

# Quarterly presentation

## SBP Kredit AB - Q1 2025

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

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# 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 low level of risk.

Learn more about SBP Kredit and the fund at [www.sbpkredit.se](http://www.sbpkredit.se), whether you are a customer or an investor.

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# SBP Kredit - Key highlights Q1'25

- The net asset value (NAV) as of 31 March 2025 amounts to 101.88% or SEK 10,188/share, representing an increase of 1.88% for the quarter as a whole and 7.41% rolling 12 months.
- Credit inflow remained strong at SEK 466m (net inflow approx. SEK 160m) with a high ratio of acquisition & bridge loans. Portfolio LTV decreases slightly to 56.0%. The quarter began with strong demand, driven by increased activity in the property market, before entering a more wait-and-see market at the end of the quarter against the backdrop of the turbulent global market situation.
- In January, the company concluded a successful issue of SEK 250m series B fund units which enables the credit portfolio to grow further.
- The company's outstanding credit portfolio increased from SEK 1,447m to SEK 1,604m and consist of 65 credits.
- SBP Kredit continues to have no realized credit losses and see minimal changes to stage 3 loans during the first quarter.



# Opening words from CEO

## Major events during the past quarter



SBP strongly increased its lending during the first quarter in light of the strong demand at the end of the year and the beginning of the first quarter.

In January, SBP carried out another series B fund units issuance totaling SEK 250m, which enables continued growth in the loan portfolio. In total, SBP now has outstanding Senior Notes of SEK 600m.

During the first quarter, SBP recruited a new business manager and further strengthened the organization with a new client executive – both will take up their positions during the second quarter.

## Market trends

The transaction market for certain segments of the commercial property market, such as light industry, remained strong at the beginning of the first quarter but gradually slowed during the quarter due to the turbulent external environment.

The Swedish bond market was also strong in the first quarter but then entered a more cautious phase in the shift to the second quarter.

Several of the major banks in the Swedish market continued to increase their lending to properties during the first quarter.



## Outlook coming quarters



When interest rates fell in the last quarter of 2024 and the beginning of 2025, activity in the housing market increased. This has since largely subsided as the turbulent global situation creates concerns for end consumers.

Given the current situation, we believe that the recovery will now be postponed somewhat and that in the coming quarter we will experience continued caution and low activity in the housing market.

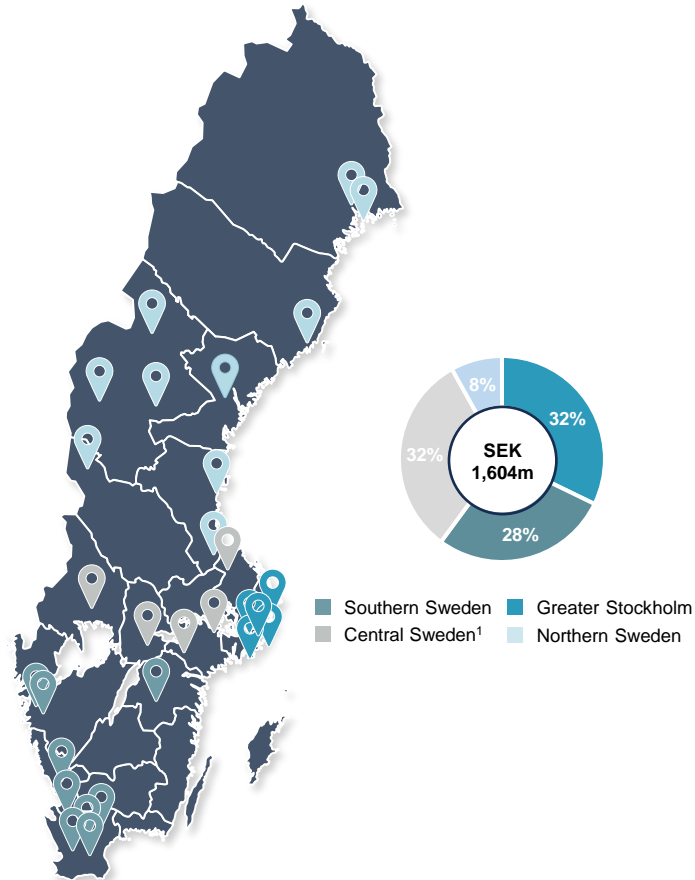
At the same time, we see that unique projects in attractive strong areas can also be successfully started in this market and we see that several such housing projects will be started in 2025.

