.6% as at Q4'24, an increase from previous quarter of 0.2% with corresponding arrangement fee of 2.6%
- Interest expense of 7.3% as at Q4'24, a decrease of 0.2% compared to previous quarter (7,1% excluding interest on Junior Notes)
- Reservations for credit losses are driven by expected credit losses on the Company's loan portfolio due to stage 3 credits
- Interest expense on Junior Notes variable on the back of the Company's net profit with a profit split of 80%. – LTM interest expense on Junior Notes of SEK 52.1m as at Q4'24, corresponding to a profit debenture interest of 7.7%
- The Company has administrative expenses primarily pertaining to management fees, legal costs and banking arrangements. Management fees increase as the credit volume increase

Balance sheet

Balance sheet past four quarters

SEKm	2024 Q1	2024 Q2	2024 Q3	2024 Q4
Financial assets, loan receivables	1 044,5	1 183,7	1 236,8	1 454,4
Current receivables	0,0	0,0	0,0	0,0
Group receivables	0,0	0,0	0,0	0,0
Other receivables	5,5	-5,4	-5,5	7,8
Provisions credit losses	-6,5	-8,8	-13,1	-17,6
Cash & cash equivalents	164,5	58,4	6,0	27,8
TOTAL ASSETS	1 208,0	1 227,9	1 224,2	1 472,5
Share capital	1,0	1,0	1,0	1,0
Retained earnings	26,0	5,4	7,8	10,3
Total equity	27,0	6,4	8,8	11,3
Junior Notes	677,4	677,4	677,4	677,4
Senior Notes	50,0	50,0	50,0	350,0
Liabilities to credit institutions	243,6	271,4	269,0	187,6
Long-term liabilities	971,0	998,8	996,4	1 215,0
Group payables	146,0	189,2	176,1	185,3
Current tax liabilities	0,6	0,6	0,7	0,7
Accrued costs and prepaid income	63,4	32,9	42,2	60,1
Current liabilities	210,0	222,7	219,0	246,1
Total liabilities	1 181,0	1 221,5	1 215,4	1 461,1
TOTAL EQUITY & LIABILITIES	1 208,0	1 227,9	1 224,2	1 472,5

Commentary

- During Q4'24 assets increases by approx. SEK 230m related to issuance of new loans towards real estate projects, facilitated by issue of SEK 300m Senior Notes.
- Interest on the Junior Notes are calculated and capitalised on a quarterly basis, whereas actual cash payments are completed once per annum, hence accrued costs increases during Q4'24.

Covenants Fund Series B rolling four quarters

SEKm	2024 Q1	2024 Q2	2024 Q3	2024 Q4
ICR	2,94	3,00	2,85	2,90
Indebtness ratio	10,7%	21,4%	25,6%	34,9%
Portfolio LTV	53,8%	56,7%	53,6%	58,2%
Effective Portfolio LTV	5,7%	12,2%	13,7%	20,3%
Cash Balance	221	87	37	140
Cash	165	58	6	28
RCF	56	29	31	112

Cash flow statement

Statement of cash flows past four quarters & LTM

SEKm	2024 Q1	2024 Q2	2024 Q3	2024 Q4	LTM Q4'2024
Operating profit (incl. interest expense – Junior Notes)	3,7	3,1	3,0	3,2	13,0
Cash tax expense	1,5	-0,6	-0,6	-0,6	-0,4
Adjustment for impairment of debenture loan	0,0	0,0	0,0	0,0	0,0
Δ in current receivables	19,9	3,5	0,1	-13,3	10,2
Δ in group receivables	0,0	0,0	0,0	0,0	0,0
Δ in current payables	55,9	-30,6	9,4	17,9	52,6
Δ in group payables	-14,3	43,2	-13,1	9,2	25,0
Changes in net working capital	61,5	16,2	-3,6	13,8	87,8
Cash flow from operating activities	66,6	18,7	-1,2	16,3	100,4
Capex	88,8	-129,6	-48,8	-213,1	-302,7
Cash flow from financing activities	88,8	-129,6	-48,8	-213,1	-302,7
Dividends paid	0,0	-23,0	0,0	0,0	-23,0
Equity contributions	0,0	0,0	0,0	0,0	0,0
Net changes in borrowing	9,9	27,8	-2,4	-81,4	-46,1
Net changes in debenture loans	-45,4	0,0	0,0	300,0	254,6
Cash flow from financing activities	-35,6	4,8	-2,4	218,6	185,4
Cash flow for the period	119,8	-106,2	-52,4	21,9	-16,9
Opening balance	44,7	164,5	58,4	6,0	44,7
Closing balance	164,5	58,4	6,0	27,8	27,8

Commentary

- Capex spend relates to issuance of new loans towards real estate projects.
- Net changes in debenture loans relates issue of SEK 300m Senior Notes.

