SBB

Oslo, Midtbygget (DNB HQ)

COMPANY PRESENTATION

January 2018

IMPORTANT INFORMATION

THIS PRESENTATION AND THE INFORMATION CONTAINED HEREIN IS CONFIDENTIAL AND MAY NOT BE REFERRED TO, QUOTED OR OTHERWISE DIRECTLY DISCLOSED BY YOU. BY REVIEWING THIS INFORMATION, YOU ARE ACKNOWLEDGING THE CONFIDENTIAL NATURE OF THIS INFORMATION AND ARE AGREEING TO ABIDE BY THE TERMS OF THIS DISCLAIMER. THIS CONFIDENTIAL INFORMATION IS BEING MADE AVAILABLE TO EACH RECIPIENT SOLELY FOR ITS INFORMATION AND IS SUBJECT TO AMENDMENT.

This presentation has been prepared by Samhällsbyggnadsbolaget i Norden AB (publ) (the "**Company**") in connection with investor meetings arranged by DNB Markets a part of DNB Bank ASA, Sweden Branch and Nordea Bank AB (publ) (the "**Banks**") based on information provided by the Company solely for informational purposes in connection with a potential issue by the Company of senior unsecured notes. You should not rely upon it or use it to form the definitive basis for any decision, contract, commitment or action whatsoever, with respect to any proposed transaction or otherwise. This presentation is private and confidential and has been furnished to you solely for your information. For the purposes of this disclaimer, "this presentation" means these slides, their contents or any part of them, any oral presentation, any question or answer session and any written or oral materials discussed or distributed during the presentation meeting. You and your directors, officers, employees, agents and affiliates must hold this presentation in strict confidence and may not communicate, reproduce, distribute or disclose it to any other person, or refer to it publicly, in whole or in part at any time except with our prior written consent. If you are not the intended recipient of this presentation, please delete and destroy all copies immediately.

This presentation contains summary information only and does not purport to be comprehensive and is not intended to be (and should not be used as) the sole basis of any analysis or other evaluation. The information set out in this presentation will be subject to updating, revision and amendment without notice and such information may change materially. This presentation speaks as of the date hereof and was prepared and the analyses contained in it is based, in part, on certain assumptions made by and information obtained from the Company, its directors, officers, employees, agents, affiliates or from other sources. The use of such assumptions and information does not imply that the Banks have independently verified or necessarily agree with any of such assumptions or information, and the Banks have assumed and relied upon the accuracy and completeness of such assumptions and information for purposes of this presentation.

Neither the Banks, the Company nor any of their respective affiliates, nor any of their respective officers, employees or agents, make any representation or warranty, express or implied, in relation to the accuracy or completeness of the information contained in this presentation or any oral information provided in connection herewith, or any data it generates and accept no responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) in relation to any of such information. Some figures in this presentation have been subject to rounding. This means that some tables may not seem to sum up correctly. The Banks, the Company and their respective affiliates and their respective officers, employees and agents expressly disclaim any and all liability which may be based on this presentation and any errors therein or omissions therefrom. Neither the Banks, the Company, nor any of their respective affiliates, nor any of their respective officers, employees or agents, makes any representation or warranty, express or implied, that any transaction has been or may be effected on the terms or in the manner stated in this presentation, or as to the achievement or reasonableness of future projections, management targets, estimates, prospects or returns, if any.

Statements in this presentation, including those regarding the possible or assumed future or other performance of the Company or its industry or other trend projections, constitute forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance is given that such forward-looking statements will prove to have been correct. You should not place undue reliance on forward-looking statements. They speak only as at the date of this presentation and neither the Banks nor the Company undertakes any obligation to update these forward-looking statements. Past performance does not guarantee or predict future performance. Moreover, the Banks, the Company and their respective affiliates and their respective officers, employees and agents do not undertake any obligation to review, update or confirm expectations or estimates or to release any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of the presentation.

This presentation and the information contained herein do not constitute or form part of, and should not be construed as, an offer to sell or the solicitation of an offer to buy any security, commodity or instrument or related derivative, nor do they constitute an offer or commitment to lend, syndicate or arrange a financing, underwrite or purchase or act as an agent or advisor or in any other capacity with respect to any transaction, or commit capital, or to participate in any trading strategies, and do not constitute legal, regulatory, accounting or tax advice to the recipient. This presentation does not purport to contain all of the information that may be required to evaluate any investment in the Company or any of its securities and should not be relied upon to form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. We recommend that the recipient seek independent third party legal, regulatory, accounting and tax advice regarding the contents of this presentation. This presentation does not constitute and should not be considered as any form of financial opinion or recommendation by the Bank or any of their affiliates. This presentation is not a research report and was not prepared by the research departments of the Banks, or any of their affiliates.

This presentation and any materials distributed in connection with this presentation are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. This presentation does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. The securities described herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in or into the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Within the European Economic Area, this presentation is being made, and is directed only, to persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive 2003/EC and amendments thereto, including Directive 2010/73/EU, as implemented in member states of the European Economic Area ("**Qualified Investors**"). These materials do not constitute a prospectus within the meaning of the Swedish Financial Instruments Trading Act (Sw. *lagen (1991:980) om handel med finansiella instrument*) and do not constitute an offer to acquire securities.

This presentation is for information purposes only and does not constitute an offering document or an offer of securities to the public in the United Kingdom to which section 85 of the Financial Services and Markets Act 2000 of the United Kingdom (as amended by the Financial Services Act 2012 of the United Kingdom) applies. It is not intended to provide the basis for any evaluation of any securities and should not be considered as a recommendation that any person should subscribe for or purchase any securities. In the United Kingdom, this presentation is being made, and is directed only, to persons who are both: (i) Qualified Investors; and either (ii) persons falling within the definition of Investment Professionals (contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**")) or other persons to whom it may lawfully be communicated in accordance with the Order; or (iii) high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity to which this presentation relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

AGENDA

COMPANY OVERVIEW

SBB in brief

- SBB was founded in March 2016 by Ilija Batljan who previously served as deputy CEO of Rikshem and has a long and successful background in the community services real estate segment
- SBB's main strategy is to own and manage low-risk community service properties
- SBB owns residential properties in approximately 30 Swedish cities, from Malmö in the south to Sundsvall in the north with the majority in the regions of Stockholm, Sundsvall, Oskarshamn, Karlstad, Borlänge and Motala
- The Company also run residential zoning plan processes on attractive commercial properties and develop residential properties as and when attractive opportunities arise on an risk adjusted basis
- Out of SBB's property value 68% is located in Sweden and the remaining 32% is located in Norway
- On 15 January 2018 S&P announced a BB rating (Stable Outlook) in addition to the B1 rating assigned by Moody´s in November 2017
- SBB is listed on Nasdaq First North with a market value of SEK 5.0bn[1)]

Property value per region: 64% in regions of big Nordic cities

Oslo

Market Value, (%)	26%
Area, sqm	75,042

Kristiansand & Bergen

Market Value, (%)	6%
Area, sqm	58,568

Northern Sweden & Dalarna

Market Value, (%)	18%
Area, sqm	376,036

Greater Stockholm

Market Value, (%)	16%
Area, sqm	197,956

Middle Sweden

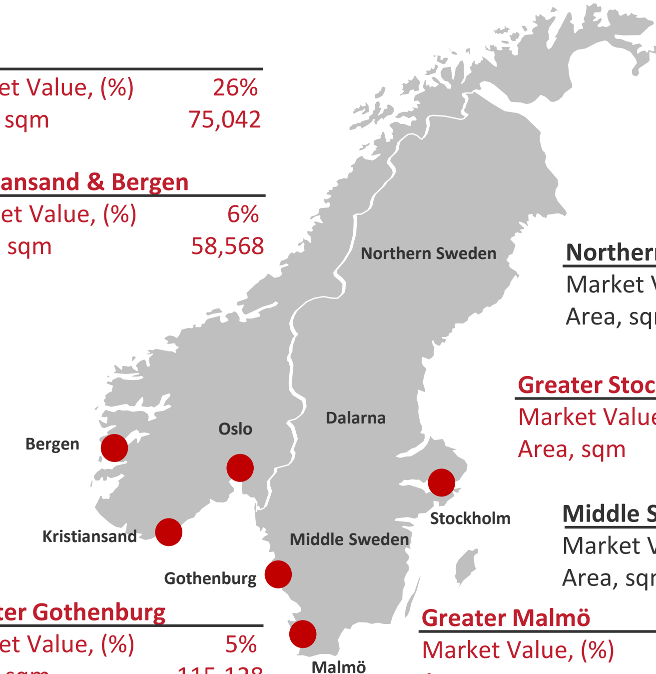
Market Value, (%)	18%
Area, sqm	383,450

Greater Gothenburg

Market Value, (%)	5%
Area, sqm	115,128

Greater Malmö

Market Value, (%)	11%
Area, sqm	152,807



Property portfolio

Property value	# of properties	Rental income[2)]	Occupancy rate	Portfolio yield	WAULT (CSP)	Adjusted Equity ratio[3)]
SEK 22.1bn	720	SEK 1,513m	96.9%	4.7%	7 years	36%

All figures in this presentation are for the Group as of 30 September 2017, if not otherwise stated
1) As of 16 January 2018, based on 520,352,056 common shares and a share price of SEK 6.78 and 217,596,975 non listed A-shares at the same value
2) Current earnings capacity for the Group for 12 months given the real estate portfolio, financial costs, capital structure and organisation as of 30 September 2017
3) Reported equity incl. shareholder loans and convertibles, with reversal of reported deferred tax liability as a percentage of total assets

INVESTMENT HIGHLIGHTS

1 **Residential and community service properties**

- Stable property portfolio targeted towards residential and community service properties characterised by low tenant dependency, high occupancy rate and long lease durations

2 **Strong Swedish and Norwegian economies**

- Focused exposure to strong and regulatory stabile Swedish and Norwegian economies with presence in cities with strong demand fundamentals

3 **Experienced management and renowned owners**

- Experienced management and active reputable real estate owners provides established relationships with key market participants and drives value

4 **Broad sources of income**

- Track record of significant growth and value creation through selective acquisitions, improved cash flow generation and by developing building rights

5 **Significant value creation opportunities**

- Critical portfolio size reached and focus will shift to further improving the portfolio only making smaller acquisitions subject to maintaining headroom for improving credit metrics going forward

INDICATIVE TERMS

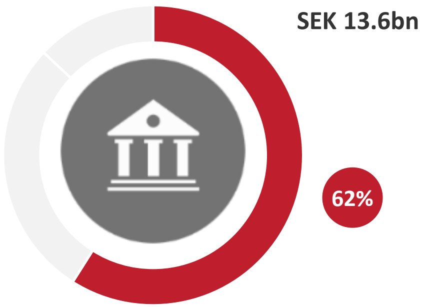
Issuer	Samhällsbyggnadsbolaget i Norden AB (publ)
Status	Senior unsecured notes
Volume	Target first tranche of SEK [●]m. Framework amount of SEK 1,000m
Tenor	3 years
Use of proceeds	General corporate purposes, including refinancing
Coupon rate	STIBOR 3m +[●] bps, quarterly interest payments in arrears. Stibor floor of 0%
Financial covenants	**Maintenance covenants** ▪ Interest coverage ratio: Minimum 1.50x (on a consolidated basis) ▪ Equity ratio: Not less than 20% (on a consolidated basis) at all times ▪ LTV: Not to exceed 80% (on a consolidated basis) at all times
Dividend restrictions	Maximum 50% of the Group's consolidated net profit for the previous financial year, and the Group's consolidated equity ratio can not be less than 30% following a dividend distribution
Special undertakings	• Disposals of assets / dealings with related parties (arm's length) • Compliance with laws • Merger restrictions • Nature of business • Maintenance and insurance of properties • Dividend restrictions • Yearly external valuations • Cross payment default/Cross acceleration to other financial indebtedness exceeding SEK 100m • Financial reporting (quarterly reports etc.) • No new Market Loans to be secured or guaranteed by the Issuer or other Group Companies (issuing Group Company may secure Market Loan with own assets)
Put options	• @101.0% upon Listing Failure (if the Notes have not been listed on a Regulated Market within 4 months or ceases to be listed on such) • @101.0% upon Change of Control • @101.0% upon De-listing (the occurrence of an event or series of events whereby the shares of the Issuer ceases to be listed)
Call options	NC2.5, thereafter at 101% of nominal amount with an option to refinance @100% 3 months prior to the final redemption date given that the notes are financed in whole or in part by a new market loan
Listing	Best effort on Nasdaq Stockholm Corporate Bond List within 30 days
Agent	Nordic Trustee
Joint bookrunners	DNB & Nordea

Note: For full description please see the term sheet

AGENDA

LOW-RISK COMMUNITY SERVICE AND RESIDENTIAL PROPERTIES COMPLEMENTED BY RESIDENTIAL DEVELOPMENT POTENTIAL

Community services properties



Includes schools, elderly care, LSS-housing and municipal/governmental agencies

- Nordic focus
- Publicly financed tenants
- Low tenant turnover and long contracts
- High demand, limited supply


Oslo, Gullhaug Torg 4

Residential properties

Mainly constitutes of rental apartments in multi-tenant houses but also includes rental terraced houses