# SBP Kredit past quarter

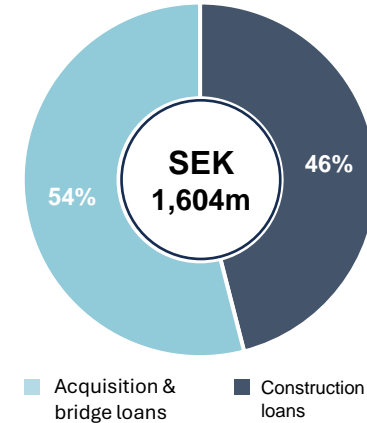
## Key Highlights

- During the first quarter, the outstanding loan volume increased to approx. SEK 1,604m due to strong demand and the availability of additional funds, SEK 250m from the successful issue of series B fund units.
- The company sees that the property market, which took off at the end of last year, is now entering a more wait-and-see phase. However, SBP continues to have strong demand from customers for both construction and acquisition credits.
- The loan inflow during the quarter amounted to SEK 466m (net inflow 160m) with an average term of 17 months and a lending rate of 9,86%.
- The company delivers a strong operating result for the quarter, which translates into a quarterly return of 1.88% for series A fund units (7,41% rolling 12 months). In addition, in accordance with the IFRS regulations, the company has allocated an additional SEK 4.0m in model-based risk provisions.
- The portfolios average lending rate fell to 10.1% compared to 10.6% in the previous quarter because of adaptation to changing market conditions. The company's average deposit rates has also decreased slightly 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 fell slightly during the quarter to 56.0%. The loan portfolio continues to show no confirmed credit losses since inception.
- Since inception in 2016, the company has granted over 290 loans with a total volume of SEK 6.8bn.