Factsheet Series A & B Fund Units

Junior Notes

Issuer	SBP Kredit AB (publ)
Instrument	Profit participating debentures (Junior Notes)
ISIN	ISIN SE0014782827
Outstanding	SEK 677m
Framework	SEK 3,000m
Issue date	2020-12-07
Final redemption date	2027-03-31
Coupon	Profit share interest. Annual interest calculation based on the Company's results. Distribution 80/20 with a threshold interest rate of 6% and catch-up. High watermark is applied.
Use of proceeds	Granting of credit to companies which directly or indirectly own Real Estate
Transaction security	None
Call option	<ul style="list-style-type: none"> Not redeemable year 1 3 (NC 3). Redemption month 37 49 @ 104, month 49 61 @ 102, then redemption @ 100 Right to early redemption in certain special situations Right for extension for up to 12 months
Financial maintenance covenants	<ul style="list-style-type: none"> Loan to value (LTV) in the credit portfolio (weighted average) must not exceed 70% Credit portfolio must contain at least 10 loans and individual loans may not exceed 20% of total credits granted (with a minimal value of at least SEK 100 million)
Leverage	<ul style="list-style-type: none"> Allowed indebtedness with better rights up to three times (75% leverage) Security may be provided for underlying collateral
Limited recourse	<ul style="list-style-type: none"> The rights of the holders to receive payments of interest and principal (under the T&C's and in Event of Default) will depend upon and be limited to the extent the issuer maintains cover for its share capital following such payment.
Other undertakings	<ul style="list-style-type: none"> Credits must mainly be secured by mortgage deed and/or shares or other equivalent security Security may be set for underlying collateral
Put option	Bondholder's put option @ 100% of par value upon the occurrence of a Change of Control event and some special situations
Listing	AIF list of Nordic Growth Market, ticker SBP
Governing law	Swedish Law
Custodial institute	GotYourBackFund Services AB
AIF manager	AIFM Capital AB

Senior Notes

Issuer	SBP Kredit AB (publ)
Instrument	Secured Green Participating Debentures (Senior Notes)
ISIN	SE0018015505
Outstanding	SEK 350m
Framework	SEK 1,000m
Issue date	2022-07-01
Final redemption date	2027-01-15
Coupon	Floating rate coupon of STIBOR 3m + 300bps, p.a. payable in quarterly arrears (Stibor floor at zero)
Use of proceeds	In accordance with the Issuer's green finance framework, incl. granting of credit to companies which directly or indirectly own Real Estate
Transaction security	Pledge over all issued shares in the issuer
Call option	<ul style="list-style-type: none"> Callable at a price of 100% pf par after 30 months from the initial issue date (2025-01-01) Non call until the first call date (2025-01-01)
Financial maintenance covenants	<ul style="list-style-type: none"> ICR \geq 1.5x Portfolio LTV < 70% Effective Portfolio LTV < 50% Indebtedness Ratio < 75% Minimum cash balance / available commitments of SEK 10m + projected interest costs for the senior debt for the following 6-month period
Limited recourse	<ul style="list-style-type: none"> The rights of the holders to receive payments of interest and principal (under the T&C's and in Event of Default) will depend upon, and be limited to the extent the issuer maintains cover for its share capital following such payment For the avoidance of doubt, limited recourse will be subject to (i) there being no shareholder debt outstanding and (ii) the Series A Notes being treated as equity (loss absorbing in accordance with the accounting principals of the issuer)
Other undertakings	<ul style="list-style-type: none"> Shareholder distribution permitted (payment of performance fee) For the avoidance of doubt, repayment of the Serie A Notes must be financing by issuance of new junior/subordinated fund units, and/or equity contribution(s) Customary information undertakings, including, inter-alia, quarterly unaudited interim reporting (60 days) and audited annual reports (120 days)
Put option	Bondholder's put option @ 101% of par value upon the occurrence of a Change of Control event
Listing	AIF list of Nordic Growth Market, or another Regulated Market, before 2025-04-30
Governing law/Trustee	Swedish Law / Nordic Trustee & Agency AB (publ)
Joint bookrunners	Nordea Bank Abp & Swedbank AB (publ)



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