- Swedish focus
- Low tenant dependency and high occupancy rate
- Value creation


Västervik, Fabrikanten 10-11

Other / building rights development

Commercial properties held in order to create future residential development plans

- Identified development potential in current portfolio corresponding to 440k sqm
- Only opportunities with a high risk adjusted return is undertaken


Nyköping, Raspen 1,2,3

LONG TERM RELIABLE PARTNER FOR MUNICIPALITIES CREATES STABILE INCOME

Income overview[1)]

Clasification	Rental Income, SEKm	% of Total
Residential	509	34%
Group Housing	133	9%
State/Municipality	630	42%
Indirect Government	62	4%
Commercial	179	12%
Total	**1,513**	**100%**

Properties acquired from municipalities

Borlänge
SEK ~760m

Haninge kommun
SEK ~350m

FALUN
SEK ~300m

Uppsala KOMMUN
SEK ~800m[2)]

ULRICEHAMNS KOMMUN
SEK ~70m

Municipality and state tenants

STATSBYGG
Borlänge
TRANSPORT STYRELSEN
Region Gotland
Landstinget DALARNA
huge
NYKVARNS KOMMUN
SKÅNE
SÄTERS KOMMUN
KARLSTADS KOMMUN
SKARA

History of acquiring from municipalities

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

Active ownership

- Ongoing discussions with several municipalities for collaboration projects involving development of new community service properties
- Extensive collaboration with long term care service provider, to meet municipal needs of service

Property development

- Property development portfolio includes assets in Haninge, Falkenberg, Falun, Nyköping, Nykvarn, Höganäs, Motala, Uppsala, Karlstad, Kävlinge, Luleå and Ulricehamn

The transactions

- Borlänge: Acquisition of residential and community service properties, for example the City Hall
- Haninge: Acquisition of Jordbro Centrum and Västerhaninge Centrum and upcoming building rights for approx. 1,500 apartments
- Huddinge: Nine school and community service properties acquired from the municipality of Huddinge in Stockholm County

1) Current earnings capacity for the Group for 12 months given the real estate portfolio, financial costs, capital structure and organisation as of 30 September 2017
2) LOI signed to acquire new arena in Uppsala, to be constructed by NCC (targeting completion in 2020)

AMBITION TO BECOME THE MOST EFFICIENT REAL ESTATE COMPANY IN THE NORDIC IN ITS NICHE

- **Mar 2016**: **SBB i Norden AB** is **founded** by **Ilija Batljan**
- **May 2016**: First large **acquisition of 750 residential apartments**
- **Jul 2016**: **Realises building rights** corresponding to a value of **SEK 70m**
- **Aug 2016**: **Acquires portfolios** of more than **SEK 1.0bn** and acquires one property in Norway
- **Sep 2016**: **Share issue of ~SEK 630m**
- **Oct 2016**: **Share issue** (cash / issue in kind) of **SEK 360m** (Sven-Olof Johansson increases his shareholding and Erik Paulsson becomes shareholder); **Realises building rights** corresponding to a value of **SEK 156m**
- **Nov 2016**: **Signs LOI** with Investor-owned **Aleris** for the development property in Norrköping, Järven 4; Share issue of **~SEK 120m**
- **Dec 2016**: **Effnetplattformen** announces its **acquisition** of **SBB** (incl.Högkullen and Gimmel), Kuststaden and Sörmlandsporten
- **Jan 2017**: Signs LOI to **acquire multiple property portfolios** corresponding to a value of **SEK 3.9bn**
- **Mar 2017**: Strengthens footprint in Norway through **acquisition** of property in central **Oslo** for **SEK 4.5bn**
- **Apr 2017**: Issues **SEK 1.35bn of senior unsecured** debt
- **Jun 2017**: **Sold 202,000 sqm** of **building rights** where the value of the sale amounted to SEK 712m, with a **positive impact of SEK 300m**
- **Jul 2017**: Issues **SEK 300m hybrid capital** and another **SEK 150m of senior unsecured** debt
- **Sep 2017**: Issues an additional **SEK 400m hybrid capital** and merges the existing hybrid of SEK 300m
- **Jan 2018**: The Company receives a **BB Stable Outlook rating** from **S&P**

SBB'S FOCUS SHIFTED FROM GROWTH TO VAULE CREATION AND KEY METRICS IMPROVEMENTS

Solid growth during the 22 months through:

- *Sole focus on residential and community service properties*
- *Residential properties in Sweden and community service properties in the Nordics*
- *Premium tenants with long leases*
- *Developing building rights for residential development*
- *Regional locations with strong market fundamentals*
- *Active ownership focusing on value creation*

Property value target SEK 25bn by 2020

TARGETS

Objective
The Company's objective is to acquire, manage and develop properties that will create a high risk-adjusted return for its shareholders

Financial targets		Operational targets	Dividend policy[3)]
NAV per share[1)]	Income from building rights	Renovate at least 600 apartments each year with start from H2 2018	40% *Long-term target to pay dividend amounting to 40% of distributable earnings (incl. preference share dividends)*
>12% *(annual average growth over a 5 year period)*	SEK 250-400m *(Per year, on average)[2)]*		
LTV	Secured LTV	Listing on the Nasdaq main list no later then end of 2018	
<60%	<55% *(from end of H1 2018)*		
Equity ratio	ICR		
>30%	>1.8x		
By the end of 2018, meet the conditions for an Investment Grade rating from one of the leading credit rating agencies			

1) Per ordinary share, excluding dividends on ordinary shares
2) Earnings from buildings rights are not included in the current earnings capacity
3) Note that the Company has issued a bond, stipulating that dividend for the coming two years is limited to 50% of last years net profit and provided that the equity ratio exceeds 30%

AGENDA

COMMUNITY SERVICE PROPERTIES – LONG CONTRACTS WITH STABLE COUNTERPARTIES

SEK 13.6bn	605,867 sqm	SEK 862m	SEK 690m	6.7 years	97%	5.1%
portfolio value	Lettable area	Rental income[1)]	NOI[1)]	WAULT	Occupancy rate	Yield

Publicly financed tenants

- High predictability generated from stable publicly financed tenants
- Tenant improvements paid for by the tenants thus limiting unexpected capex

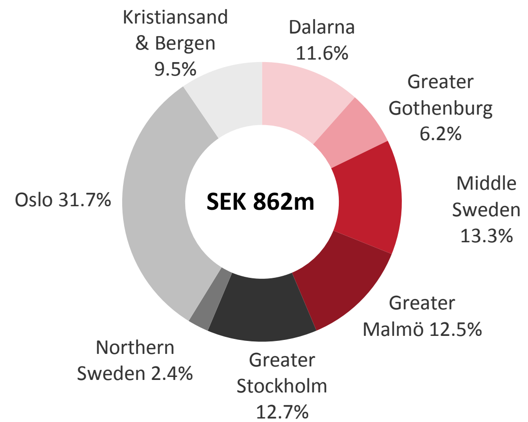
Low tenant turnover and long contracts

- Well-known, stable tenants paired with low tenant turnover results in stable cash flows
- Average lease maturities of 6.7 years (7.8 years for the five largest tenants)
- Low turnover due to customized premises and limited alternatives

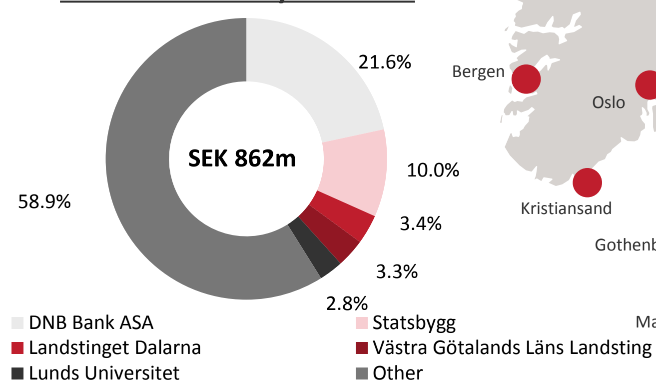
High demand

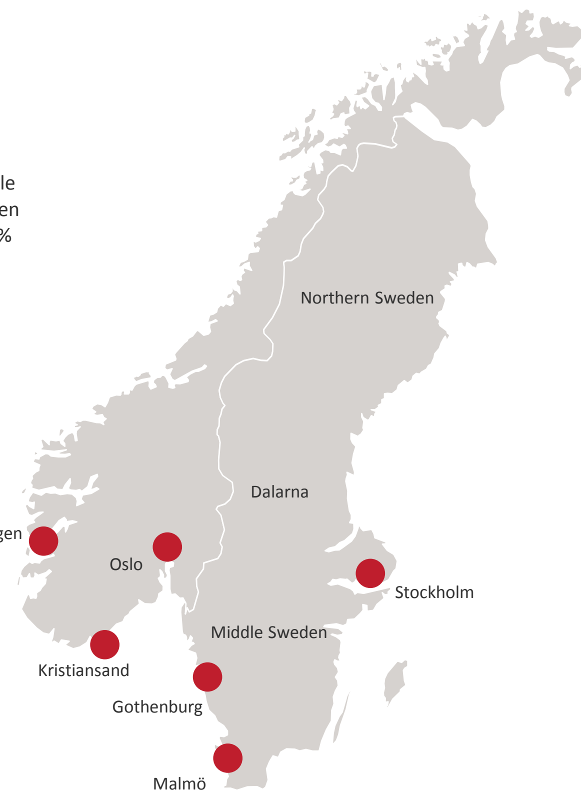
- Due to population growth and an aging population

Distribution by region



Distribution by tenant

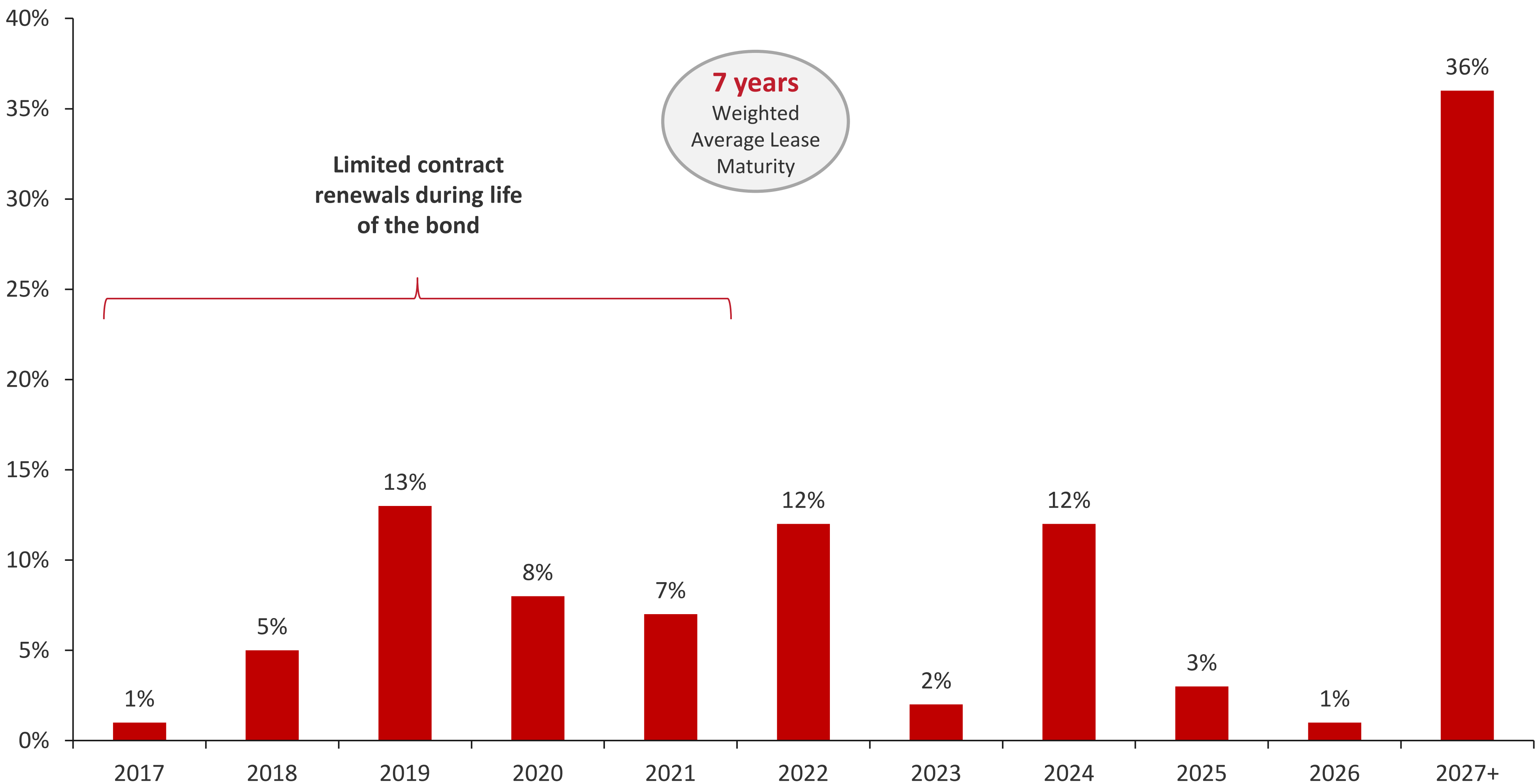




1) Rolling twelve months

COMMUNITY SERVICE PROPERTIES – LONG CONTRACTS WITH STABLE COUNTERPARTIES

Lease maturity structure



COMMUNITY SERVICE – SELECTED PROPERTIES

Oslo, Gullhaug Torg 4
Tenant is the Norwegian ministry of justice

Borlänge, Bordet 1
Tenant is Kunskapsskolan

Borlänge, Spännaren 10
Borlänge town hall, tenant is Borlänge municipality

Sollentuna, Estländaren 10
Tenant is Stockholm county council

Oskarshamn, Hälsan 22
Tenant is Kalmar county council

Borgholm, Öland 4 (LSS)
Tenant is Borgholm municipality

RESIDENTIAL PROPERTIES – LOW TENANT DEPENDENCY AND HIGH OCCUPANCY RATE

SEK 5.8bn	524,039 sqm	SEK 493m	SEK 246m	SEK 941	98%	4.4%
portfolio value	Lettable area	Rental income[1)]	NOI[1)]	Rental income / sqm	Occupancy rate	Yield[2)]