## Geographic distribution of borrowers



## Loan type distribution



## Total outstanding loan volume and current interest income

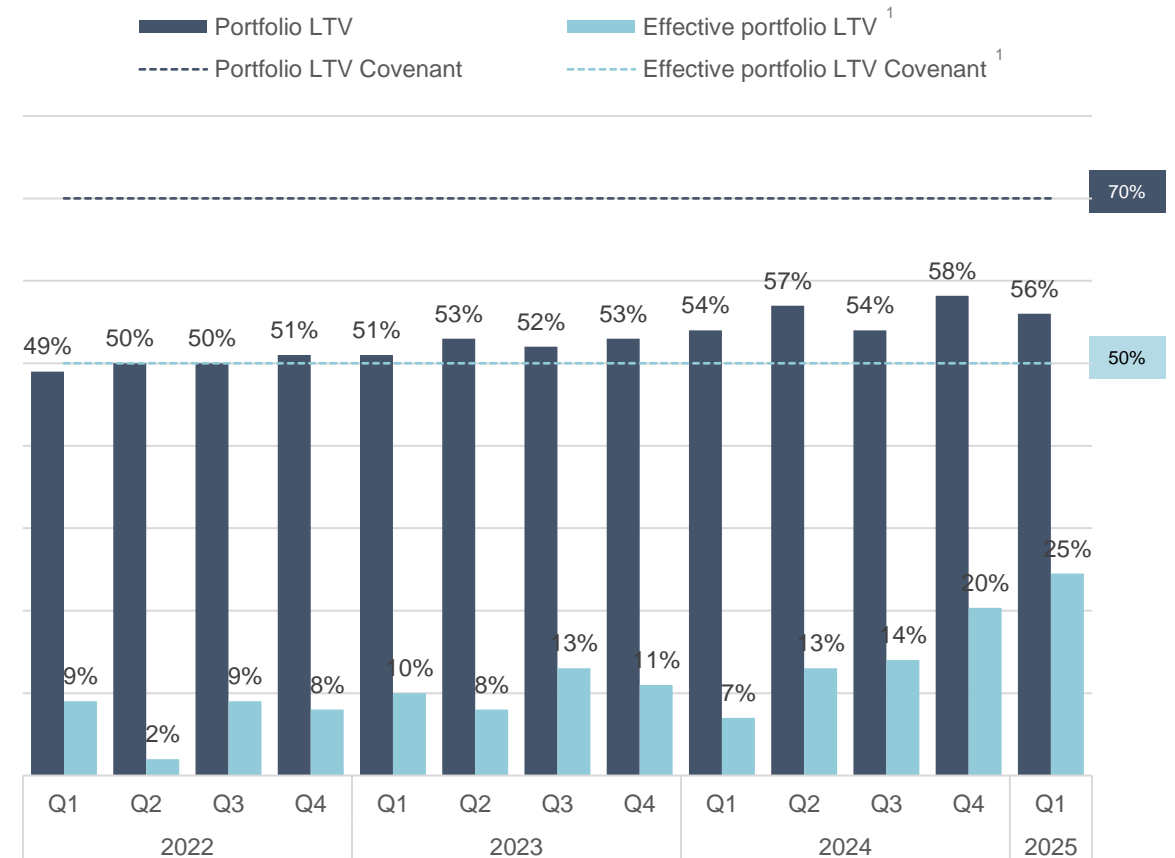


# Credit portfolio overview

## Key metrics of the credit portfolio per 2025-03-31



## 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 Q2	2024 Q3	2024 Q4	2025 Q1
<b>Total portfolio volume<sup>2</sup></b>	<b>1 170 909</b>	<b>1 221 001</b>	<b>1 437 930</b>	<b>1 604 347</b>
<b>Stage 1</b>	<b>988 765</b>	<b>958 300</b>	<b>1 172 177</b>	<b>1 312 916</b>
Stage 1 volume vs portfolio volume	84,4%	78,5%	81,5%	81,8%
<b>Stage 2</b>	<b>0</b>	<b>119 880</b>	<b>110 081</b>	<b>134 648</b>
Stage 2 volume vs portfolio volume	0,0%	9,8%	7,7%	8,4%
<b>Stage 3</b>	<b>182 144</b>	<b>142 821</b>	<b>155 672</b>	<b>156 783</b>
Stage 3 volume vs portfolio volume	15,6%	11,7%	10,8%	9,8%
<b>Provision for expected credit loss</b>	<b>8 765</b>	<b>13 063</b>	<b>17 561</b>	<b>21 623</b>
Provision vs portfolio volume	0,7%	1,1%	1,2%	1,3%
<b>Established credit losses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 Kredit continue to deliver reliable returns even in challenging market conditions

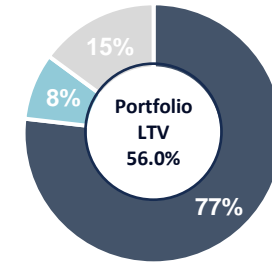
The loans that entered stage 3 in Q2'24 largely remain in this stage (7 at end of Q1'25). The underlying projects all started in 2021/2022 when market conditions were different. Due to cost increase and pending buyer interest, the timeframe for refinance/completion have slipped, thus triggered stage 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

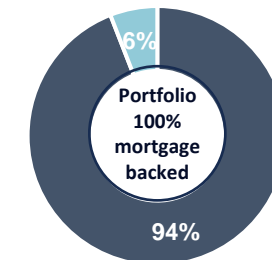
**Stage 2** - A financial asset moves from Stage 1 to Stage 2 when its credit risk has increased, an early indicator of this can be payment delays of more than 30 days