Cities with an underlying population growth

- Residential assets in growth cities implies low risk

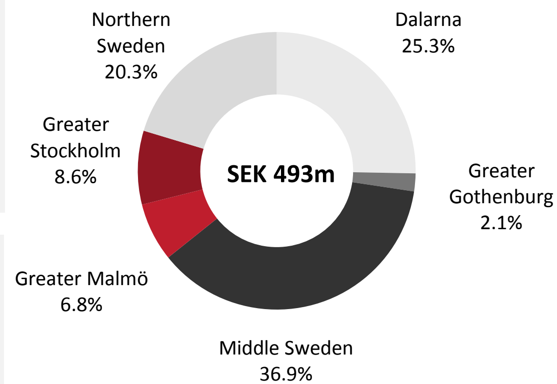
Low tenant dependency and high occupancy rate

- As a results of regulated rents on the Swedish housing market, there is a widespread shortage of housing
- The residential property portfolio has an economic occupancy rate of 98%

Value creation

- SBB also works actively and systematically with refurbishments to increase the attractiveness of its properties and to increase rental income

Distribution by region

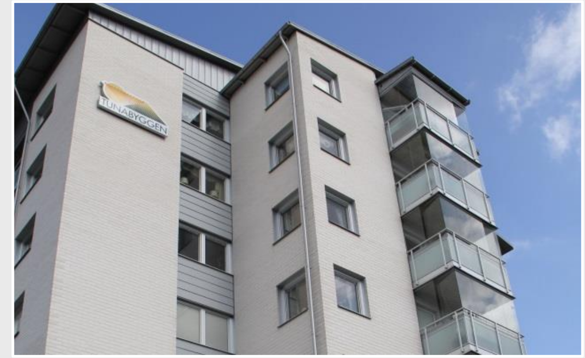


1) Rolling twelve months
2) Building rights of SEK 155m excluded in calculation

RESIDENTIAL – SELECTED PROPERTIES

Västervik, Fabrikanten 10-11

Karlstad, Letten 1,2,5 & 6



Borlänge, Lisshagen 4

Oskarshamn, Emmekalv 4:55

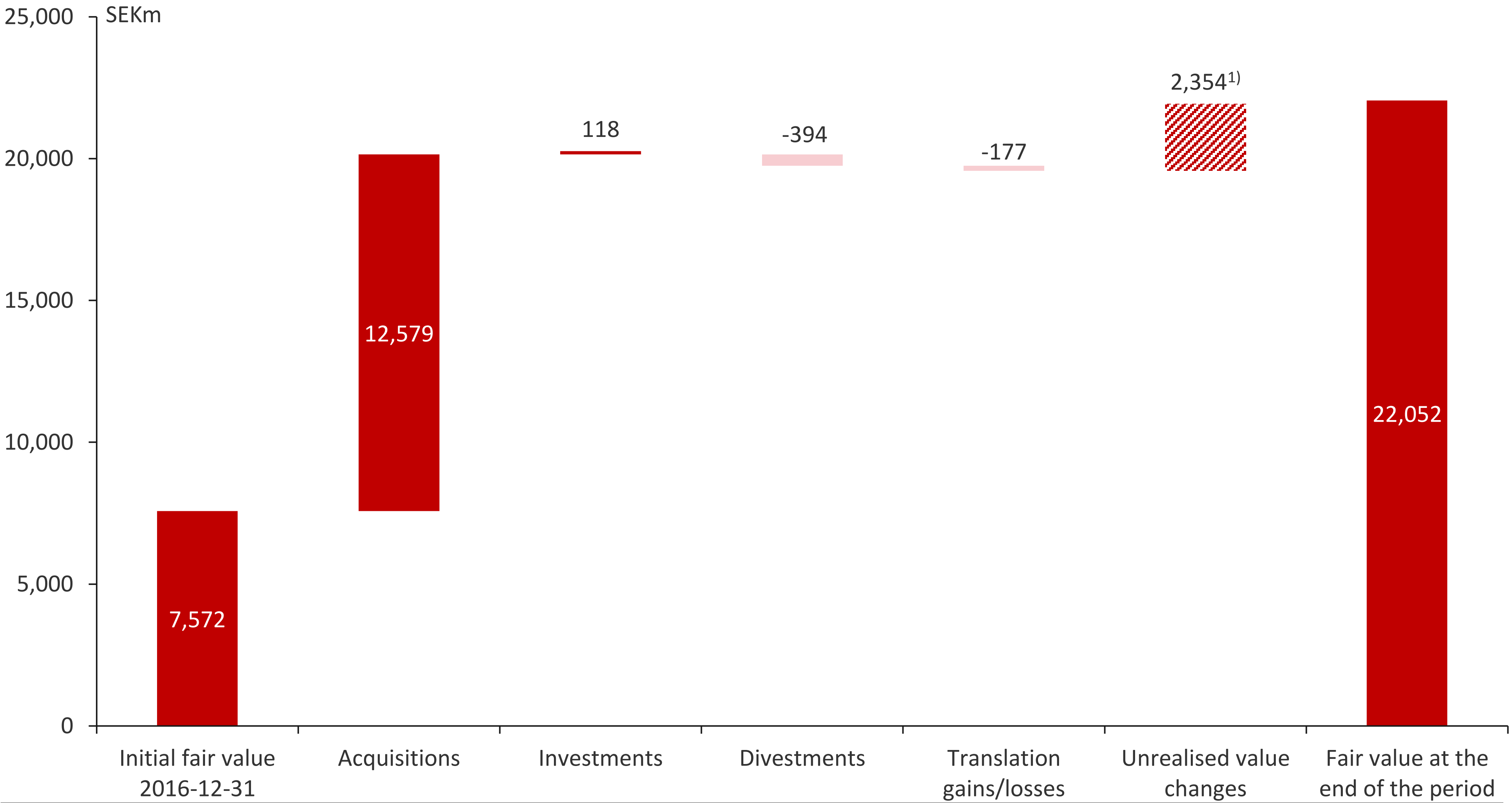
Ludvika, Oden 2

Skara, Yggdrasil 1 & 2

SBB

PROPERTY PORTFOLIO – MARKET VALUE DEVELOPMENT

Property portfolio development during the period



1) The unrealised change in value is calculated based on the value at the end of the period compared with the valuation at the beginning of the period or alternatively the acquisition value of the property acquired during the period with respect to capital expenditures. Building rights amounting to SEK 580m are included in the value. The yield in investments has been the same as in the portfolio as a whole throughout the period, i.e. 4.7%

AGENDA

MANAGEMENT

Management team

Ilija Batljan – ***CEO***

Previous experience: Deputy CEO and Head of Business Development at Rikshem AB 2011 – 2016

Education: Ph.D. in Social Work (demographics, health care and long term care for the elderly), Stockholm University. BA Economics, Stockholm University

20 years in industry

Krister Karlsson – ***Deputy CEO, Real Estate Manager***

Previous experience: Project and Property Development Manager at Rikshem AB 2011 -2016, long and extensive experience from positions within property and real estate: NCC, Rikshem and others

Education: Real estate economics (Royal Institute of technology, Stockholm and Uppsala University) , Law (Uppsala University)

29 years in industry

Eva Lotta Stridh – ***CFO***

Previous experience: Long and extensive experience from the real estate industry: Huge, Akelius, Rikshem, Oscar Properties. Previously CFO of Rikshem AB 2011-2014, Senior Consultant to various companies, Financial Manager of Oscar Properties 2015-2016

Education: BSc, Business Administration, Stockholm University

17 years in industry

Rosel Ragnarsson – ***Head of Finance***

Previous experience: Deputy CEO/Debt manager at AB SLL Interfinans, Senior Manager DCM and Treasury at Dexia Stockholm and several other positions within finance at Nordea, SBAB and Citibank

Education: BSc in Business Administration from Uppsala University

33 years in industry

Oscar Lekander – ***Head of Business Development***

Previous experience: Transaction Manager at Rikshem AB, Analyst NAI Svefa

Education: MSc Real Estate Investment and Finance, The University of Hong Kong, BSc, Real Estate and Finance Royal Institute of technology, Stockholm

7 years in industry

Joakim Bill – ***Transaction Manager***

Previous experience: Senior Business Developer at Rikshem AB, Analyst CBRE

Education: MSc in Real Estate and Construction Management, Royal Institute of technology, Stockholm

7 years in industry

Stefan Björkqvist – ***Head of Property Management***

Previous experience: Extensive experience in the real estate industry: CEO of Landic FM, responsible for Synerco Fastighetsförvaltning, Excecutive Vice President at DUFAB, co-founder of Hestia

Education: MSc in Civil Engineering, Royal Institute of technology, Stockholm

21 years in industry

Carl Lundh – ***Head of Project Development***

Previous experience: Head of Residential Development at Rikshem AB

Education: MSc in Real Estate and Construction Management, Royal Institute of Technology, Stockholm, MSc Business Administration, Stockholm University

5 years in industry

Pär-Ola Mannefred – ***Senior Advisor Com. Serv. Prop.***

Previous experience: Member of the Board and CEO in AB Högkullen since March, 2015. CEO in Residenset AB (until 2016)

Education: EMBA, Economics and Law, University of Gothenburg, School of Business, Economics and Law

14 years in industry

Sverker Eriksson – ***Communications Manager***

Previous experience: 30 years of experience from Public Affairs in Stockholm County. Previously at the Moderate Party in Stockholm, office director and campaign manager in 9 elections

Education: Internal/external courses in communication, crisis management and leadership

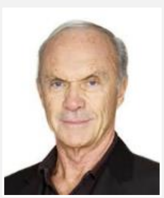
33 years in industry

BOARD OF DIRECTORS

Board of Directors

Lennart Schuss – ***Chairman of the board***
Experience: Founding partner of Catella Corporate Finance Sweden
Other significant assignments: Chairman of Gimmel Fastigheter AB, Member of the Genesta advisory board
Education: Master of Business Administration (MBA) degree from the Stockholm School of Economics (SSE)

Ilija Batljan – ***CEO, member of the board***
Experience: Founder and CEO of SBB**,** Deputy CEO and Head of Business Development at Rikshem AB 2011 -2016
Other significant assignments: Chairman of Cryptzone Group AB and Södertorns college, member of the board of Phoniro, Caretech, Teligent
Education: Ph.D. in Social Work (demographics, health care and long term care for the elderly), Stockholm University. BA Economics, Stockholm University



Sven-Olof Johansson – ***Member of the board***
Experience: Founder and CEO of FastPartner AB (publ)
Other significant assignments: CEO of FastPartner AB (publ), chairman in Compactor Fastigheter AB, board member of NCC AB (publ), Autoropa Aktiebolag and STC Interfinans AB
Education: Pol.mag. from Stockholm University and Stockholm School of Economics

Seth Lieberman – ***Member of the board***
Experience: +30 years of experience from real estate and finance
Other significant assignments: Chairman in Stendörren Fastigheter AB (publ), board member of Kvalitena AB (publ)
Education: BA in Economics from Tufts University, USA

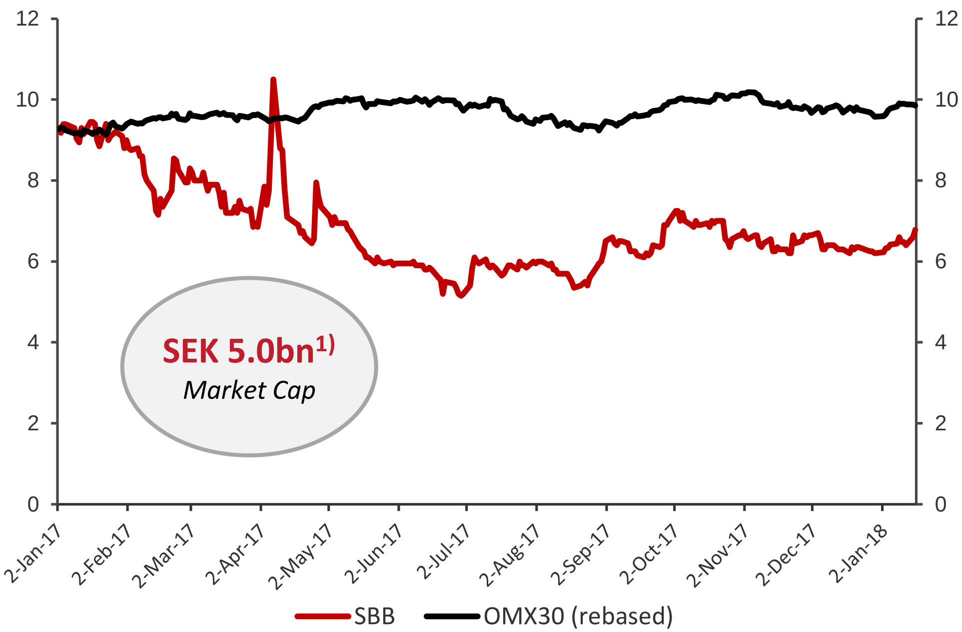
Hans Runesten – ***Member of the board***
Experience: Former CEO and current Chairman of Effnetplattformen AB (publ)
Other significant assignments: Chairman of Effnetplattformen AB (publ) and Axxonen Properties AB, board member of Stendörren Fastigheter AB (publ)
Education: Master of business Administration from Stockholm University

Eva Swartz Grimaldi – ***Member of the board***
Experience: Former CEO of Natur&Kultur and Meter Film&Television, and deputy CEO and content manager for TV4
Other significant assignments: Chairman of Doberman AB, Apotea AB and Norstedts förlagsgrupp, and member of the board of Stockholm University, Stockholm Consert Hall, Forget Foundation and Kungliga Patriotiska sällskapet
Education: Bachelor of science in Italian, Spanish and French

Anne-Grete Strøm-Erichsen – ***Member of the board***
Experience: Partner in Rud Pedersen Public Affairs Norge AS
Other significant assignments: Norwegian Minister of Defense 2005-2009, 2012-2013, Norwegian Minister of Health 2009-2012
Education: South Dakota School of Mines & Technology 1980-1981, further education in Statistics. Bachelor in Engineering from Bergen Technical School (University of Bergen) 1974

THE SBB SHARE

Share performance, SEK



Ownership[2)]

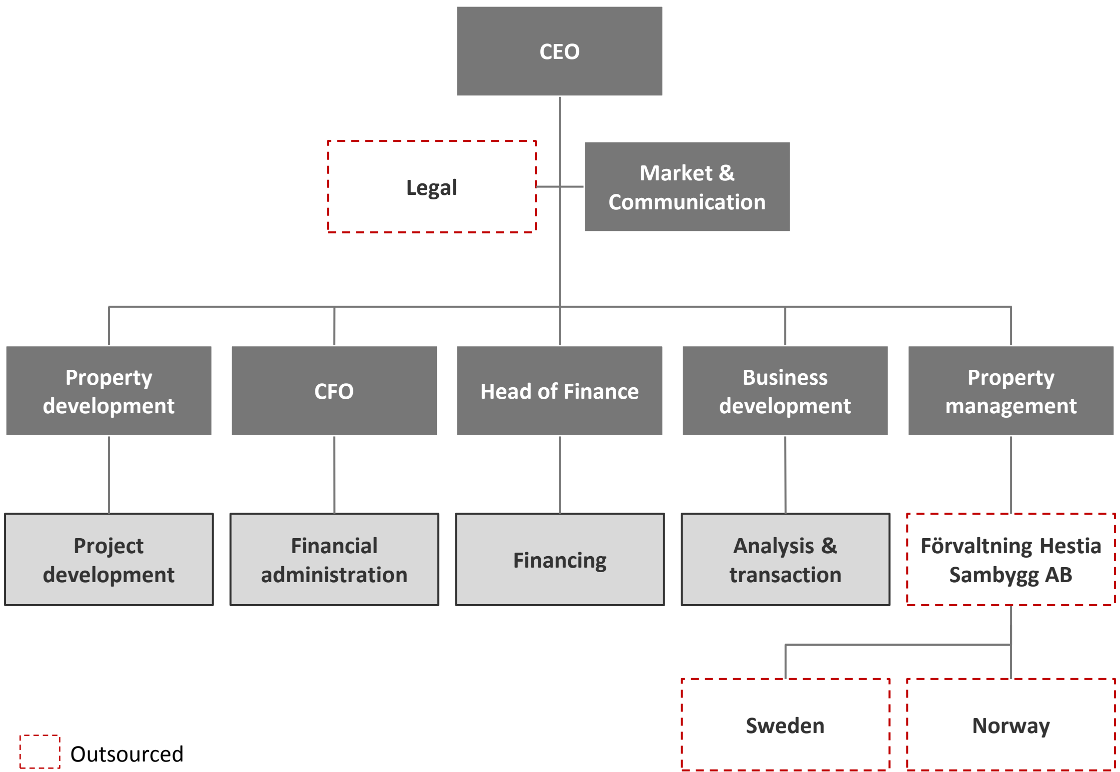
Owner	Votes %	Capital %
Ilija Batljan Invest AB[3)]	23.5%	8.6%
Kvalitena AB[2)]	17.1%	8.4%
Ilija Batljan (private and through companies)	16.9%	6.3%
Compactor Fastigheter AB[2)]	6.9%	5.6%
Backahill AB	4.6%	3.5%
Michael Cocozza	3.3%	2.6%
Meteva AS	3.1%	11.5%
Investmentaktiebolaget Cyclops	2.5%	1.2%
Assindia AB	1.9%	1.2%
AktFast Förvaltnings AB	1.9%	1.2%
Postens Pensionsstiftelse	1.6%	5.8%
Stiftelsen för Strategisk Forskning	1.6%	5.8%
HighHill Intressenter AB	1.5%	5.5%
Oscar Lekander	1.2%	0.5%
Krister Karlsson	1.2%	0.4%
Others	*11.2%*	*32.0%*
Total	**100.0%**	**100.0%**

- The largest shareholder as of 30 September 2017 was Ilija Batljan direct and indirect with 14.9 percent of the capital and 40.5 percent of the votes
- Registered shares of class B amounted to 520,352,056. In addition, the company has class A shares that amount to 217,596,975 and 299,170 preference shares
- The 15 largest shareholders control 68 percent of the capital and 88.8 percent of the votes[2)]
- As of 6 April 2017, the Company is officially trading under the name Samhällsbyggnadsbolaget i Norden AB (publ) with the ticker SBB B

1) As of 16 January 2018
2) As of 30 September 2017. On 13 November 2017 SBB announced that Kvalitena AB has decided to sell its shares in SBB. At the same time SBB announced that AB Arvid Svensson has increased its holdings to 6.3% of the capital and 10.4% of the votes making AB Arvid Svensson SBB's second largest shareholder. In addition, Compactor Fastigheter AB increased its shareholding to 6.4% of the capital and 9.1% of the votes
3) Controlled by Ilija Batljan

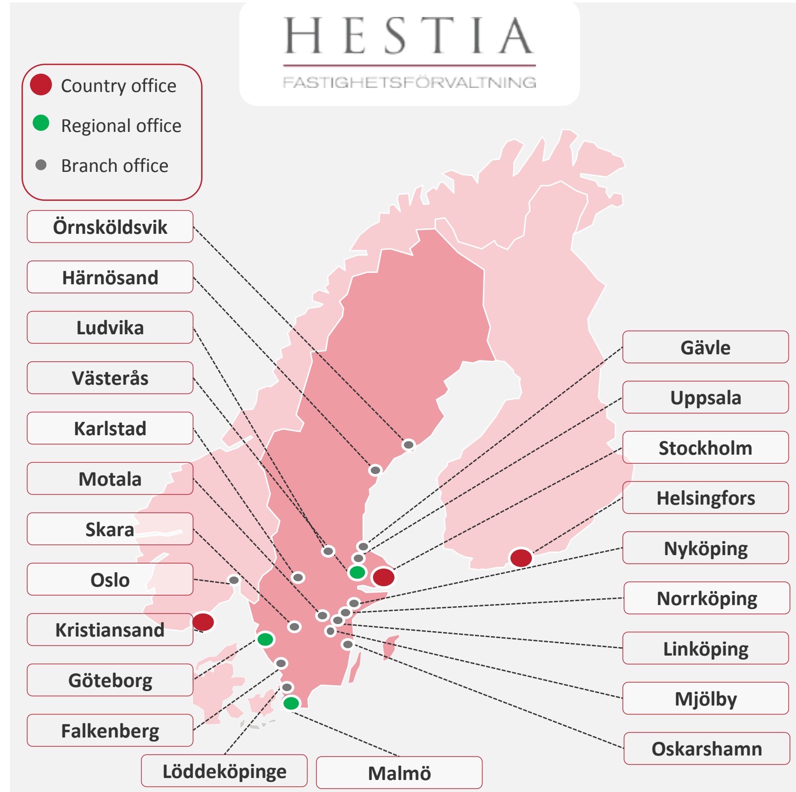
SCALABLE ORGANISATION FACILITATED BY EXTERNAL PROPERTY MANAGEMENT

The Company has a scalable organisation model



- In total SBB has 13 employees working with business development and management

External property management

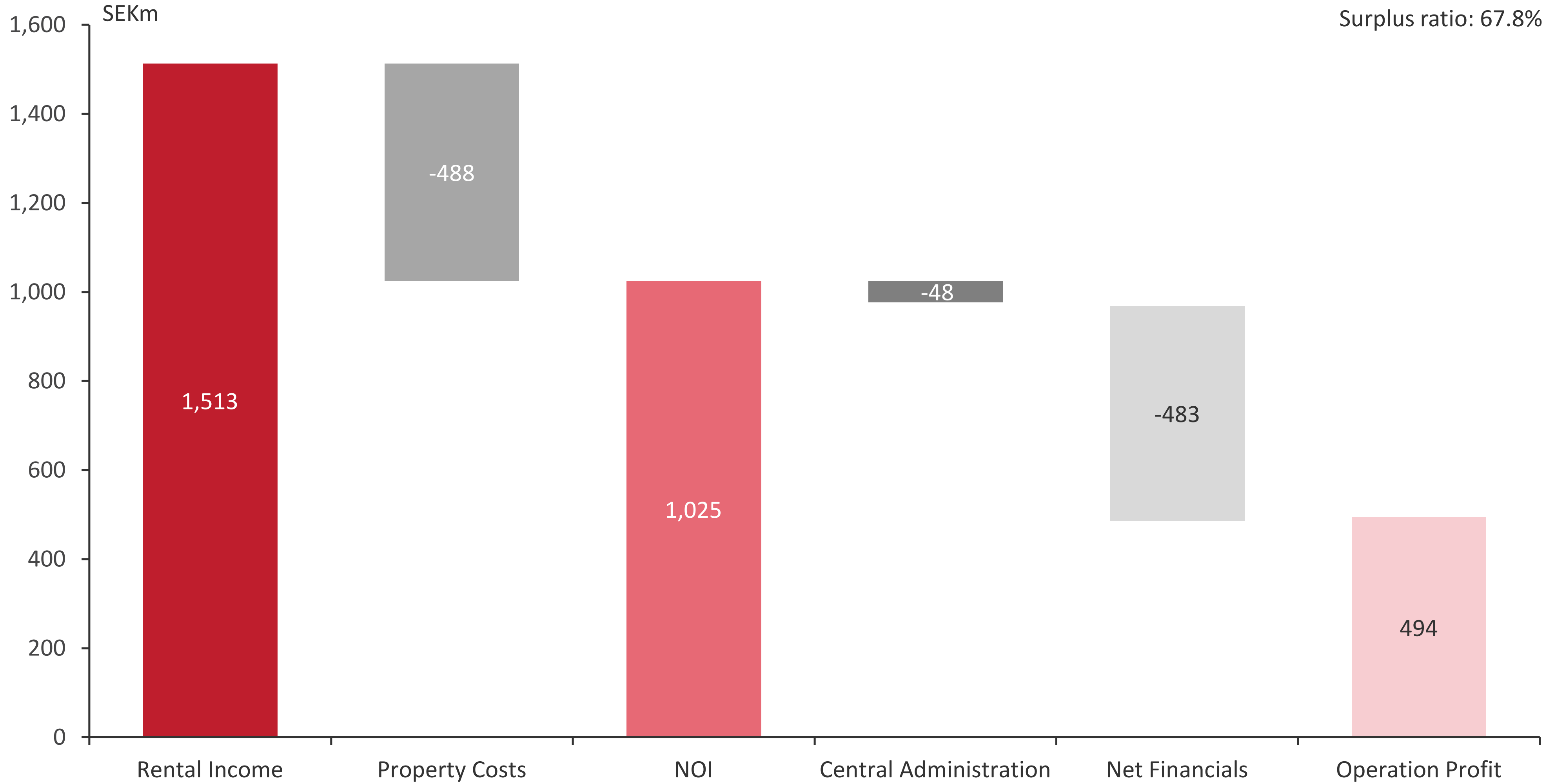


- Scalable organisation through external property management and economic administration, provided by Hestia Sambygg – central administration is capable of managing a portfolio of approximately twice the size of the current property portfolio