**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

## LTV<sup>1</sup> breakdown Q1 2025



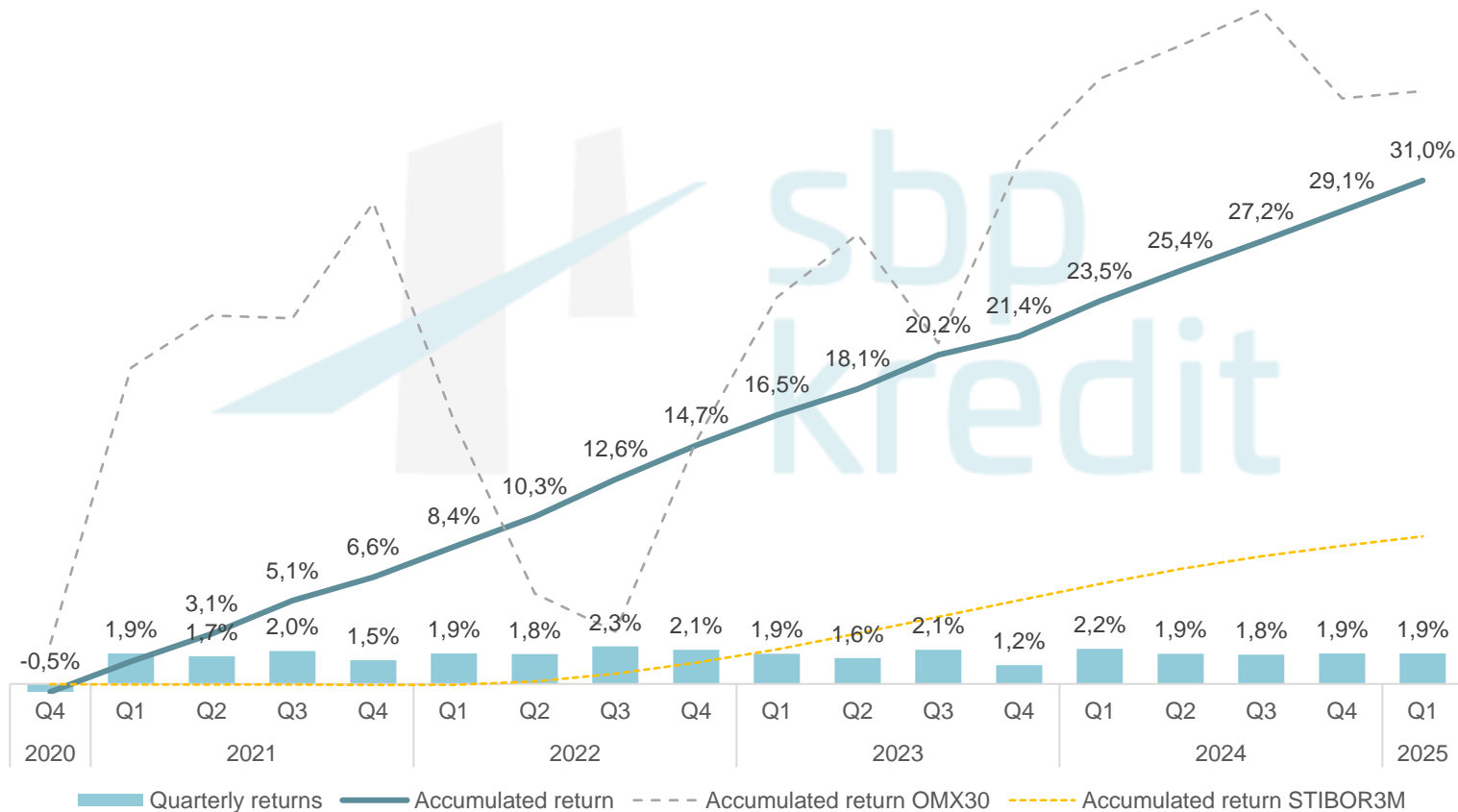
■ 0% - 60% ■ 60% - 80% ■ 80%+



■ 1st lien mortgage ■ 2nd lien mortgage

# Series A fund units

## Historical development of series A fund units



## Commentary

Series A fund units (ISIN SE0014782827) is listed on the Nordic AIF segment at Nordic Growth Market (NGM) in Stockholm.

- NAV per 250331 **101,88**
- Return last quarter **1,88%**
- Return rolling 12 months **7,41%**
- Return since fund start Dec 2020 **31,0%**
- Standard deviation<sup>1</sup> **0,30%**
- Sharpe ratio<sup>2</sup> **17,42**

Outstanding series A fund units have remained unchanged at 67 743 during the quarter. On 31 March 2025, interest for the entire year 2024 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 Q2	2024 Q3	2024 Q4	2025 Q1	LTM Q1'2025
Interest income from loan portfolio	27,8	31,1	34,5	38,4	131,8
Loan fee's	6,9	8,7	9,7	9,2	34,5
<b>Total income</b>	<b>34,7</b>	<b>39,8</b>	<b>44,1</b>	<b>47,7</b>	<b>166,3</b>
<i>Interest expense – Series B fund units</i>	-1,0	-0,9	-6,0	-8,3	-16,2
<i>Interest expense – Liabilities to credit institutions</i>	-3,5	-5,2	-2,2	-2,5	-13,3
<i>Interest expense – Shareholder debt</i>	-2,5	-2,9	-2,7	-2,7	-10,8
<i>Interest expense – Other</i>	0,0	0,0	-0,9	-1,2	-2,0
Total interest expense	-7,0	-9,0	-11,8	-14,6	-42,4
Reservations for credit losses	-2,2	-4,3	-3,6	-4,1	-14,2
Administrative expenses	-9,8	-11,3	-12,9	-12,8	-46,7
<b>Operating profit</b>	<b>15,8</b>	<b>15,2</b>	<b>15,9</b>	<b>16,2</b>	<b>63,0</b>
Interest expense – Series A fund units	-12,6	-12,2	-12,7	-12,7	-50,2
Taxes	-0,6	-0,6	-0,7	-0,7	-2,6
<b>Net profit</b>	<b>2,5</b>	<b>2,4</b>	<b>2,5</b>	<b>2,7</b>	<b>10,2</b>