AGENDA

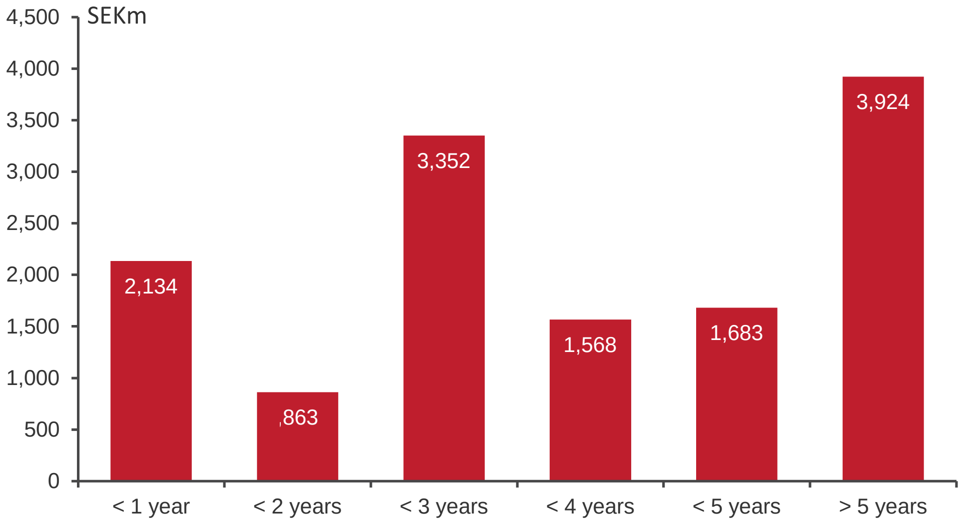
EARNINGS CAPACITY PROPERTY PORTFOLIO AS OF 30 SEPTEMBER 2017

Current earnings capability for the Group for 12 months



FUNDING OVERVIEW PROPERTY PORTFOLIO AS OF 30 SEPTEMBER 2017

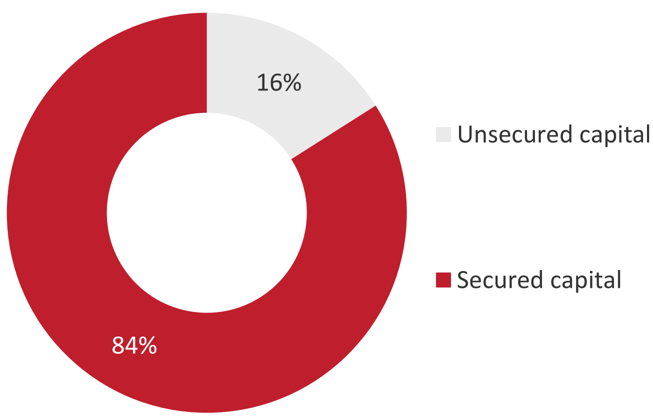
Debt maturity structure



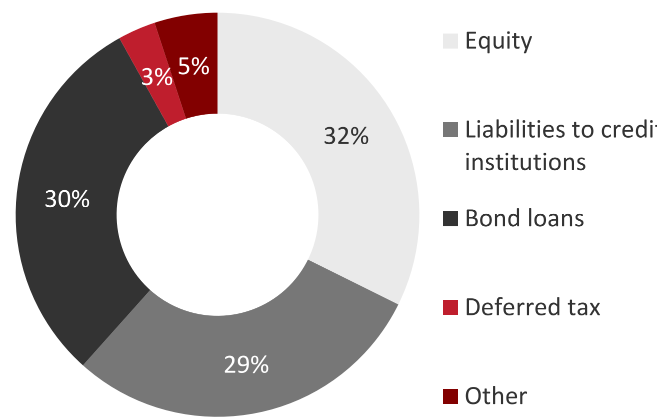
Comments

- SBB works actively with several funding sources in order to maintain a well diversified and effective capital structure
- Out of the SEK 2.1bn maturing within one year a large part has been refinanced since 30 September 2017
- Bank debt is provided by several banks to increase competition and funding availability while reducing the dependency and risk of a sole lender
- SBB´s subsidiaries have issued secured bonds as well as unsecured bonds in the capital market
- The average interest rate for external funding amounts to 3.46% and the average debt maturity was 4.7 years
- Loan-to-Value ratio is 61%[1)]

Financing structure



Capital structure



1) Excl. shareholder loans and convertible debentures

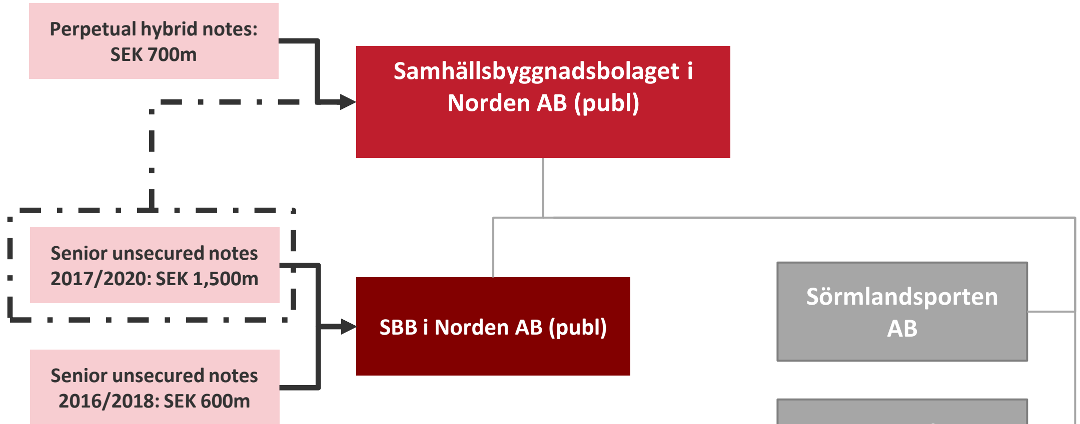
AGENDA

ILLUSTRATIVE COMPANY STRUCTURE OVERVIEW

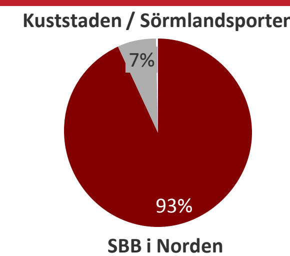
Comments

- SBB i Norden has instigated a written procedure in order to change the issuer from SBB i Norden to Samhällsbyggnadsbolaget i Norden AB (“**Issuer Change Event**”) under the SEK 1,500m senior unsecured notes, in accordance with the applicable terms and conditions. The reason is to simplify the structure and align the capital market financing to be in line with other sector peers
- The Issuer Change Event will not be executed until the 2016/2018 senior unsecured notes have been (a) redeemed in full by SBB i Norden on the final maturity date (23 June 2018) or (b) prior to the final maturity date have been repaid in full
- The required voting majority for the issuer change is 50% (quorum of 20%) and the final response date is 23 January 2018

Company structure (illustrative overview)



Distribution of Samhällsbyggnadsbolaget i Norden AB’s property portfolio



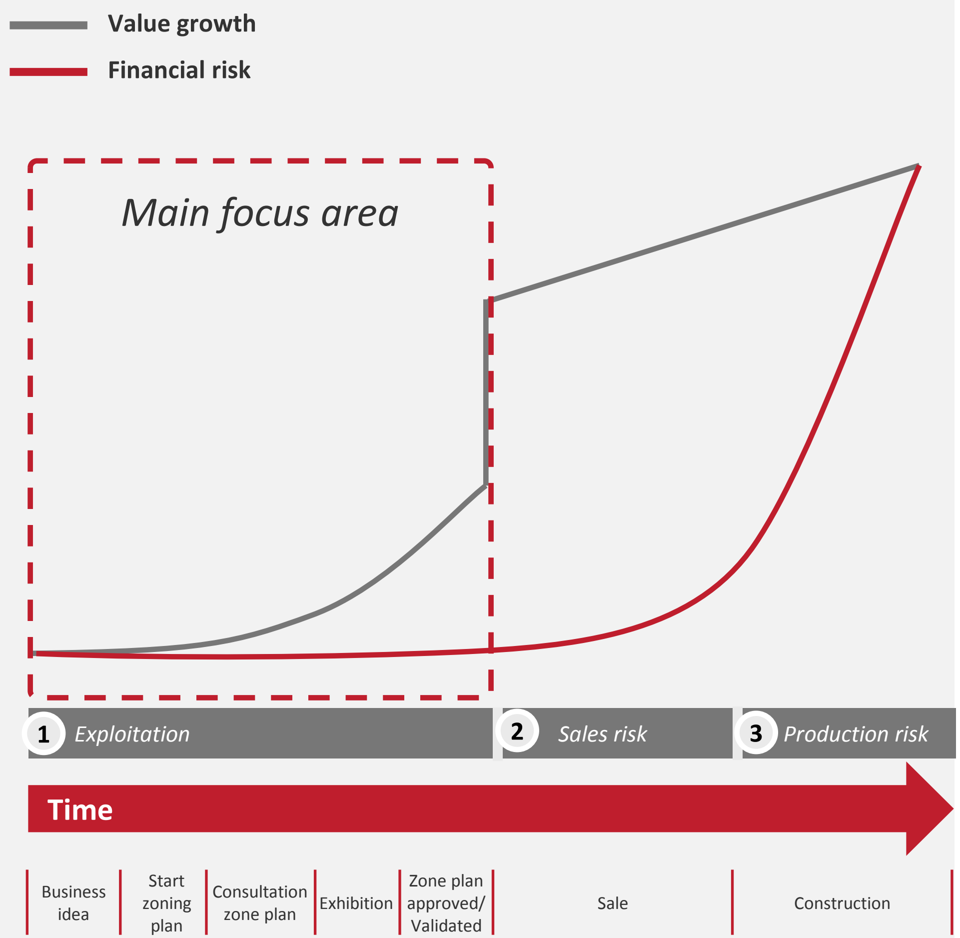
Oskarshamn, Emmekalv 4:55

Karlstad, Letten 1,2,5,6

AGENDA

DEVELOPMENT OF BUILDING RIGHTS

SBB's role in property development projects



Realised building rights

Two sales of building rights from the property Falkenberg Bacchus 1

Illustration from IM to potential apartment buyer

- 700 condominiums
- 58,000 sqm
- 100% of current building rights are sold
- February 2017- Sale event for the first 150 apartments with over 750 visitors

- 18,000 sqm sold to a local consortium where SBB owns 10%
- Sales price of SEK 70m
- SEK 3,900/sqm

- 40,000 sqm sold to a JV between SBB and the large and established project developer HSB
- Sales price of SEK 156m
- SEK 3,900/sqm

UNREALISED PROJECT DEVELOPMENT POTENTIAL

Current development portfolio (30 September 2017)

Municipality	Property	BTA Residential, sqm
Nyköping	Raspen 1, 2, 3	122,500
Nykvarn	Kaffebryggaren 1	27,000
Falun	Falun 9:22	100,000
Ulricehamn	Krämaren 4	7,000
Norrköping	Järven 4	21,800
Haninge	Kalsvik 11:9, 1:4	35,000
Haninge	Åby 1:67 i.a.	28,000
Nykvarn	Tillbringaren 2 i.a.	5,000
Oskarshamn	Hälsan 22	10,000
Pre start note for zoning plan		83,700
Total		**440,000**

- SBB had per 2017-09-30, 15 ongoing development projects with a total of 440,000 sqm GLA (taking into account signed but not closed transactions). The table above contains information regarding SBB's current planning projects along with estimated volumes
- A total of 23,000 sqm building rights were sold during the third quarter. The sales include 10,000 sqm GLA in Norrköping, sold to PEAB, and 13,000 sqm GLA in Falun, sold to Riksbyggen. The value of the sales amounts to approximately SEKm 80

Example projects

Västerhaninge (Haninge) — *Zoning plan process*

Västerhaninge centrum, Haninge

The area is located right by Västerhaninge station, a station for the Stockholm commuter train. The entire community centre is to be demolished to enable a new residential area of 110,000 sqm GLA with a mixture of shops and other services at street level.

Raspen 1, 2 & 3 (Nyköping) — *Zoning plan process*

Nöthagen, Nyköping

An urban development project of an existing industrial area in a very central location in Nyköping, right next to the new station for the high-speed railway Ostlänken. The project will enable the development of 155,000 sqm GLA residential property mixed and community service properties.

SBB never buys or owns raw land, but develops building rights from properties that are already cash flow generating and thus takes on minimal or no capex risk

INCOME STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT

Income statement, SEKm[1]	1 Jan – 30 Sep 2017
Rental income	954
Property expenses including property administration	-334
Net operating income	**620**
Central administration	-59
Profit before financial items	**561**
Net financial items	-311
Profit from property management	**250**
Changes in value of properties	2,387
Profit before tax	**2,637**
Tax	-590
Profit for the period	**2,048**

Balance sheet, SEKm[1]	30 September 2017
Investment properties	22,052
Other fixed assets	12
Total fixed assets	**22,064**
Financial assets	**269**
Current receivables	232
Cash & cash equivalents	101
Total current assets	**333**
Total assets	**22,665**
Equity	**7,339**
Long-term interest bearing liabilities	11,314
Other long-term liabilities	876
Short-term interest bearing liabilities	2,163
Other short-term liabilities	973
Total liabilities	**15,326**
Total equity and liabilities	**22,665**

Cash flow statement, SEKm	1 Jan – 30 Sep 2017
Cash flow from operations	**320**
Cash flow from investing activities	
Investments in properties [2]	-12,520
Disposals of properties	428
Investments in equipment	-7
Investments in associated companies/joint ventures	-23
Change in other long-term receivables	-87
Cash flow from investing activities	**-12,209**
Cash flow from financing activities	
Share Issue [2]	2,805
Hybrid Bond Issue	681
Paid dividend	-37
Acquired minority interests	315
Redeemed minority interests[2]	-171
New loans	10,378
Amortisation of loans	-1,794
Occupied debt to owners	74
Amortisation of debt to owners	-794
Change in other long-term liabilities	27
Cash flow from financing activities	**11,484**
Cash flow for the period	**-405**
Cash and cash equivalents at beginning of period	**506**
Cash and cash equivalents at end of period	**101**

1) Full balance sheet and income statement available in Q3 2017 report

2) The amount above also include share issue without contribution of cash. Investments in subsidiaries also includes investments made by direct share issue

AGENDA

Risk Factors

Investments in notes always entail a certain degree of risk and this is also the case for an investment in the Notes. A number of factors, both within the Company's control but also factors not controllable by the Company, affect, or could affect, the Company's profit, financial position and the Notes. Described below, in no particular order of importance and without claim to be exhaustive, are the risk factors and significant circumstances considered to be material to the Company's business and future development. The risk factors currently applicable, both general risks attributable to the Company's operations and risks linked directly to the Notes in their capacity of financial instruments, are described below. The intention is to describe risks that are linked to the Company's business and thus also the Company's ability to fulfil its obligations in accordance with the Terms and Conditions and the market risks associated with the Notes.

Before making a decision about acquisition of the Notes, any potential investors should carefully consider the risk factors described below, as well as any other provided information about the Company and the Notes. In addition, an investor must, alone or together with its financial and other advisers, engage in a general evaluation of external facts, other provided information and general information about the real estate market and real estate companies from its own perspective. An investor should have adequate knowledge to evaluate the risk factors as well as sufficient financial strength to bear these risks.

Additional risk factors that are not currently known or not currently considered to be material may also affect the Company's future operations, performance, result and financial position, and thus the Company's ability to fulfil its obligations in accordance with the Terms and Conditions.

All risk factors described below may potentially adversely affect the Company's operations, financial position and result. In turn this would affect the Company's ability to fulfil its obligations in accordance with the Terms and Conditions.

Risks relating to the Company and the Group

Macroeconomic factors
The real estate business is to a large extent affected by macroeconomic factors such as the general economic trend, regional economic development, employment rate development, production rate of new premises, changes of infrastructure, inflation and interest rates. The development of the economy is a material factor for supply and demand on the real estate market and accordingly affects vacancy and rental rates for the properties.

Expectations regarding the inflation affect the interest rate and therefore affect the Group's net financial income. The interest cost for debts to financial institutions is one of the Group's main cost items. In the long term, changes in the interest rate have a significant effect on the Company's and the Group's result and cash flow. Inflation also affects the Group's costs. In addition, changes in the interest rate and the inflation also affect the yield requirements and thus the market value of the properties.

A higher vacancy ratio and interest rates, increased costs and lower rents could have a materially adverse effect on the Group's operations, earnings and financial position.

Geographical risks
The supply and demand for properties and the return on property investments varies between different geographical markets and may develop differently within geographical markets. The Group has a diversified property portfolio with properties in different geographical markets, such as Oskarshamn, Ludvika, Norrköping, Linköping, Borlänge and Skaraborg. In addition, the Group has expanded its operations in Norway. Certain markets may be more sensitive to fluctuations in demand. If the demand for premises to lease declines in any or all of the geographical markets where properties are located, it could have a materially adverse effect on the Company's and the Group's operations, result and financial position.

Technical risks
Real estate investments involve technical risks. A technical risk can be described as the risk related to the technical operations of the properties, such as the risk of defects relating to the construction of the properties, other latent shortcomings or deficiencies, damages (for instance due to fire or other forces of nature) and environmental hazards. If any technical problems should occur, such occurrence may result in significantly increased costs for the properties which in turn could have a materially adverse effect on the Company's Group's financial position and results.

RISK FACTORS, CONT'D

Rental income and rental development
In the long term, rental income for commercial properties is affected by, *inter alia*, the supply and demand on the market. The Group's rental income will be affected by the vacancies of the properties, contracted rental levels and that the tenants pay their rents on time.

Decreased occupancy rates and rental rates will, regardless of reason, affect the Group's earnings negatively. The risk for great fluctuations in vacancies and loss of rental income increases, the more single large tenants a real estate company has. There is a risk that the Group's larger tenants do not renew or extend their lease agreements upon expiry, which in the long term could lead to a decrease in rental income and an increase in vacancies.

The Group is also dependent on that the tenants pay their rents on time. The Company's and the Group's earnings and cash flow could be impacted negatively if tenants stop their payments, or otherwise do not fulfil their obligations.

Operating and maintenance costs
Tenants leasing community service premises usually have a relatively extensive liability for operations and maintenance. Operating costs are mainly costs that are tariff-based, such as costs for electricity, cleaning, water and heating. Several of these goods and services can only be bought from one provider, which may also affect the price. When a cost increase is not compensated through regulation of the lease, or an increase in rent by renegotiation of the lease agreement, it could have a materially adverse effect on the Company's and the Group's financial position and results. In the event of vacancies, the Company's and the Group's result may be affected mainly by loss of revenue.

Maintenance costs include costs that are necessary in order to maintain the standard of the properties in the long term. The occurrence of unforeseen and extensive renovation needs on the properties could have a materially adverse effect on the Company's and the Group's earnings and cash flows.

Risks relating to the Issuer being dependent on cash flow from its subsidiaries
The Company is the ultimate parent company in the Group and does not conduct any business operations, but merely functions as a holding company for the operating business of the Group, with its business comprising of group management and group-wide functions. The Company's ability to make required payments of interest on its debts and funding is affected by the ability of its subsidiaries to transfer available cash resources to it. The transfer of funds to the Company from its subsidiaries may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiaries. Limitations or restrictions on the transfer of funds between companies within the Group may become more restrictive in the event that the Group experiences difficulties with respect to liquidity and its financial position, which may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Company under the Notes.

Dependency on members of management and other key personnel
The knowledge, experience and commitment of the Group's employees are important for the Group's future development. If the Group is unable to retain members of management and other key personnel, or recruit new members of management or other key personnel to replace people who leave the Group, it could have a materially adverse effect on the Company's and the Group's operations, financial position and results.

Transactions
The Group's property portfolios may vary over time and acquisition and sale of additional properties and property owning companies are a part of the Group's ordinary business and involve a degree of risk and uncertainty. This may lead to that attractive properties or property owning companies are disposed of whereas less attractive properties or property owning companies may be acquired. If attractive properties or property owning companies were to be disposed of or less attractive properties or property owning companies were to be acquired the market value of the Group's property portfolios could decrease which could have a materially adverse effect on the Company's and the Group's financial position and results.

Selling properties involves uncertainties regarding, *inter alia*, price and the ability to get provision for the properties. Further, the Group may be subject to claims due to the sale or the condition of the sold properties. If the Group is unable to get provision at favourable terms or if claims are directed at the Group, this may lead to delays in projects as well as increased and unexpected costs for the properties and transactions.

The willingness and ability to pay for properties that the Group wishes to sell are affected by several factors. The willingness to pay for properties is dependent on how well the properties are corresponding with the market demands, general price trends on the real estate market, as well as the supply, and cost of, other properties. The ability to pay for properties depends on the general wage trends, employment rate and other factors affecting the economy, such as the ability to make interest deductions and access to financing. These factors may affect potential buyers' willingness and ability to pay for the properties that the Group wishes to sell.

RISK FACTORS, CONT'D

The disposal of existing properties could also have a significant negative effect on the Group's cash flow if such properties are sold at a low price. If the properties are sold to a lower price than expected, this could have a materially adverse effect on the Company's and the Group's financial position and results.

Risks relating to acquisitions and company integration

The Group has and is continuously acquiring companies, whereby the Group is exposed to the risk of unexpectedly increased transaction costs or cancelled acquisitions, which could have a negative effect on the Group's financial position and results. Due to the high frequency of acquisitions the Group is exposed to integration risks, related to increased merging costs, organisational costs, risks related to the inability to retain key personnel and unexpected costs related to management of new tenants, unexpected environmental clean-up costs or costs related to unexpected real estate property condition. Such increased costs could have a materially adverse effect on the Company's and the Group's financial position and results.

Risks relating to developing and renovating projects

Developing new property as well as renovating existing properties or acquiring properties which are not fully vacant involves risks such as miscalculations of customer demand leading to unsold premises, unleased premises, lower profitability for the project and undesired tied-up capital on the balance sheet. If developing new property, renovating existing properties, the Group is unable to lease vacant properties it has acquired or it turns out less profitable than expected, premises remain unsold and the Group has undesired tied-up capital on the balance sheet, this could have a materially adverse effect on the Company's and the Group's financial position and results.

Risks relating to local plans and permits for new construction and re-construction

Property development projects (including new construction, re-construction of buildings or change of use) is subject to permits and decisions from authorities unless such are already in place. Such permits and decisions may not always be granted which can cause delays, increased costs and even jeopardise project realisation. Further, modified municipal planning may lead to local plans not being approved causing delays and increased costs pertaining to necessary restructuring of the project. If necessary permits or approvals are not obtained, cause delays, increase costs or even jeopardise the project's realisation, this could have a materially adverse effect on the Group's financial position and results.

Risks relating to insurances

The Group has insured its operations against usual losses and/or potential liability in relation to third party claims. Certain types of losses and/or damages are generally not covered by insurance policies due to such losses being considered as impossible to insure, for example losses resulting from the act of war, terrorism, professional liability or personal liability (the latter two their damages are caused by negligence, wilful misconduct or criminal acts). Further, most of the Group's insurances (i.e. the insured amounts) are limited by specified maximum amounts per claim, series of injuries and the specified insurance periods. In the event that a loss is not covered by the Group's insurance policies or that an incurred loss exceeds the maximum amount covered by the relevant insurance policy, or upon the occurrence of consequential loss, the Company's and the Group's business, financial position and results could be adversely affected.

Changes in value of properties

The Group's properties are reported at market value in the Group's consolidated balance sheet and with changes in value in the profit and loss account. Different factors may cause the Group to write down the fair value of its properties, which could have a materially adverse effect on the Group's result and financial position.

Such factors could both be property specific, such as rent levels, occupancy ratio and operative expenses, and market specific, such as macroeconomic effects, general economic trends, growth, unemployment levels, the rate of production of new premises, population growth, inflation and interest rates.

If the value of the properties decreases, causing the relevant Group Company to write down the value of them, it could result in a number of consequences, such as a breach of the covenants of the loans owed by the relevant Group Company from time to time could occur, which in turn could result in such loans being accelerated prior to maturity and consequently affecting the liquidity of the Group. A material decrease of the market value of the properties would also have a negative impact on the Group's possibilities to dispose of its properties without incurring losses, which in turn could have a materially adverse effect on the Company's and the Group's financial position and results.

Operational risk

Operational risk is the risk of incurring losses due to inadequate procedures and/or irregularities. Adequate internal control, administrative system adapted for the purposes, skills development and access to reliable valuation and risk models are a good basis for guaranteeing the operational safety. Deficiencies, inadequate procedures and/or irregularities in the operational security could have a materially adverse effect on the Company's and the Group's operations.

RISK FACTORS, CONT'D

Environmental risks

Property management includes environmental risks. According to Swedish legislation, the party that has conducted operations which have caused contamination is responsible for remediation of the contaminated property. If such party is not able to carry out or pay for the remediation of a contaminated property, the party who acquired the property and was aware of the contamination at the time of acquisition or ought to have detected it then shall be liable for remediation. If claims for remediation regarding any of the properties should be put forward to the Group, this could have a materially adverse effect on the Company's and the Group's financial position and results.

Property management and property development have an environmental impact. The Swedish Environmental Code (Sw. *Miljöbalken (1998:808)*) states that everyone who has conducted a business operation that has contributed to pollution, also has a responsibility for remediation of the property. If the responsible person cannot carry out or pay for the remediation of a polluted property, the person who has acquired the property is liable for remediation provided that the buyer at the time of the acquisition knew of or should have discovered the pollution. This means that claims, under certain conditions, may be raised against the Group for soil remediation or for remediation concerning presence or suspicion of pollution in soil, water areas or ground water, in order to put the property in a condition pursuant to the Swedish Environmental Code. Such claims could have a materially adverse effect on the Group's business, financial position and earnings. There is a risk that future environmental risks may affect the Company's and the Group's business or financial position adversely.

Furthermore, changed laws, regulations and requirements from authorities on the environmental area could result in increased costs for the Group with respect to sanitation or remediation regarding currently held or in the future acquired properties. Such changes could also result in increased costs or delays for the Group in order to be able to carry out the real estate development as desired.