## Commentary

- Interest of the total loan portfolio of 10.1% as at Q1'25, a decrease from previous quarter with 0.4% because of adaptation to changing market conditions with corresponding arrangement fee of 2.4%
- Interest expense, including interest on series A fund units, of 7.1% as at Q1'25, a decrease of 0.2% compared to previous quarter.
- Reservations for credit losses are driven by expected credit losses on the Company's loan portfolio due to stage 3 credits
- Interest expense on series A fund units variable on the back of the Company's net profit with a profit split of 80%. – LTM interest expense on series A fund units of SEK 50.2m as at Q1'25, corresponding to a profit debenture interest of 7.4%
- 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 Q2	2024 Q3	2024 Q4	2025 Q1
Financial assets, loan receivables	1 183,7	1 236,8	1 454,4	1 629,7
Current receivables	0,0	0,0	0,0	0,0
Group receivables	0,0	0,0	0,0	0,0
Other receivables	-5,4	-5,5	7,8	13,4
Provisions credit losses	-8,8	-13,1	-17,6	-21,6
Cash & cash equivalents	58,4	6,0	27,8	38,0
<b>TOTAL ASSETS</b>	<b>1 227,9</b>	<b>1 224,2</b>	<b>1 472,5</b>	<b>1 659,4</b>
Share capital	1,0	1,0	1,0	1,0
Retained earnings	5,4	7,8	10,3	13,1
<b>Total equity</b>	<b>6,4</b>	<b>8,8</b>	<b>11,3</b>	<b>14,1</b>
Series A fund units	677,4	677,4	677,4	677,4
Series B fund units	50,0	50,0	350,0	600,0
Liabilities to credit institutions	271,4	269,0	187,6	162,7
<b>Long-term liabilities</b>	<b>998,8</b>	<b>996,4</b>	<b>1 215,0</b>	<b>1 440,1</b>
Group payables	189,2	176,1	185,3	183,1
Current tax liabilities	0,6	0,7	0,7	0,5
Accrued costs and prepaid income	32,9	42,2	60,1	21,6
<b>Current liabilities</b>	<b>222,7</b>	<b>219,0</b>	<b>246,1</b>	<b>205,2</b>
<b>Total liabilities</b>	<b>1 221,5</b>	<b>1 215,4</b>	<b>1 461,1</b>	<b>1 645,3</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1 227,9</b>	<b>1 224,2</b>	<b>1 472,4</b>	<b>1 659,4</b>

## Commentary

- During Q1'25 assets increases by approx. SEK 190m primarily related to issuance of new loans towards real estate projects, facilitated by issue of SEK 250m series B fund units.
- Interest on the series A fund units are calculated and capitalised monthly, whereas actual cash payments are completed once per annum (31 March), hence accrued costs decreases during Q1'25.

## Covenants series B fund units rolling four quarters

SEKm	2024 Q2	2024 Q3	2024 Q4	2025 Q1
ICR	3,00	2,85	2,90	2,49
Indebtness ratio	21,4%	25,6%	34,9%	44,1%
Portfolio LTV	56,7%	53,6%	58,2%	56,0%
Effective Portfolio LTV	12,2%	13,7%	20,3%	24,7%
Cash Balance	87	37	140	175
Cash	58	6	28	38
RCF	29	31	112	137

# Cash flow statement

## Statement of cash flows past four quarters & LTM

SEKm	2024 Q2	2024 Q3	2024 Q4	2025 Q1	LTM Q1'25
Operating profit (incl. interest expense – Series A fund units)	3,1	3,0	3,2	3,5	12,8
Cash tax expense	-0,6	-0,6	-0,6	1,4	-0,4
Adjustment for impairment of debenture loan	0,0	0,0	0,0	0,0	0,0
Δ in current receivables	3,5	0,1	-13,3	-5,3	-15,0
Δ in group receivables	0,0	0,0	0,0	0,0	0,0
Δ in current payables	-30,6	9,4	17,9	-40,9	-44,2
Δ in group payables	43,2	-13,1	9,2	-2,2	37,2
Changes in net working capital	16,2	-3,6	13,8	-48,4	-22,1
<b>Cash flow from operating activities</b>	<b>18,7</b>	<b>-1,2</b>	<b>16,3</b>	<b>-43,5</b>	<b>-9,7</b>
Capex	-129,6	-48,8	-213,1	-171,5	-563,0
<b>Cash flow from financing activities</b>	<b>-129,6</b>	<b>-48,8</b>	<b>-213,1</b>	<b>-171,5</b>	<b>-563,0</b>
Dividends paid	-23,0	0,0	0,0	0,0	-23,0
Equity contributions	0,0	0,0	0,0	0,0	0,0
Net changes in borrowing	27,8	-2,4	-81,4	-24,9	-80,9
Net changes in debenture loans	0,0	0,0	300,0	250,0	550,0
<b>Cash flow from financing activities</b>	<b>4,8</b>	<b>-2,4</b>	<b>218,6</b>	<b>225,1</b>	<b>446,1</b>
<b>Cash flow for the period</b>	<b>-106,2</b>	<b>-52,4</b>	<b>21,9</b>	<b>10,1</b>	<b>-126,6</b>
Opening balance	164,5	58,4	6,0	27,8	164,5
<b>Closing balance</b>	<b>58,4</b>	<b>6,0</b>	<b>27,8</b>	<b>38,0</b>	<b>38,0</b>

## Commentary

- Capex spend relates to issuance of new loans towards real estate projects.
- Net changes in debenture loans relates issue of SEK 250m series B fund units.

# Factsheet Series A & B Fund Units

## Series A fund units

Issuer	SBP Kredit AB (publ)
Instrument	Profit participating debentures (Series A fund units)
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"> <li>Not redeemable year 1 3 (NC 3). Redemption month 37 49 @ 104, month 49 61 @ 102, then redemption @ 100</li> <li>Right to early redemption in certain special situations</li> <li>Right for extension for up to 12 months</li> </ul>
Financial maintenance covenants	<ul style="list-style-type: none"> <li>Loan to value (LTV) in the credit portfolio (weighted average) must not exceed 70%</li> <li>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)</li> </ul>
Leverage	<ul style="list-style-type: none"> <li>Allowed indebtedness with better rights up to three times (75% leverage)</li> <li>Security may be provided for underlying collateral</li> </ul>
Limited recourse	<ul style="list-style-type: none"> <li>The rights of the holders to receive payments of interest and principal (under the T&amp;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.</li> </ul>
Other undertakings	<ul style="list-style-type: none"> <li>Credits must mainly be secured by mortgage deed and/or shares or other equivalent security</li> <li>Security may be set for underlying collateral</li> </ul>
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	GotYourBack Fund Services AB
AIF manager	AIFM Capital AB

## Series B fund units

Issuer	SBP Kredit AB (publ)
Instrument	Secured Green Participating Debentures (Series B fund units)
ISIN	SE0018015505
Outstanding	SEK 600m
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"> <li>Callable at a price of 100% pf par after 30 months from the initial issue date (2025-01-01)</li> <li>Non call until the first call date (2025-01-01)</li> </ul>
Financial maintenance covenants	<ul style="list-style-type: none"> <li>ICR <math>\geq</math> 1.5x</li> <li>Portfolio LTV &lt; 70%</li> <li>Effective Portfolio LTV &lt; 50%</li> <li>Indebtedness Ratio &lt; 75%</li> <li>Minimum cash balance / available commitments of SEK 10m + projected interest costs for the senior debt for the following 6-month period</li> </ul>
Limited recourse	<ul style="list-style-type: none"> <li>The rights of the holders to receive payments of interest and principal (under the T&amp;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</li> <li>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)</li> </ul>
Other undertakings	<ul style="list-style-type: none"> <li>Shareholder distribution permitted (payment of performance fee)</li> <li>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)</li> <li>Customary information undertakings, including, inter-alia, quarterly unaudited interim reporting (60 days) and audited annual reports (120 days)</li> </ul>
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)





sbp kredit