Counterparty risk

The Group's current and potential customers may find themselves in situations, for example due to financial circumstances, where they cannot pay the agreed rent as it falls due or otherwise abstain from fulfilling their obligations. Further, new developments and renovation projects may be delayed due to suppliers not being able to deliver on time or contractors being unable to finish projects as planned. If the Group's counterparties are unable or unwilling to fulfil their obligations towards the Company or any other Group Company, it could have a materially adverse effect on the Company's and the Group's financial position and results.

In addition, counterparty risks within the Group's financial operations arise, *inter alia*, in the event of investment of excess liquidity, if derivatives are entered into and upon obtaining long-term and short-term credit agreements. If any counterpart risk arises it could have a materially adverse effect on the Company's and the Group's financial position and results.

Competition

The Group operates in a competitive industry. The Group's competitiveness is, amongst other things, dependent on its ability to predict future changes in the industry and to quickly adapt to current and future market needs. It may become necessary for the Group to make significant investments, restructuring operations or price reductions in order to adapt to new competition and the Group's competitors may have greater resources and capabilities to better withstand downturns in the market, compete more effectively, retain skilled personnel and react faster to changes in local markets. If the Group has to make significant investments, restructurings or price reductions due to increased competition, it could have a materially adverse effect on the Company's and the Group's financial position and results.

Liquidity risk

Liquidity risk is the risk that the liquid assets of the Company are not sufficient to meet its payment obligations at the maturity date or that the Company cannot dispose of securities at a fair price. The Company's payment obligations mainly consist of operating costs as well as interest on debts and amortisation.

The Company will be dependent on available liquidity in order to fulfil its obligations, making investments and paying interest and amortisation costs related to its financing. If the Company does not have sufficient liquidity to fulfil its obligations this could have a materially adverse effect on the Company's business, results of operations and financial position.

RISK FACTORS, CONT'D

Refinancing could turn out to be impossible or associated with heavily increased costs

Refinancing risk is the risk that financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the Notes or other debt owed by the Company or any other Group Company falls due and needs to be refinanced.

The Group's business is partly financed by externally provided capital. The bulk of the required capital for financing of both development of existing properties and future acquisitions is and will be provided by banks, credit institutions or other lenders.

There is a risk that lenders will not extend credits to the Group when the loans mature, that there are no alternative credit facilities available or that the credits will be provided at a significantly higher cost than presently. Further, certain loan agreements and note terms contain provisions which may limit the Company's and the Group's ability to incur new debt.

The Company is planning on renegotiating certain loan agreements with its creditors within the next 24-month period. Should the Company not receive equally or more material beneficial terms for such loans than its present terms, it could have a materially adverse effect on the Company's and the Group's financial position.

Covenants in credit agreements

If a Group Company is in breach of any of its covenants (e.g. financial covenants) in its loan agreements or note terms, it could lead to loans being accelerated, leading to immediate repayment or the creditor taking possession of security. Further, certain loan agreements and note terms contain cross-default provisions which could trigger the acceleration of other payment obligations within the Group. A breach of any covenant could have a materially adverse effect on the Company's and the Group's business, results of operations and financial position.

Change of control and ownership

Some of the Group's credit agreements and note terms contain change of control provisions that may be triggered by a change of control and/or ownership of the Company or another Group Company, whereby the creditor may have the right to accelerate the loan.

Should change of control provisions in the Group's credit agreements and/or note terms be triggered, which gives the creditor a right to accelerate the loan, it could have a materially adverse effect on the Company's and the Group's business, financial position and result.

Dividend restrictions

Some of the Group's credit arrangements and note terms contain provisions that restrict the possibility to pay dividends, *for example*, that Group Companies may not pay dividends if a certain debt/equity ratio cannot be ascertained after such payment. There is a risk that such provisions restrict the possibilities to move funds within the Group and thus impede the execution of scheduled renovations of properties. If the Group's properties may not be renovated as scheduled, this could have a materially adverse effect on the Company's and the Group's business, financial position and result.

Interest-rate risk

Other than equity, the Group's operations are mainly financed by notes issued by various Group Companies and by loans from credit institutions. Interest expenses are therefore one of the Group's main cost items. Interest rate risk is described as the risk that changes in interest rates affect the Group's interest expense. Interest expenses are mainly affected by, besides the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Company's strategy regarding interest rate fixation periods. The Swedish market for interest rates is mainly affected by the expected inflation rate and The Swedish National Bank's (Sw. *Riksbanken*) repurchase rate (Sw. *reporäntan*). The interest rate risk may lead to changes in the market value and cash flows as well as fluctuations in the Company's result.

For the majority of the Company's outstanding loans, the Company has no outstanding interest rate derivatives or other hedge arrangements other than fixed interest rates on its outstanding loans. Changed interest rates could have a materially adverse effect on the Company's business, financial position and results.

RISK FACTORS, CONT'D

Reputational risk

The Company is dependent on its good reputation. The Company's reputation is particularly important in relation to new and current tenants. As an example, operative problems or maintenance problems could damage the Company's reputation, which could lead to difficulties obtaining new or keeping current tenants. The Company may further be negatively exposed in public media, with a limited ability to anticipate or respond to such publications. Damage to the Company's reputation could lead to loss of income or loss of growth potential, which could have a materially adverse effect on the Company's and the Group's business, results of operations and financial position.

Legal risks

The Group's business is regulated by and must be conducted in accordance with several laws and regulations, (inter alia, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*), the Swedish Land Code (Sw. *Jordabalken (1970:994)*), the Swedish Environmental Code (Sw. *Miljöbalken (1998:808)*) and the Swedish Planning and Building Act (Sw. *plan- och bygglagen (2010:900)*)), detailed development plans, building standards, security regulations, etcetera. There is a risk that the Group's interpretation of applicable laws and regulations may be incorrect or may change in the future. The Company and other Group Companies may also be required to apply for various permits and registrations with municipalities and authorities in order to pursue property development. There is a risk that the Company or any other Group Company will not be granted necessary permits or other decisions for its business activities or that such permits or decisions are appealed, which may result in increased costs and delay in planned development of properties or otherwise have negative impact on the conduct and development of its business.

The Group operates part of its business in Norway, where Norwegian law applies on certain agreements and facilities. Similar legal risks may apply to the interpretation of Norwegian law, requirements for permits and registration in Norway and the general development of Norwegian law.
New laws or regulations, or changes concerning the application of existing laws or regulations that are applicable to the Group's business activities or the tenants' business activities could have a materially adverse effect on the Company's and the Group's business, financial position and earnings.

Tax risk factors

Tax due diligence has not been conducted in respect of all acquisitions made and in the tax due diligences conducted some tax issues have been excluded from the scope of the review. In the event that the historical tax position would be challenged this could lead to additional tax costs for the Group Companies should the tax risk not be covered by the guarantees provided in the share purchase agreements entered into. The value of the guarantees provided in the share purchase agreements is also dependent on the financial position of the sellers.

In the event that the Group's interpretation of tax laws, treaties and regulations or their applicability is incorrect, if one or more governmental authorities successfully make negative tax adjustments with regard to an entity of the Company or if the applicable laws, treaties, regulations or governmental interpretations thereof or administrative practice in relation thereto change, including with retroactive effect, the Company's past or current tax positions may be challenged. In the event tax authorities were to succeed with such claims, this could result in an increased tax cost, including tax surcharges and interest which could have a materially adverse effect on the Company's and the Group's business, financial position and earnings.

Since the laws, treaties and other regulations on taxation, as well as other fiscal charges, have historically been subject to frequent changes, further changes are expected in the future in the jurisdictions where the Group operates, possibly with a retroactive effect. Any such changes could have a materially adverse effect on the Group's tax burden, as well as a negative impact on the Company's and the Group's business, financial position and earnings.

Changes in Swedish tax law could increase the Group's tax burden or otherwise have a material adverse effect on the Company

On 30 March 2017, the Swedish government presented a proposed legislation, (Sw. *Paketeringsutredningen*, (SOU 2017:27)) that, if enacted, is likely to affect the future taxation of real estate investments. The proposal is the result of an investigation conducted by an appointed committee with the purpose to investigate the impact of the possibility to carry out tax exempt sales of "packaged" real estate, and, if deemed necessary, to propose new legislation counteract such transaction. The proposal includes that a change of control of a company where the assets predominately consist of real estate, will entail that the deferred tax liability related to the difference between tax residual value and market value on the property will be triggered and that the property is deemed to be re-acquired at market value. Further, it is proposed that indirect sales of properties are subject to stamp duty. The current stamp duty rate of 4.25% is proposed to be lowered to 2% for legal entities and it is further proposed that stamp duty shall also be triggered in respect of certain property formation procedures. The new legislation is proposed to enter into force on 1 July 2018. If the proposed legislation would be implemented in its current form, this could lead to tax payable upon the Company's future disposal of property owning companies. Considering the difference between the fair market value and tax residual value of the properties held by the Group, this could have a materially adverse effect on the Company's and the Group's business, financial position and earnings.

RISK FACTORS, CONT'D

On 20 June 2017, a memorandum, proposing new interest deduction limitation rules regarding both internal and external interests, was published by the Swedish Ministry of Finance (Sw. *Finansdepartementet*). The proposal contains two alternative general rules for limiting interest deductions in the corporate sector. A general limitation of interest deductions in the corporate sector is firstly proposed as an EBIT rule, where the cap for deduction of net interest expenses is calculated as 35% of tax EBIT and, secondarily, as an EBITDA rule, where the cap for deduction of net interest expenses is calculated as 25% of tax EBITDA. The proposal also includes a temporary limitation, of two or three years, concerning the possibility for legal entities to utilise previous year's tax losses, see further below. The rules are proposed to enter into force on 1 July 2018 and are to be applied for the first time in the fiscal year beginning after 30 June 2018. If the Company's net interest expenses, following any implementation of legislation based on the Swedish Ministry of Finance's proposal, represent a substantial portion in relation to its tax EBIT or tax EBITDA or any other additional restriction on the deductibility of interest expenses is introduced in Sweden, the Company's and Group's tax burden could increase. This could have a material adverse effect on the Company's and Group's business, financial condition and results of operations.

Further, the memorandum also suggested a lowered corporate income tax rate from 22% to 20%. It also suggests amended rules regulating depreciation deductions relating to tenement houses resulting in an additional deduction for depreciations of 10% of the expenses within a five-year period (i.e. 2% of the acquisition value per year) from completion of the house.

On 4 May 2017, the Norwegian Ministry of Finance published a consultation paper with similar content, proposing an extension of the existing interest deduction limitation rules to include external interest paid to an independent lender (external lender) for a borrowing company that is part of a group. Exceptions are proposed to prevent ordinary and real loans from being affected by interest deduction limitation. These exemptions are based upon two alternative balance-based exemption rules for companies in a group.

Since laws, treaties and other regulations on taxation, as well as other fiscal charges, tax surcharges and interest on unpaid taxes, historically have been subject to frequent changes, further changes are expected in the future in the jurisdictions where the Group operates, possibly with a retroactive effect. Any such changes could have a significant impact on the Company's tax burden, as well as a material adverse effect on the Company's business, financial condition and results of operations.

<u>Tax losses could be restricted or cancelled, either as a result of future changes in Swedish tax law or, under the current rules, as a result of a change of control, and the value of tax losses could decrease</u>

As a part of the memorandum published on 20 June 2017, the Swedish Ministry of Finance proposed that tax losses carried forward in a company may at a maximum, be utilised with 50% of the company's taxable profit. Tax losses, that are non-deductible, may be carried forward to subsequent years. These limitations are proposed to be in effect only during a certain period of two or three years in accordance with the following. As regards the EBIT rule, the limitations are proposed to apply to fiscal years beginning after 30 June 2018 and prior to 1 July 2020. As regards the EBITDA rule, the limitations are proposed to apply to fiscal years beginning after 30 June 2018 and prior to 1 July 2021. The proposed limitation applies regardless if a company has net interest expenses or not.

Tax losses may be restricted or forfeited either as a result of future changes in Swedish tax law or, under the current rules, as a result of a change of control where one, or several shareholders that own at least 5% of the votes together acquire shares, during a specific time frame, representing more than 50% of the votes. Such a change of control would forfeit historical tax loss carried forward, to the extent the losses exceed 200% of the acquisition cost for the decisive influence (under a special calculation where contributions and other transfers of value may reduce the purchase price in a certain manner). A forfeiture or restriction on the use of potential tax losses carried forward in the Group may have a significant impact on the Group's tax burden, including a potential imposition of tax surcharges and interest, and could have a material adverse effect on the Group's business, financial condition and results of operations.

No formal tax due diligence or detailed review has been carried out of Norwegian tax legislation with respect to the Company's business in Norway. Some of the abovementioned tax risks may however apply to the business in Norway.

<u>Accounting risks</u>

The Group is affected by current applicable accounting legislation and accounting principles. This means that the Group's accounting, financial reporting and internal control, in the future, may be affected and in need of adaption to new accounting principles and or changed application of such legislation. This could entail uncertainty regarding the Company's accounting, financial reporting and internal control and could also affect the Group's reported earnings, balance sheet and equity, which could have a materially adverse effect on the Company's and the Group's business, financial position and earnings.

<u>Disputes and litigation</u>

The Company faces the risk of litigation and other proceedings in relation to its business. The outcome of any litigation may expose the Company to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention. For example, the outcome of litigation and other proceedings may not correspond to the way the outcome is perceived by the market, and the Company's reputation may be impacted in a way which could have a materially adverse effect on its results of operations and financial position.

RISK FACTORS, CONT'D

Risks relating to the Notes

The value of the Notes depends on a number of economic, financial and political factors
The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in Sweden or elsewhere, including factors affecting capital markets generally and the exchange on which the Notes are traded.

Credit risks
Investors in the Notes are exposed to credit risk in relation to the Company. An investor's possibility to obtain payment in accordance with the Terms and Conditions is therefore dependent on the Company's ability to meet its payment obligations. The Company's financial position is affected by a number of factors, such as tenants being unable to fulfil their obligations to pay rent. An increase in credit risk may also cause the market to price the Notes with a higher risk premium, which could adversely affect the value of the Notes.

Currency risks
The Company will pay interest and the principal amount of the Notes in SEK (the lawful currency in Sweden). This will incur currency exchange risks if the investor's operations are mainly conducted in a different currency. A currency exchange risk involves a risk for significant currency exchange rate movements, including devaluation and revaluation, as well as the risk for implementation or amendments to existing currency regulations. A strengthening of the investor's base currency compared to the currency in which the placement is denominated decreases the value of the placement for the investor. Governments and authorities can implement currency controls or currency regulations that will have an impact on the currency exchange rate. The result could be that a Noteholder receives a lower rate of return, final payment or nominal amount than expected.

Refinancing risk
The Company may eventually be required to refinance certain or all of its outstanding debt, including the Notes. The ability to successfully refinance its debt is dependent on the conditions of the capital markets and its financial condition at such time. The Company's access to financing sources may not be available on favourable terms, or at all. The Company's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on the Noteholders' recovery under the Notes.

Interest-rate risks
The value of the Notes depends on several factors, one of the most significant over time being the level of market interest given that the Notes will carry a floating rate interest. Investments in the Notes involve a risk that the market value of the Notes may be adversely affected by changes in market interest rates.

Bankruptcy, structural subordination and similar events and risk of priority
The Company has, as part of its financing, incurred debts to credit institutions. Certain real estate and share certificates in the Company's real estate owning subsidiaries as well as certain intra-group loans and insurance policies have in connection therewith been pledged as security. Such secured loans normally constitute a preferential claim on the Company. The Company intends to continue seeking appropriate and profitable financing in which case further pledges, as part of such new loans, may be provided.

The Terms and Conditions of the Notes do not include any restriction on the ability of the Company or any Group Company to incur additional financial indebtedness (except that a Group Company may not enter into Market Loans that are secured or guaranteed by the Company or another Group Company) or grant security over any of its assets (other than indirectly by way of certain financial covenants). Further, the Terms and Conditions do not include a so called "negative pledge" undertaking and hence the Company may grant security to other lenders, including for the benefit of future holders of the Notes or for the benefit of other lenders to the Company or the Group. Such security would not necessarily secure the Notes.

The Company may thus retain, provide or renew security over certain of its current or future assets to secure, *inter alia*, bank loans, either via the Company itself or any other Group Company, with security interests normally constituting a preferential claim on the borrower. In addition, certain of the Group's operating companies may enter into financing arrangements which are guaranteed by the Company. No present or future subsidiary of the Company will guarantee the Company's obligations under the Notes.

RISK FACTORS, CONT'D

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among them and *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Company, except those obligations which are mandatorily preferred by law. This means that a Noteholder will normally receive payment after any prioritised creditors' receipt of payment in full in the event of the Company's liquidation, company reorganisation or bankruptcy. Every investor should be aware that by investing in the Notes, it risks losing the entire, or parts of, its investment in the event of the Company's liquidation, bankruptcy or company reorganisation.

The Company will rely upon receiving dividends from its subsidiaries, and is thus to a certain extent dependent upon receipt of sufficient income deriving from the operations of such subsidiaries. If such subsidiaries are incapable of distributing sufficient dividends to the Company, this could adversely affect the Company's ability to fulfil its obligations under the Terms and Conditions.

The Notes will constitute structurally subordinated liabilities of the Company's subsidiaries, meaning that creditors of claims against a subsidiary will be entitled to payment out of the assets of such subsidiary before the Company. The subsidiaries are legally separate entities and distinct from the Company, and have no obligation to settle or fulfil the Company's obligations, other than to the extent that follows from security agreements to which the subsidiaries are parties. In event of insolvency of a subsidiary, there is a risk that the Company and its assets are affected by actions of the creditors of a subsidiary. The insolvency of the subsidiaries may affect the financial position of the Company negatively, and have effects for the Company's ability to make payments under the Notes.

The Company's wholly owned subsidiary SBB i Norden AB (the "**Subsidiary**"), has prior to the Notes issued senior unsecured and guaranteed notes of up to a total maximum amount of SEK 600,000,000, with ISIN SE0009470115 and final maturity date 23 June 2018 (the "**2016 Notes**"). For as long as the 2016 Notes are outstanding the Notes will be structurally subordinated the 2016 Notes. Hence, the Noteholders of the Notes will be subordinated the noteholders of the 2016 Notes since such noteholders have a direct claim on the Subsidiary.

Further, the Subsidiary has prior to the Notes issued senior unsecured and guaranteed notes of up to a total maximum amount of SEK 1,500,000,000, with ISIN SE0009805468 and final maturity date 6 April 2020 (the "**2017 Notes**"). The Subsidiary has initiated a written procedure and the relevant noteholders have received a summons to such written procedure from the agent in order to vote for a change of issuer in accordance with the terms and conditions of the 2017 Notes. The Subsidiary is expecting to receive a consent from a requisite majority of the noteholders to such change of issuer as set out in the summons. The change of issuer will not be effective until the agent has received the relevant documents and evidence necessary and until the 2016 have been redeemed in full by the Subsidiary on 23 June 2018 or prior to such date have been repaid in full. Up until the date on which the change of issuer has been effective the Notes will be structurally subordinated the 2017 Notes. Hence, the Noteholders of the Notes will be subordinated the noteholders of the 2017 Notes since such noteholders have a direct claim on the Subsidiary.

Voluntary early redemption

Pursuant to the Terms and Conditions, the Company has a right to redeem the Notes at any time from and including the First Call Date to, but excluding, the Final Maturity Date at a price per Note equal to one-hundred-and-one (101) per cent. of the Nominal Amount together with accrued but unpaid interest. For a period of three months prior to the Final Maturity Date, the Company may redeem the Notes at a price per Note equal to one-hundred (100) per cent of the Nominal Amount together with accrued but unpaid interest, provided that the Notes are, in whole or in part, refinanced by the Company taking up a new Market Loan.

The right for the Company to redeem the Notes prior to the Final Maturity Date could affect the market value of the Notes. During a period when the Company is entitled to voluntarily redeem the Notes, the market value of the Notes will most likely not be significantly higher than the redemption price set out in the Terms and Conditions.

The Company could exercise its right to early redemption of the Notes when the market value of the Notes is higher than the relevant redemption price, which could affect the investor's possibilities to re-invest the repaid amount on the same terms as the terms of the redeemed Notes. The investor should thus contemplate the risks involved in a voluntary early redemption or for that matter, the absence of an expected voluntary redemption, in light of alternative investment options available.

Noteholder's put options

According to the Terms and Conditions, the Noteholders have the right to request prepayment of their Notes should certain events occur, such as a Listing Failure, Change of Control Event and a De-listing Event (each as defined in the Terms and Conditions). If a Noteholder wishes to exercise its put option following the occurrence of such an event, there is a risk that the Company will be exposed to an increased liquidity risk, i.e. the risk that the Company cannot fulfil its financial obligations due to a shortage of available cash or cash equivalent assets and that such financial obligations can only be fulfilled at a high financing cost or, in a worst-case scenario, not at all.

RISK FACTORS, CONT'D

Secondary market and liquidity risk

The Company will apply for listing of the Notes at Nasdaq Stockholm, or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market after the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) approves a prospectus for this purpose. However, there is a risk that the Notes will not be approved for trading. On 25 April 2017, the Swedish Securities Council (Sw. *Aktiemarknadsnämnden* ("**AMN**")) issued a statement (AMN 2017:16) which concluded that the Company's wholly-owned subsidiary, SBB i Norden AB (publ), had breached applicable take-over rules and good practices on the stock market. The reasons for the statement were that SBB i Norden AB (publ) acquired all outstanding ordinary shares in Aktiebolaget Högkullen ("**Högkullen**"), and thereby obtained control of Högkullen, without providing a bid of Högkullen's preference shares (at the time listed on Nasdaq First North). The Company subsequently provided a bid of the preference shares in Högkullen, substantially in accordance with applicable takeover rules. However, according to AMN's statement, such bid on the preference shares were to be made by SBB i Norden AB (publ), and not by the Company. The Company and SBB i Norden AB (publ) amended and clarified the take-over bid in compliance with AMN's statement without any further actions from AMN. As part of Nasdaq Stockholm's regular surveillance operations, the Company has received queries from Nasdaq Stockholm due to AMN's statement and the following administration of the take-over bid. However, no sanctions or further statements have been announced from either AMN or Nasdaq Stockholm since the publication of AMN 2017:16. Nevertheless, it cannot be ruled out that the Company receives further queries or any sanctions due to the administration of the take-over bid or any other actions initiated by Nasdaq Stockholm or AMN.

Further, if the Company fails to procure listing in time, investors holding Notes on an investment savings account (Sw. *ISK or IS-konto*) will no longer be able to hold the Notes on such account, thus affecting such investor's tax situation.

Even if the Notes are admitted to trading on a regulated market such as Nasdaq Stockholm, there may be a lack of demand for, and trade in, the Notes. This can result in investors being unable to sell their Notes at a desired time or to a return which is comparable to similar investments that have an existing and functioning secondary market. This lack of an efficient market place and a liquid secondary market may adversely affect the market value of the Notes.

Euroclear Sweden

The Notes are connected to Euroclear Sweden's account-based system, which means that no physical Notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of the principal amount of the Notes, will be performed within Euroclear Sweden's account-based system. The investors are therefore dependent on the functionality of Euroclear Sweden's account-based system. If, due to any obstacle for Euroclear Sweden, the Company cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Consequently, there is a risk that Noteholders receive payment under the Notes later than expected.

Meeting of Noteholders

The Terms and Conditions include certain conditions regarding the meeting of Noteholders. Such meetings may be held in order to resolve matters relating to, for example, the Noteholders' interests under the Notes. The Terms and Conditions allow for stated majorities to bind all Noteholders, including Noteholders who have not participated in or voted at the actual meeting in question or who have voted differently than the required majority, to decisions that have been taken at a duly convened and conducted Noteholders' meeting. Consequently, there is a risk that a Noteholder is bound by resolutions which negatively affect the value of the Notes even if the certain Noteholder did not vote in favour of such resolutions or did not participate in the meeting of Noteholders.

Noteholders representation

In accordance with the Terms and Conditions, the Agent represents all Noteholders in all matters relating to the Notes. Consequently, a Noteholder is not entitled to bring any actions against the Company relating to the Notes, unless such actions are supported by the required majority pursuant to the Terms and Conditions. However, this does not rule out the possibility that a Noteholder, in certain situations, could bring their own action against the Company, which may affect an acceleration of the Notes or other actions against the Company negatively. To enable the Agent to represent the Noteholders in court, the Noteholders may have to submit written powers of attorney for legal proceedings. If such power of attorney should not be submitted by all Noteholders, the enforcement of the Notes could be adversely affected. Under the Terms and Conditions, the Agent has the right in some cases to make decisions and take measures that bind all Noteholders.

Restrictions on the transferability of the Notes

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a Noteholder may not offer or sell the Notes in the United States. The Company has not undertaken to register the Notes under the U.S. Securities Act or any U.S. state securities laws or to affect any exchange offer for the Notes in the future. Furthermore, the Company has not registered the Notes under any other country's securities laws. Each potential investor should observe and obey the transfer restrictions that apply to the Notes. It is the Noteholder's obligation to ensure that the offers and sales of the Notes comply with all applicable securities laws. Due to these restrictions, there is a risk that a Noteholder cannot sell its Notes as desired.

RISK FACTORS, CONT'D

Conflicts of interest of the Joint Bookrunners

Nordea Bank AB and DNB Bank ASA, filial Sverige (the "**Joint Bookrunners**") may have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and/or the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or in relation to future engagements, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Ability to comply with the Terms and Conditions

The Company is required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Notes. Events beyond the Company's control, including changes in the economic and business conditions in which the Company operates, may affect the Company's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Notes, resulting in that the Company has to repay the Noteholders. It is possible that the Company will not have sufficient funds at the time of the repayment to make the required redemption of Notes.

Changes in legislation

The Terms and Conditions are based on Swedish law applicable at the date hereof. There is a risk that future amendments of legislation or new legislation or administrative practice, for example as described above in the risk factor "*Legal risks*", could adversely affect the Company's operations, result and financial position. This may in turn affect the Company's ability to make payments under the Notes.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.